



2021

## Semi-Annual Report

June 30, 2021

# Balanced Fund

ESTABLISHED 1931

TICKER: DODBX

## To Our Shareholders

The Dodge & Cox Balanced Fund had a total return of 16.7% for the six months ended June 30, 2021, compared to 8.3% for the Combined Index (a 60/40 blend of stocks and fixed income securities).

### Market Commentary

The U.S. equity market returned 15.3% for the first half of 2021, extending gains that began in March 2020 (when the World Health Organization declared COVID-19 a pandemic). In November, Pfizer and BioNTech announced they had successfully developed a COVID-19 vaccine, which boosted markets. During the first half of 2021, the successful rollout of COVID-19 vaccines, unprecedented fiscal and monetary stimulus, healthy consumer balance sheets, and tightening labor markets created optimism about U.S. economic growth and helped propel stock market returns. Cyclical sectors of the market that lagged in early 2020 (e.g., Energy, Financials, Industrials) have recently outperformed significantly. Since the end of 2020, long-term interest rates and commodity prices have risen, boosting the Financials and Energy sectors. Stock prices now reflect the market's expectations for a sustained, strong economic recovery.

Value stocks have outperformed growth stocks by 12 percentage points since last November, but they continue to trade at a large discount to growth stocks.<sup>a</sup> The Russell 1000 Growth Index trades at a lofty 31.5 times forward earnings compared to 17.9 times for the Russell 1000 Value Index, a historically wide valuation disparity. Many growth stocks are high-valuation technology companies with extreme valuations that reflect high expectations. We believe a number of these companies face significant challenges, including mounting competitive, technological, and regulatory threats. In addition, their valuations have benefited from lower interest rates and their perceived durability amid COVID-19, both of which could change going forward.

The U.S. investment-grade fixed income market returned -1.6% for the first six months of 2021,<sup>b</sup> largely due to price declines associated with rising Treasury yields. The Corporate sector performed well, driven by strong fundamentals and ongoing demand for yield from investors. Federal Reserve officials updated their forecast in June indicating plans for two rate hikes in 2023, a change from previous guidance of no increases that year. Policymakers have reiterated that the Fed will keep the federal funds rate near zero until the economy returns to full employment and inflation rises and stays above its 2% target for some time.

### Investment Strategy

We regularly assess the appropriate asset allocation for the Fund, which we set based on our long-term outlook for the Fund's equity, fixed income, and hybrid securities (e.g., preferred stock). While we build the portfolio on a bottom-up basis, we also determine the optimal allocation by modeling expected return and risk (or variability of return) for each broad asset class and Fund holding. Reflecting our more positive outlook for equities than fixed income, the Fund holds 66.2% in unhedged equities, 4.1% in hedged equities, 25.9% in fixed income securities, and 1.6% in hybrid securities (e.g., preferred stock).<sup>c</sup>

We also regularly estimate the Fund's "effective equity exposure" because common stock allocation is not always the best guide for measuring how the Fund's portfolio risk compares to its 60/40 benchmark. The Fund's equity positions, for example, are more pro-cyclical than the S&P 500 benchmark. The Fund also has equity risk from its preferred stock holdings and credit tilt within the bond portfolio. In an attempt to hedge unwanted equity risk, the Fund holds a short S&P 500 futures position with a notional value of approximately 4.1% of the Fund's total net assets. We are excited about the prospects for the equity portfolio, but less excited by the return prospects of the overall market (e.g., the S&P 500). In shorting equity index futures, we have been able to manage the overall equity exposure of the Fund while still maintaining idiosyncratic exposure to the companies we favor.

### Equity Strategy

The equity portfolio's composition is very different from the overall market, and trades at a meaningful discount to both the broad-based market and value universe: 13.9 times forward earnings compared to 22.3 times for the S&P 500 and 17.9 times for the R1000V. Stocks that benefit from rising interest rates are currently trading at particularly low relative valuations, and represent an area of emphasis for the portfolio. Even if interest rates do not rise, the portfolio is well positioned to benefit from valuation spreads returning to more historically normal levels. Moreover, the portfolio remains highly geared to an economic recovery, and we believe the U.S. economy is primed to grow. While concerns about COVID-19 variants could influence the trajectory of the recovery, we believe this is a manageable risk over our three- to five-year investment horizon.

Our disciplined, value-oriented approach—grounded in our extensive research, long-term investment horizon, and organizational independence—has led us to invest in out-of-favor companies with strong fundamentals during periods of uncertainty. During the first nine months of 2020, we shifted 11% of the portfolio into more depressed cyclical sectors, including Energy, Financials, and Information Technology Hardware. We largely funded those additions with trims from more defensive sectors, including Media, Pharmaceuticals, and Biotechnology.

Since November, however, we've taken largely reciprocal actions. We have trimmed more cyclical stocks as relative tradeoffs and value have recovered, and we have added to more defensive sectors based on company-specific opportunities. As the portfolio's holdings in the Energy and Financials sectors outperformed, we sold JPMorgan Chase and trimmed APA, Baker Hughes, Bank of America, Capital One Financial, Halliburton, and Truist Financial based on their increased valuations.<sup>d</sup> Despite these trims, the equity portfolio remains overweight Financials (25.5% compared to 11.3% of the S&P 500 and 20.8% of the R1000V). Many financial services companies have low relative valuations that stand to benefit from accelerating economic growth and higher interest rates. Meanwhile, the portfolio's Energy holdings (8.1% compared to 2.9% of the S&P 500 and 5.1% of the R1000V) trade at attractive valuations, generate high free cash flow relative to the market, are focused on returning capital to

shareholders, and should benefit from recovering demand for oil as economies reopen.

We recently added significantly to the portfolio's holdings in Health Care based on low relative valuations, attractive business models, and several company-specific opportunities. In the first half of 2021, our largest increases included Sanofi and Incyte within the Pharmaceuticals and Biotechnology industries, respectively.

### Sanofi

Based in France, Sanofi is a global pharmaceuticals company with leading positions in rare diseases, vaccines, over-the-counter consumer health products, and emerging markets. Faced with a variety of operational issues and low research and development (R&D) productivity, Sanofi's new management team has stopped funding R&D in the highly competitive primary care drug market, prioritized the more lucrative specialty pharma market, and launched an aggressive cost-cutting program to raise profit margins closer to peer levels. Recent results are encouraging, and we believe Dupixent—a blockbuster anti-inflammatory drug with multiple use cases—should drive substantial growth going forward. Longer term, we are encouraged by an expanding late-stage drug development pipeline with a number of compounds showing signs of initial clinical success. These positive changes do not yet seem to be appreciated by many investors, as evidenced by the company's below average valuation of 13.4 times forward earnings. On June 30, Sanofi was a 2.9% position in the equity portfolio.

### Incyte

Incyte is a U.S.-based biopharmaceutical company that discovers, develops, and commercializes proprietary therapeutics, largely focused on oncology. Since the equity portfolio invested in the company two years ago, Incyte has improved its R&D pipeline and launched three new products, which could collectively generate \$1 billion in sales annually. We believe Incyte offers an attractive investment opportunity. The company's reasonable valuation is supported by its main drug, Jakafi, which represents 83% of total revenues. And management continues to reinvest profits from the legacy product portfolio into the R&D pipeline. The team seeks to extend the Jakafi franchise beyond its patent expiry in 2027, and discover the next big drug to transform the company. Finally, Incyte could be an attractive acquisition candidate, given its growth prospects over the next decade, strong Jakafi franchise, and productive R&D organization. In addition, the company's strong corporate governance and representation of long-term investors on the board align its interests with those of other long-term shareholders like the Fund. Incyte was a 0.8% position in the equity portfolio at quarter end.

### Fixed Income Strategy

Fixed Income portfolio changes over the past six months were much less dramatic than during the "opportunity rich" climate of the first half of 2020. However, we made a number of incremental changes to fine tune and prune the portfolio.

### The Corporate Sector: Unique Opportunities Amid Compressed Spreads

As we assessed the risk/reward dynamic within the portfolio in the face of a significant narrowing of credit spreads,<sup>e</sup> we reduced the portfolio's credit exposure modestly. We made these reductions on an individual issuer basis, after careful consideration of fundamentals and valuations.

Despite reducing the portfolio's credit exposure generally, we have found unique opportunities in the tight overall spread environment. One set of corporate purchases includes what we refer to as "down in the capital structure" positions. Due to our stringent underwriting criteria and deep understanding of companies, we are comfortable purchasing bonds that are positioned at a subordinated level in the issuer's capital structure when fundamentals and valuations are appropriate. For example, we recently purchased senior unsecured bonds issued by T-Mobile U.S. and Charter Communications which have higher spreads than senior secured debt of the same companies.

### The Securitized Sector: Adding Liquidity and Incremental Yield

The portfolio's holdings in the Securitized sector consist predominantly of Agency MBS,<sup>f</sup> with a small weighting in primarily AAA-rated asset-backed securities (ABS). As a group, these securities offer the potential for attractive total-return cash flows in the front and intermediate parts of the yield curve. They can also play an important role in the fixed income portfolio because of their dependable liquidity and high credit quality.

In light of high valuations during the first half of the year, we reduced the portfolio's Agency MBS weighting primarily via outright sales of TBA (to-be-announced) securities, which are traded in a highly liquid market.

We continue to favor low coupon, low loan balance Agency MBS, which we believe offer attractive prepayment protection for two main reasons. First, given the low initial note rates of the mortgages underlying these MBS, attractive refinancing options for borrowers will likely be muted. Second, low loan balance borrowers may lack sufficient financial incentives needed to offset the upfront fixed costs of refinancing, adding additional prepayment protection to the portfolio's position.

### Defensive Duration: Mitigating the Risk of Rising Rates over Time

We extended the fixed income portfolio's duration<sup>g</sup> slightly during the first half of the year but maintained its below-benchmark duration position (5.3 years versus 6.6 years for the Bloomberg Barclays U.S. Agg as of June 30). This positioning reflects our view that long-term interest rates are more likely to overshoot current market expectations over our multi-year investment horizon than undershoot.

Although our expectations for interest rates are broadly similar to those expressed in the market, we believe there is a risk of both inflation and long-term rates moving higher than generally expected. This represents an asymmetric and unfavorable tradeoff for investors because of the meaningful duration risk and lack of yield cushion in the broad fixed income market. Given this view, we have positioned the portfolio with less exposure to the long end of the curve in order to

mitigate the effect of price declines that would stem from even a small rise in interest rates.

### In Closing

We remain optimistic about the long-term outlook for our value-oriented Fund. The equity portfolio is comprised mostly of companies with strong businesses that we believe would benefit from sustained economic growth. We believe the current wide valuation disparities between value and growth stocks could close significantly in coming years. Within the fixed income portfolio, we continue to seek opportunities to build yield through our bottom-up, research-driven investment approach. In addition, the Fund is broadly diversified with exposure to many different investment drivers. Thank you for your continued confidence in our firm. As always, we welcome your comments and questions.

For the Board of Trustees,



Charles F. Pohl,  
Chairman



Dana M. Emery,  
President

July 30, 2021

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- <sup>(a)</sup> Generally, stocks that have lower valuations are considered “value” stocks, while those with higher valuations are considered “growth” stocks.
  - <sup>(b)</sup> Sector returns as calculated and reported by Bloomberg.
  - <sup>(c)</sup> Unless otherwise specified, weightings for debt securities and hybrid securities include accrued interest and all weightings and characteristics are as of June 30, 2021.
  - <sup>(d)</sup> The use of specific examples does not imply that they are more or less attractive investments than the portfolio’s other holdings.
  - <sup>(e)</sup> Credit securities refer to corporate bonds and government-related securities, as classified by Bloomberg, as well as Rio Oil Finance Trust, an asset-backed security that we group as a credit investment.
  - <sup>(f)</sup> The U.S. Government does not guarantee the Fund’s shares, yield, or net asset value. The agency guarantee (by, for example, Ginnie Mae, Fannie Mae, or Freddie Mac) does not eliminate market risk.
  - <sup>(g)</sup> Duration is a measure of a bond’s (or a bond portfolio’s) price sensitivity to changes in interest rates.

## Year-to-Date Performance Review

The Fund outperformed the Combined Index by 8.4 percentage points year to date largely due to strong performance of the equity portfolio versus the S&P 500 Index. The Fund's lower allocation to fixed income and higher allocation to equities also had a positive impact on relative results.

### Equity Investments\*

- The portfolio's average overweight position and holdings in Financials (up 38% versus up 26% for the S&P 500 sector) added significantly to results. Capital One Financial, Wells Fargo, Charles Schwab, and MetLife were top contributors.
- A higher average weighting and strong returns from holdings in Energy (up 48% versus up 46% for the S&P 500 sector) contributed. Occidental Petroleum was a standout performer.
- Stock selection in the Information Technology sector was positive (holdings up 18% versus up 14% for the S&P 500 sector). Dell Technologies and HP Inc. were strong.

### Fixed Income Investments

- Security selection within credit was positive, led by energy-related issuers including Petrobras, Pemex, Occidental Petroleum, and Rio Oil Finance Trust.
- The portfolio's below-benchmark to U.S. Treasuries contributed to relative return.
- The portfolio's below-benchmark duration position (81%\*\* of the Bloomberg Barclays U.S. Agg's duration) contributed to relative returns.

\* Excludes the Fund's hybrid securities.

\*\* Denotes Fund positioning at the beginning of the period

## Key Characteristics of Dodge & Cox

### Independent Organization

Dodge & Cox is one of the largest privately owned investment managers in the world. We remain committed to independence, with a goal of providing the highest quality investment management service to our existing clients.

### Over 90 Years of Investment Experience

Dodge & Cox was founded in 1930. We have a stable and well-qualified team of investment professionals, most of whom have spent their entire careers at Dodge & Cox.

### Experienced Investment Team

The U.S. Equity Investment Committee, which is responsible for determining the asset allocation of the Balanced Fund and managing the equity portion of the Balanced Fund, is a nine-member committee with an average tenure at Dodge & Cox of 23 years. The U.S. Fixed Income Investment Committee, which is responsible for managing the debt portion of the Balanced Fund, is an eight-member committee with an average tenure of 22 years.

### One Business with a Single Research Office

Dodge & Cox manages equity (domestic, international, and global), fixed income (domestic and global), and balanced investments, operating from one office in San Francisco.

### Consistent Investment Approach

Our team decision-making process involves thorough, bottom-up fundamental analysis of each investment.

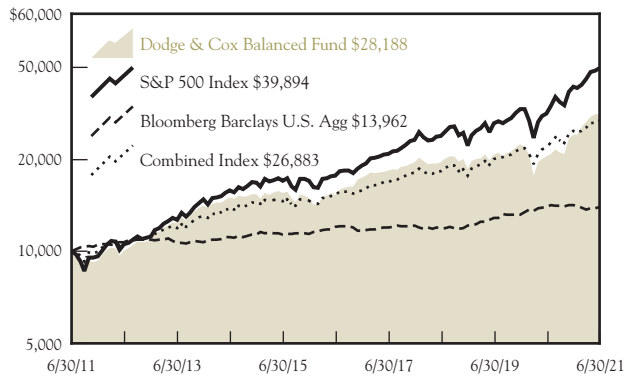
### Long-Term Focus and Low Expenses

We invest with a three- to five-year investment horizon, which has historically resulted in low turnover relative to our peers. We manage Funds that maintain low expense ratios.

**Risks: The Fund is subject to market risk, meaning holdings in the Fund may decline in value for extended periods due to the financial prospects of individual companies or due to general market and economic conditions. The Fund also invests in individual bonds whose yields and market values fluctuate, so that an investment may be worth more or less than its original cost. Debt securities are subject to interest rate risk, credit risk, and prepayment and call risk, all of which could have adverse effects on the value of the Fund. A low interest rate environment creates an elevated risk of future negative returns. Financial intermediaries may restrict their market making activities for certain debt securities, which may reduce the liquidity and increase the volatility of such securities. Please read the prospectus and summary prospectus for specific details regarding the Fund's risk profile.**

## Growth of \$10,000 Over 10 Years

For An Investment Made On June 30, 2011



### Average Annual Total Return

For Periods Ended June 30, 2021

	1 Year	5 Years	10 Years	20 Years
Dodge & Cox Balanced Fund	37.90%	12.98%	10.92%	8.31%
S&P 500 Index	40.79	17.65	14.84	8.61
Bloomberg Barclays U.S. Aggregate Bond Index	-0.33	3.03	3.39	4.56
Combined Index <sup>(a)</sup>	23.02	11.90	10.40	7.29

Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated. Performance is updated and published monthly. Visit the Fund's website at [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979 for current performance figures.

The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends and/or interest income but, unlike Fund returns, do not reflect fees or expenses.

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(a) The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500 Index, which is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market, and 40% of the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg), which is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities. The Fund may, however, invest up to 75% of its total assets in equity securities.

## Fund Expense Example

As a Fund shareholder, you incur ongoing Fund costs, including management fees and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The following example shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The example assumes a \$1,000 investment held for the six months indicated.

### Actual Expenses

The first line of the table below provides information about actual account values and expenses based on the Fund's actual returns. You may use the information in this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example For Comparison With Other Mutual Funds

Information on the second line of the table can help you compare ongoing costs of investing in the Fund with those of other mutual funds. This information may not be used to estimate the actual ending account balance or expenses you paid during the period. The hypothetical "Ending Account Value" is based on the actual expense ratio of the Fund and an assumed 5% annual rate of return before expenses (not the Fund's actual return). The amount under the heading "Expenses Paid During Period" shows the hypothetical expenses your account would have incurred under this scenario. You can compare this figure with the 5% hypothetical examples that appear in shareholder reports of other mutual funds.

Six Months Ended June 30, 2021	Beginning Account Value 1/1/2021	Ending Account Value 6/30/2021	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,166.80	\$2.85
Based on Hypothetical 5% Yearly Return	1,000.00	1,022.17	2.66

\* Expenses are equal to the Fund's annualized expense ratio of 0.53%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

The expenses shown in the table highlight ongoing costs only and do not reflect any transactional fees or account maintenance fees. Though other mutual funds may charge such fees, please note that the Fund does not charge transaction fees (e.g., redemption fees, sales loads) or universal account maintenance fees (e.g., small account fees).

<b>Asset Allocation</b>	<b>% of Net Assets</b>
Common Stocks <sup>(a)</sup>	69.2
Debt Securities	25.8
Preferred Stocks	1.6
Equity-Linked Notes	1.1
Net Cash & Other <sup>(b)</sup>	2.3

<b>Equity Sector Diversification (%)<sup>(c)</sup></b>	<b>% of Net Assets</b>
Financials	18.3
Health Care	14.3
Information Technology	13.5
Communication Services	11.2
Energy	5.8
Industrials	5.1
Consumer Discretionary	2.4
Consumer Staples	0.8
Materials	0.5

<b>Fixed Income Sector Diversification (%)</b>	<b>% of Net Assets</b>
Securitized	11.0
Corporate	8.6
U.S. Treasury	5.1
Government-Related	1.1

<sup>(a)</sup> The Fund holds a short S&P 500 futures position with a notional value of approximately -4.1% of the Fund's total net assets. This position is intended to reduce the exposure of the Fund's equity allocation to a general downturn in the equity markets, but if the S&P 500 index increases in value, the position will cause a loss for the Fund, which could be in addition to losses suffered in respect to its stock holdings.

<sup>(b)</sup> Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.

<sup>(c)</sup> Includes direct and synthetic equity investments.

**Common Stocks: 69.2%**

	Shares	Value	Shares	Value
<b>Communication Services: 10.5%</b>				
Media & Entertainment: 9.1%				
Alphabet, Inc., Class A <sup>(a)</sup>	9,700	\$ 23,685,363		
Alphabet, Inc., Class C <sup>(a)</sup>	140,395	351,874,797		
Charter Communications, Inc., Class A <sup>(a)</sup>	436,407	314,845,830		
Comcast Corp., Class A	6,391,248	364,428,961		
DISH Network Corp., Class A <sup>(a)</sup>	3,274,134	136,858,801		
Fox Corp., Class A	3,707,533	137,660,700		
Fox Corp., Class B	1,554,880	54,731,776		
News Corp., Class A	949,504	24,468,718		
		1,408,554,946		
Telecommunication Services: 1.4%				
T-Mobile U.S., Inc. <sup>(a)</sup>	1,471,761	213,155,146		
		1,621,710,092		
<b>Consumer Discretionary: 2.4%</b>				
Automobiles & Components: 1.1%				
Honda Motor Co., Ltd. ADR (Japan)	5,374,000	172,935,320		
Retailing: 1.3%				
Booking Holdings, Inc. <sup>(a)</sup>	50,000	109,404,500		
Qurate Retail, Inc., Series A <sup>(a)</sup>	3,204,750	41,950,177		
The Gap, Inc.	1,314,678	44,238,915		
		195,593,592		
		368,528,912		
<b>Consumer Staples: 0.8%</b>				
Food, Beverage & Tobacco: 0.8%				
Molson Coors Beverage Company, Class B <sup>(a)</sup>	2,398,314	128,765,478		
<b>Energy: 5.8%</b>				
APA Corp.	1,882,237	40,712,786		
Baker Hughes Co., Class A	4,660,200	106,578,774		
ConocoPhillips	1,577,324	96,059,032		
Halliburton Co.	1,054,334	24,376,202		
Hess Corp.	826,225	72,145,967		
Occidental Petroleum Corp.	8,369,714	261,720,957		
Occidental Petroleum Corp., Warrant <sup>(a)</sup>	1,381,001	19,209,724		
Schlumberger, Ltd. (Curacao/United States)	3,527,121	112,903,143		
The Williams Companies, Inc.	6,484,500	172,163,475		
		905,870,060		
<b>Financials: 16.7%</b>				
Banks: 4.8%				
Bank of America Corp.	5,186,100	213,822,903		
Truist Financial Corp.	1,249,684	69,357,462		
Wells Fargo & Co.	10,413,206	471,614,100		
		754,794,465		
Diversified Financials: 9.8%				
American Express Co.	576,300	95,222,049		
Bank of New York Mellon Corp.	5,023,300	257,343,659		
Capital One Financial Corp.	2,447,626	378,623,266		
Charles Schwab Corp.	5,557,200	404,619,732		
Goldman Sachs Group, Inc.	605,900	229,957,227		
State Street Corp.	1,814,900	149,329,972		
		1,515,095,905		
Insurance: 2.1%				
Aegon NV, NY Shs (Netherlands)	8,331,451	34,408,892		
Brighthouse Financial, Inc. <sup>(a)</sup>	834,318	37,994,842		
Lincoln National Corp.	562,577	\$ 35,352,339		
MetLife, Inc.	3,668,400	219,553,740		
		327,309,813		
		2,597,200,183		
<b>Health Care: 14.3%</b>				
Health Care Equipment & Services: 3.0%				
Cigna Corp.	996,265	236,184,543		
CVS Health Corp.	906,600	75,646,704		
Medtronic PLC (Ireland/United States)	302,300	37,524,499		
UnitedHealth Group, Inc.	300,472	120,321,008		
		469,676,754		
Pharmaceuticals, Biotechnology & Life Sciences: 11.3%				
Alnylam Pharmaceuticals, Inc. <sup>(a)</sup>	393,700	66,740,024		
BioMarin Pharmaceutical, Inc. <sup>(a)</sup>	1,199,700	100,102,968		
Bristol-Myers Squibb Co.	3,235,900	216,222,838		
Gilead Sciences, Inc.	2,465,480	169,772,953		
GlaxoSmithKline PLC ADR (United Kingdom)	8,033,350	319,887,997		
Incyte Corp. <sup>(a)</sup>	1,082,800	91,095,964		
Novartis AG ADR (Switzerland)	2,337,331	213,258,080		
Roche Holding AG ADR (Switzerland)	5,064,600	237,985,554		
Sanofi ADR (France)	6,241,365	328,670,281		
		1,743,736,659		
		2,213,413,413		
<b>Industrials: 5.1%</b>				
Capital Goods: 3.6%				
Carrier Global Corp.	1,605,500	78,027,300		
Johnson Controls International PLC (Ireland/United States)	2,964,314	203,440,870		
Otis Worldwide Corp.	448,800	36,698,376		
Raytheon Technologies Corp.	2,753,700	234,918,147		
		553,084,693		
Transportation: 1.5%				
FedEx Corp.	782,034	233,304,203		
		786,388,896		
<b>Information Technology: 13.1%</b>				
Semiconductors & Semiconductor Equipment: 0.9%				
Microchip Technology, Inc.	954,205	142,882,657		
Software & Services: 4.7%				
Cognizant Technology Solutions Corp., Class A	2,385,500	165,219,730		
Fiserv, Inc. <sup>(a)</sup>	2,469,600	263,975,544		
Micro Focus International PLC ADR (United Kingdom)	3,451,871	25,992,589		
Microsoft Corp.	639,200	173,159,280		
VMware, Inc., Class A <sup>(a)</sup>	637,700	102,012,869		
		730,360,012		
Technology, Hardware & Equipment: 7.5%				
Cisco Systems, Inc.	4,048,700	214,581,100		
Dell Technologies, Inc., Class C <sup>(a)</sup>	2,634,068	262,537,557		
Hewlett Packard Enterprise Co.	10,363,170	151,095,019		
HP Inc.	9,345,530	282,141,551		
Juniper Networks, Inc.	4,118,229	112,633,563		
TE Connectivity, Ltd. (Switzerland)	986,236	133,348,969		
		1,156,337,759		
		2,029,580,428		



**Common Stocks (continued)**

	Shares	Value
<b>Materials: 0.5%</b>		
Celanese Corp.	456,332	\$ 69,179,931
LyondellBasell Industries NV, Class A (Netherlands)	119,900	12,334,113
		<u>81,514,044</u>
<b>Total Common Stocks</b> (Cost \$6,269,227,195)		<b>\$10,732,971,506</b>

**Preferred Stocks: 1.6%**

	Par Value/ Shares	Value
<b>Financials: 1.6%</b>		
Banks: 1.6%		
Bank of America Corp. 6.10% <sup>(b)(c)</sup>	16,008,000	\$ 17,974,903
Bank of America Corp. 6.25% <sup>(b)(c)</sup>	8,170,000	9,038,063
Citigroup, Inc. 5.95% <sup>(b)(c)</sup>	5,175,000	5,440,762
Citigroup, Inc. 5.95% <sup>(b)(c)</sup>	48,477,000	53,055,653
Citigroup, Inc. 6.25% <sup>(b)(c)</sup>	45,886,000	53,616,414
JPMorgan Chase & Co. 6.10% <sup>(b)(c)</sup>	73,080,000	79,931,250
Wells Fargo & Co. 5.875% <sup>(b)(c)</sup>	27,987,000	31,342,921
		<u>250,399,966</u>
<b>Total Preferred Stocks</b> (Cost \$225,806,223)		<b>\$250,399,966</b>

**Debt Securities: 25.8%**

	Par Value	Value
<b>U.S. Treasury: 5.1%</b>		
U.S. Treasury Note/Bond		
0.625%, 8/15/30	\$ 90,886,000	\$ 84,673,089
1.375%, 8/15/50	22,000,000	18,546,172
1.125%, 8/15/40	13,000,000	11,184,063
1.625%, 11/15/50	23,625,000	21,218,203
0.875%, 11/15/30	154,670,000	147,081,503
0.375%, 12/31/25	31,210,000	30,618,717
0.375%, 1/31/26	3,775,000	3,699,353
1.125%, 2/15/31	55,725,000	54,096,785
0.50%, 2/28/26	152,600,000	150,287,156
0.25%, 3/15/24	117,630,000	117,161,317
0.75%, 4/30/26	151,000,000	150,233,204
0.75%, 5/31/26	4,505,000	4,479,308
0.875%, 6/30/26	1,625,000	1,624,238
		<u>794,903,108</u>

**Government-Related: 1.1%**

Agency: 0.6%		
Petroleo Brasileiro SA (Brazil)		
5.093%, 1/15/30	6,011,000	6,561,067
5.60%, 1/3/31	1,925,000	2,156,000
7.25%, 3/17/44	4,300,000	5,258,943
Petroleos Mexicanos (Mexico)		
6.875%, 8/4/26	8,775,000	9,590,197
6.50%, 3/13/27	18,400,000	19,421,200
6.625%, 6/15/35	9,425,000	9,102,194
6.375%, 1/23/45	20,125,000	17,307,500
6.75%, 9/21/47	11,625,000	10,288,125
6.35%, 2/12/48	12,058,000	10,275,828
6.95%, 1/28/60	3,367,000	2,979,458
		<u>92,940,512</u>

**Local Authority: 0.5%**

L.A. Unified School District GO		
5.75%, 7/1/34	3,000,000	4,051,053
New Jersey Turnpike Authority RB		
7.102%, 1/1/41	12,436,000	19,897,992

	Par Value	Value
State of California GO		
7.30%, 10/1/39	\$ 15,730,000	\$ 25,174,416
State of Illinois GO		
5.10%, 6/1/33	22,615,000	26,591,676
		<u>75,715,137</u>
		<u>168,655,649</u>

**Securitized: 11.0%**

Asset-Backed: 1.8%

Federal Agency: 0.0%

Small Business Admin. - 504 Program		
Series 2001-20G 1, 6.625%, 7/1/21	33,553	33,556
Series 2003-20J 1, 4.92%, 10/1/23	394,259	409,035
Series 2007-20F 1, 5.71%, 6/1/27	671,924	721,468
		<u>1,164,059</u>

**Other: 0.4%**

Rio Oil Finance Trust (Brazil)		
9.25%, 7/6/24 <sup>(d)</sup>	15,266,462	16,869,441
9.75%, 1/6/27 <sup>(d)</sup>	25,145,888	29,640,966
8.20%, 4/6/28 <sup>(d)</sup>	4,584,000	5,285,352
		<u>51,795,759</u>

**Student Loan: 1.4%**

Navient Student Loan Trust		
USD LIBOR 1-Month		
+0.55%, 0.70%, 2/25/70 <sup>(d)</sup>	20,719,075	20,741,854
+1.30%, 1.392%, 3/25/66 <sup>(d)</sup>	24,832,000	25,694,341
+0.80%, 0.892%, 7/26/66 <sup>(d)</sup>	6,704,570	6,759,636
+1.15%, 1.242%, 7/26/66 <sup>(d)</sup>	6,902,000	7,071,239
+1.05%, 1.142%, 12/27/66 <sup>(d)</sup>	5,548,953	5,640,861
+0.75%, 0.842%, 3/25/67 <sup>(d)</sup>	86,422,000	87,341,409
+1.00%, 1.092%, 2/27/68 <sup>(d)</sup>	4,337,000	4,443,788
+0.70%, 0.792%, 2/25/70 <sup>(d)</sup>	9,542,903	9,595,355
SLM Student Loan Trust		
USD LIBOR 3-Month		
+0.17%, 0.346%, 1/25/41	11,843,930	11,593,411
+0.55%, 0.726%, 10/25/64 <sup>(d)</sup>	26,802,194	26,736,992
SMB Private Education Loan Trust (Private Loans)		
Series 2018-B A2A, 3.60%, 1/15/37 <sup>(d)</sup>	14,504,861	15,354,540
		<u>220,973,426</u>
		<u>273,933,244</u>

**CMBS: 0.1%**

**Agency CMBS: 0.1%**

Fannie Mae Multifamily DUS		
Pool AL8144, 2.63%, 10/1/22 <sup>(e)</sup>	450,519	450,778
Pool AL9086, 2.30%, 7/1/23 <sup>(e)</sup>	353,266	363,631
Freddie Mac Multifamily Interest Only		
Series K055 X1, 1.493%, 3/25/26 <sup>(e)</sup>	10,296,543	573,399
Series K056 X1, 1.395%, 5/25/26 <sup>(e)</sup>	4,516,784	235,534
Series K064 X1, 0.74%, 3/25/27 <sup>(e)</sup>	9,397,164	294,890
Series K065 X1, 0.811%, 4/25/27 <sup>(e)</sup>	43,693,955	1,543,231
Series K066 X1, 0.887%, 6/25/27 <sup>(e)</sup>	37,462,312	1,488,640
Series K069 X1, 0.49%, 9/25/27 <sup>(e)</sup>	233,029,894	5,022,843
Series K090 X1, 0.852%, 2/25/29 <sup>(e)</sup>	180,515,549	9,157,499
		<u>19,130,445</u>
		<u>19,130,445</u>

**Mortgage-Related: 9.1%**

**Federal Agency CMO & REMIC: 1.9%**

Dept. of Veterans Affairs		
Series 1995-1 1, 6.122%, 2/15/25 <sup>(e)</sup>	113,622	122,566

## Debt Securities (continued)

	Par Value	Value		Par Value	Value
Series 1995-2C 3A, 8.793%, 6/15/25	\$ 40,014	\$ 45,073	6.50%, 12/1/28 - 8/1/39	\$ 8,772,641	\$ 10,226,644
Series 2002-1 2J, 6.50%, 8/15/31	3,880,716	4,352,244	5.50%, 7/1/33 - 8/1/37	5,470,255	6,334,368
Fannie Mae			6.00%, 9/1/36 - 8/1/37	7,913,425	9,351,038
Trust 2002-33 A1, 7.00%, 6/25/32	1,018,939	1,186,032	7.00%, 8/1/37	222,321	266,317
Trust 2009-30 AG, 6.50%, 5/25/39	862,273	1,015,831	4.50%, 3/1/40	881,197	983,052
Trust 2009-66 ET, 6.00%, 5/25/39	327,473	343,941	3.50%, 4/1/48	4,862,114	5,139,901
Trust 2001-T7 A1, 7.50%, 2/25/41	744,929	884,427	5.00%, 12/1/48 - 3/1/49	7,731,547	8,500,501
Trust 2001-T5 A3, 7.50%, 6/19/41 <sup>(e)</sup>	366,943	432,123	2.50%, 6/1/50 - 10/1/50	178,236,029	185,620,731
Trust 2001-T4 A1, 7.50%, 7/25/41	776,718	929,408	2.00%, 9/1/50 - 12/1/50	114,456,271	115,996,171
Trust 2001-T8 A1, 7.50%, 7/25/41	725,813	861,575	Fannie Mae, 40 Year		
Trust 2001-W3 A, 7.00%, 9/25/41 <sup>(e)</sup>	467,785	514,721	4.50%, 6/1/56	22,124,056	24,775,449
Trust 2001-T10 A2, 7.50%, 12/25/41	495,886	570,434	Fannie Mae, Hybrid ARM		
Trust 2013-106 MA, 4.00%, 2/25/42	5,518,213	5,961,354	2.316%, 9/1/34 <sup>(e)</sup>	307,216	311,153
Trust 2002-W6 2A1, 7.00%, 6/25/42 <sup>(e)</sup>	790,707	872,915	1.697%, 12/1/34 <sup>(e)</sup>	404,222	407,436
Trust 2002-W8 A2, 7.00%, 6/25/42	1,090,379	1,307,513	1.95%, 1/1/35 <sup>(e)</sup>	438,694	453,366
Trust 2003-W2 1A2, 7.00%, 7/25/42	715,735	857,285	1.781%, 1/1/35 <sup>(e)</sup>	573,325	595,299
Trust 2003-W2 1A1, 6.50%, 7/25/42	1,754,162	2,046,235	2.047%, 8/1/35 <sup>(e)</sup>	278,887	280,824
Trust 2003-W4 4A, 6.082%, 10/25/42 <sup>(e)</sup>	839,057	962,764	2.009%, 5/1/37 <sup>(e)</sup>	549,481	551,841
Trust 2012-121 NB, 7.00%, 11/25/42	1,011,465	1,222,282	2.795%, 7/1/39 <sup>(e)</sup>	176,228	176,178
Trust 2004-T1 1A2, 6.50%, 1/25/44	736,161	859,797	2.28%, 11/1/40 <sup>(e)</sup>	189,296	191,888
Trust 2004-W2 5A, 7.50%, 3/25/44	1,263,773	1,472,053	2.23%, 12/1/40 <sup>(e)</sup>	1,584,304	1,670,568
Trust 2004-W8 3A, 7.50%, 6/25/44	212,401	253,208	2.017%, 11/1/43 <sup>(e)</sup>	1,418,781	1,478,771
Trust 2005-W4 1A2, 6.50%, 8/25/45	2,286,149	2,666,354	1.915%, 4/1/44 <sup>(e)</sup>	3,073,023	3,195,168
Trust 2009-11 MP, 7.00%, 3/25/49	2,173,762	2,642,884	2.703%, 11/1/44 <sup>(e)</sup>	4,471,660	4,656,044
USD LIBOR 1-Month			2.822%, 12/1/44 <sup>(e)</sup>	3,369,230	3,509,841
+0.55%, 0.642%, 9/25/43	3,691,029	3,746,796	2.859%, 9/1/45 <sup>(e)</sup>	874,201	916,627
Freddie Mac			2.744%, 12/1/45 <sup>(e)</sup>	3,062,459	3,198,645
Series 16 PK, 7.00%, 8/25/23	273,931	286,290	2.671%, 1/1/46 - 8/1/47 <sup>(e)</sup>	12,248,169	12,810,334
Series T-48 1A4, 5.538%, 7/25/33	17,406,819	20,147,870	2.956%, 4/1/46 <sup>(e)</sup>	3,178,084	3,323,718
Series T-51 1A, 6.50%, 9/25/43 <sup>(e)</sup>	125,282	154,432	2.532%, 12/1/46 <sup>(e)</sup>	5,545,016	5,786,086
Series T-59 1A1, 6.50%, 10/25/43	5,980,515	6,980,785	3.142%, 6/1/47 <sup>(e)</sup>	3,113,638	3,248,568
Series 4281 BC, 4.50%, 12/15/43 <sup>(e)</sup>	20,737,049	23,309,636	3.039%, 7/1/47 <sup>(e)</sup>	5,353,301	5,577,727
USD LIBOR 1-Month			3.31%, 1/1/49 <sup>(e)</sup>	3,004,957	3,140,299
+0.61%, 0.683%, 9/15/43	8,387,574	8,489,137	Freddie Mac, Hybrid ARM		
Ginnie Mae			2.211%, 5/1/34 <sup>(e)</sup>	449,745	458,984
USD LIBOR 1-Month			2.375%, 10/1/35 <sup>(e)</sup>	1,034,543	1,102,961
+0.62%, 0.727%, 9/20/64	2,827,483	2,858,313	1.766%, 4/1/37 <sup>(e)</sup>	837,403	878,983
+0.70%, 0.807%, 1/20/70	25,768,041	26,404,602	2.325%, 9/1/37 <sup>(e)</sup>	684,295	724,180
+0.65%, 0.757%, 1/20/70	30,509,113	31,184,008	2.339%, 1/1/38 <sup>(e)</sup>	152,079	152,248
USD LIBOR 12-Month			2.44%, 2/1/38 <sup>(e)</sup>	960,459	1,024,729
+0.30%, 0.634%, 1/20/67	19,595,136	19,567,119	2.676%, 7/1/38 <sup>(e)</sup>	89,248	94,926
+0.23%, 0.663%, 10/20/67	18,430,033	18,349,860	2.169%, 10/1/38 <sup>(e)</sup>	315,190	317,575
+0.23%, 0.663%, 10/20/67	10,850,722	10,805,269	3.036%, 10/1/41 <sup>(e)</sup>	381,545	402,642
+0.06%, 0.402%, 12/20/67	26,633,887	26,332,309	2.38%, 8/1/42 <sup>(e)</sup>	914,709	965,555
+0.08%, 0.361%, 5/20/68	6,404,209	6,323,560	1.896%, 5/1/44 <sup>(e)</sup>	3,292,181	3,421,891
+0.25%, 0.789%, 6/20/68	21,654,011	21,570,898	1.86%, 5/1/44 <sup>(e)</sup>	703,795	731,152
+0.28%, 0.591%, 11/20/68	27,453,558	27,396,174	1.865%, 6/1/44 <sup>(e)</sup>	958,305	995,449
+0.25%, 0.584%, 12/20/68	2,953,373	2,942,749	2.905%, 6/1/44 <sup>(e)</sup>	1,132,691	1,177,693
		289,232,826	2.791%, 1/1/45 <sup>(e)</sup>	4,225,805	4,403,629
			2.71%, 10/1/45 <sup>(e)</sup>	2,697,097	2,800,590
			2.833%, 10/1/45 <sup>(e)</sup>	2,706,929	2,832,697
			3.27%, 7/1/47 <sup>(e)</sup>	3,842,264	4,017,760
			3.249%, 1/1/49 <sup>(e)</sup>	11,212,540	11,709,708
			3.738%, 3/1/49 <sup>(e)</sup>	2,531,770	2,645,760
			Freddie Mac Gold, 15 Year		
			4.50%, 9/1/24 - 9/1/26	1,736,312	1,827,094
			Freddie Mac Gold, 20 Year		
			6.50%, 10/1/26	1,334,979	1,495,143
			4.50%, 4/1/31 - 6/1/31	4,275,123	4,663,821
			Freddie Mac Gold, 30 Year		
			7.47%, 3/17/23	13,237	13,297
			6.50%, 12/1/32 - 4/1/33	2,677,926	3,110,264
			7.00%, 11/1/37 - 9/1/38	2,333,026	2,746,781
			5.50%, 12/1/37	219,626	254,058

## Debt Securities (continued)

	Par Value	Value		Par Value	Value
6.00%, 2/1/39	\$ 688,794	\$ 799,609	4.05%, 11/21/39	\$ 10,550,000	\$ 12,253,040
4.50%, 9/1/41 - 6/1/42	17,955,783	19,971,287	Anheuser-Busch InBev SA/NV (Belgium)		
Freddie Mac Pool, 30 Year			5.55%, 1/23/49	7,950,000	10,929,986
2.50%, 6/1/50 - 2/1/51	170,540,479	177,946,397	AT&T, Inc.		
2.00%, 9/1/50	101,737,648	103,098,328	3.50%, 9/15/53 <sup>(d)</sup>	39,285,000	39,468,482
Ginnie Mae, 30 Year			3.65%, 9/15/59 <sup>(d)</sup>	6,687,000	6,781,277
7.50%, 11/15/24 - 10/15/25	157,589	167,320	Bayer AG (Germany)		
UMBS TBA, 30 Year			4.25%, 12/15/25 <sup>(d)</sup>	6,600,000	7,354,687
2.50%, 9/1/50	252,707,000	260,445,899	4.375%, 12/15/28 <sup>(d)</sup>	10,100,000	11,571,148
		1,120,411,107	British American Tobacco PLC (United Kingdom)		
		1,409,643,933	2.259%, 3/25/28	2,725,000	2,704,559
		1,702,707,622	2.726%, 3/25/31	5,415,000	5,346,106
<b>Corporate: 8.6%</b>			3.734%, 9/25/40	1,100,000	1,074,823
Financials: 2.7%			3.984%, 9/25/50	3,525,000	3,433,135
Bank of America Corp.			Burlington Northern Santa Fe LLC <sup>(f)</sup>		
3.004%, 12/20/23 <sup>(c)</sup>	15,589,000	16,155,631	5.72%, 1/15/24	1,490,802	1,586,410
4.20%, 8/26/24	5,825,000	6,385,570	5.629%, 4/1/24	4,059,319	4,318,030
4.45%, 3/3/26	3,970,000	4,509,105	5.342%, 4/1/24	2,327,561	2,466,350
4.25%, 10/22/26	2,970,000	3,353,616	Cemex SAB de CV (Mexico)		
4.183%, 11/25/27	7,925,000	8,879,149	7.375%, 6/5/27 <sup>(d)</sup>	5,000,000	5,644,000
Barclays PLC (United Kingdom)			5.20%, 9/17/30 <sup>(d)</sup>	6,400,000	7,037,440
4.375%, 9/11/24	18,275,000	19,945,059	3.875%, 7/11/31 <sup>(d)</sup>	7,050,000	7,166,325
4.836%, 5/9/28	4,525,000	5,086,935	Charter Communications, Inc.		
BNP Paribas SA (France)			4.50%, 6/1/33 <sup>(d)</sup>	4,000,000	4,093,040
4.25%, 10/15/24	25,200,000	27,899,863	6.55%, 5/1/37	11,000,000	14,984,538
4.375%, 9/28/25 <sup>(d)</sup>	8,223,000	9,099,004	6.75%, 6/15/39	6,160,000	8,575,434
4.625%, 3/13/27 <sup>(d)</sup>	9,775,000	11,030,766	6.484%, 10/23/45	29,977,000	41,283,774
Boston Properties, Inc.			5.75%, 4/1/48	3,700,000	4,709,141
3.80%, 2/1/24	5,000,000	5,350,842	Cigna Corp.		
3.65%, 2/1/26	4,450,000	4,903,396	7.875%, 5/15/27	17,587,000	23,588,690
3.25%, 1/30/31	5,850,000	6,264,434	Coca-Cola Co.		
Capital One Financial Corp.			3.45%, 3/25/30	6,400,000	7,206,854
3.50%, 6/15/23	3,449,000	3,646,723	Cox Enterprises, Inc.		
4.20%, 10/29/25	10,175,000	11,362,257	3.85%, 2/1/25 <sup>(d)</sup>	14,626,000	15,916,897
Citigroup, Inc.			3.35%, 9/15/26 <sup>(d)</sup>	3,400,000	3,692,083
USD LIBOR 3-Month			CVS Health Corp.		
+6.37%, 6.556%, 10/30/40 <sup>(b)</sup>	37,080,925	41,426,809	4.30%, 3/25/28	2,538,000	2,915,925
HSBC Holdings PLC (United Kingdom)			4.78%, 3/25/38	4,600,000	5,659,133
3.95%, 5/18/24 <sup>(c)</sup>	8,000,000	8,498,267	5.05%, 3/25/48	4,725,000	6,137,188
4.30%, 3/8/26	11,462,000	12,928,412	Dillard's, Inc.		
6.50%, 5/2/36	23,805,000	32,844,149	7.875%, 1/1/23	8,660,000	9,524,979
6.50%, 9/15/37	3,265,000	4,541,704	7.75%, 7/15/26	50,000	60,594
JPMorgan Chase & Co.			7.75%, 5/15/27	540,000	652,684
8.75%, 9/1/30 <sup>(b)</sup>	25,692,000	38,588,747	7.00%, 12/1/28	15,135,000	18,100,081
2.956%, 5/13/31 <sup>(c)</sup>	3,300,000	3,466,672	Dow, Inc.		
Lloyds Banking Group PLC (United Kingdom)			7.375%, 11/1/29	12,725,000	17,697,711
4.50%, 11/4/24	12,750,000	14,104,388	9.40%, 5/15/39	5,677,000	10,011,476
4.65%, 3/24/26	10,875,000	12,311,198	Elanco Animal Health, Inc.		
NatWest Group PLC (United Kingdom)			4.912%, 8/27/21	2,500,000	2,509,688
6.125%, 12/15/22	16,850,000	18,129,232	5.272%, 8/28/23	2,500,000	2,688,975
1.642%, 6/14/27 <sup>(c)</sup>	6,125,000	6,124,234	5.90%, 8/28/28	6,175,000	7,226,417
UniCredit SPA (Italy)			Exxon Mobil Corp.		
7.296%, 4/2/34 <sup>(c)(d)</sup>	23,425,000	28,164,346	4.227%, 3/19/40	5,545,000	6,620,701
Unum Group			4.327%, 3/19/50	4,532,000	5,625,191
6.75%, 12/15/28	8,417,000	10,741,268	FedEx Corp.		
Wells Fargo & Co.			4.25%, 5/15/30	3,575,000	4,162,399
4.10%, 6/3/26	3,376,000	3,791,215	5.25%, 5/15/50	4,100,000	5,562,406
4.30%, 7/22/27	16,645,000	18,976,801	Ford Motor Credit Co. LLC <sup>(f)</sup>		
2.572%, 2/11/31 <sup>(c)</sup>	12,005,000	12,423,534	5.875%, 8/2/21	12,945,000	13,011,019
		410,933,326	3.813%, 10/12/21	14,270,000	14,377,025
			5.596%, 1/7/22	9,425,000	9,618,401
			4.25%, 9/20/22	4,243,000	4,381,195

Industrials: 5.4%

AbbVie, Inc.

## Debt Securities (continued)

	Par Value	Value
4.14%, 2/15/23	\$ 5,166,000	\$ 5,353,268
4.375%, 8/6/23	3,405,000	3,595,680
3.81%, 1/9/24	9,000,000	9,410,670
3.375%, 11/13/25	7,350,000	7,621,583
HCA Healthcare, Inc.		
4.125%, 6/15/29	2,700,000	3,040,406
Imperial Brands PLC (United Kingdom)		
4.25%, 7/21/25 <sup>(d)</sup>	19,225,000	21,179,178
3.875%, 7/26/29 <sup>(d)</sup>	21,150,000	22,912,151
Kinder Morgan, Inc.		
5.50%, 3/1/44	20,643,000	25,867,023
5.40%, 9/1/44	15,719,000	19,735,949
Macy's, Inc.		
6.70%, 7/15/34 <sup>(d)</sup>	5,890,000	6,361,200
Microchip Technology, Inc.		
.983%, 9/1/24 <sup>(d)</sup>	10,300,000	10,250,062
Occidental Petroleum Corp.		
2.90%, 8/15/24	7,900,000	8,077,750
3.20%, 8/15/26	15,450,000	15,565,875
Oracle Corp.		
3.60%, 4/1/50	8,288,000	8,510,553
Prosus NV <sup>(f)</sup> (Netherlands)		
5.50%, 7/21/25 <sup>(d)</sup>	25,825,000	29,476,655
4.85%, 7/6/27 <sup>(d)</sup>	14,200,000	16,160,452
RELX PLC (United Kingdom)		
4.00%, 3/18/29	5,400,000	6,133,489
TC Energy Corp. (Canada)		
5.625%, 5/20/75 <sup>(b)(c)</sup>	20,570,000	22,267,025
5.30%, 3/15/77 <sup>(b)(c)</sup>	28,160,000	29,894,656
5.50%, 9/15/79 <sup>(b)(c)</sup>	6,850,000	7,466,500
Telecom Italia SPA (Italy)		
5.303%, 5/30/24 <sup>(d)</sup>	14,663,000	16,051,586
7.20%, 7/18/36	11,596,000	14,958,840
7.721%, 6/4/38	8,212,000	11,195,173
The Kraft Heinz Co.		
5.50%, 6/1/50	3,874,000	5,027,494
The Williams Companies, Inc.		
3.50%, 11/15/30	6,400,000	6,985,186
T-Mobile U.S., Inc.		
2.25%, 2/15/26 <sup>(d)</sup>	6,800,000	6,851,000
3.375%, 4/15/29 <sup>(d)</sup>	6,500,000	6,707,958
3.875%, 4/15/30	7,975,000	8,914,614
3.50%, 4/15/31 <sup>(d)</sup>	6,525,000	6,750,439
4.375%, 4/15/40	2,675,000	3,135,903
4.50%, 4/15/50	1,775,000	2,113,551
Ultrapar Participacoes SA (Brazil)		
5.25%, 10/6/26 <sup>(d)</sup>	12,050,000	13,255,000
5.25%, 6/6/29 <sup>(d)</sup>	11,350,000	12,201,250
Union Pacific Corp.		
6.176%, 1/2/31	4,494,010	5,436,589
Verizon Communications, Inc.		
4.272%, 1/15/36	11,847,000	14,095,858
Vodafone Group PLC (United Kingdom)		
7.00%, 4/4/79 <sup>(b)(c)</sup>	16,900,000	20,478,240
Zoetis, Inc.		
4.50%, 11/13/25	4,095,000	4,640,493
		<u>837,408,736</u>
Utilities: 0.5%		
Dominion Energy, Inc.		
5.75%, 10/1/54 <sup>(b)(c)</sup>	22,950,000	25,059,371
Enel SPA (Italy)		
4.625%, 9/14/25 <sup>(d)</sup>	5,000,000	5,670,728

	Par Value	Value
6.80%, 9/15/37 <sup>(d)</sup>	\$ 13,700,000	\$ 19,986,313
6.00%, 10/7/39 <sup>(d)</sup>	4,447,000	6,219,406
The Southern Co.		
4.00%, 1/15/51 <sup>(b)(c)</sup>	14,800,000	15,651,000
3.75%, 9/15/51 <sup>(b)(c)</sup>	7,500,000	7,548,000
		<u>80,134,818</u>
		<u>1,328,476,880</u>
<b>Total Debt Securities</b>		
(Cost \$3,815,817,409)		<b>\$3,994,743,259</b>

## Equity-Linked Notes: 1.1%

	Shares	Value
<b>Communication Services: 0.7%</b>		
Media & Entertainment: 0.7%		
Facebook, Inc., 1/25/2022 <sup>(a)(d)(g)</sup>	325,000	\$101,500,349
<b>Information Technology: 0.4%</b>		
Software & Services: 0.4%		
Microsoft Corp., 1/25/2022 <sup>(a)(d)(g)</sup>	280,000	67,049,828
<b>Total Equity-Linked Notes</b>		
(Cost \$141,851,545)		<b>\$168,550,177</b>

## Short-Term Investments: 3.7%

	Par Value/ Shares	Value
<b>Repurchase Agreements: 3.3%</b>		
Fixed Income Clearing Corporation <sup>(h)</sup>		
0.000%, dated 6/30/21, due 7/1/21, maturity value \$512,969,000	\$512,969,000	\$ 512,969,000
<b>Money Market Fund: 0.4%</b>		
State Street Institutional		
U.S. Government Money Market Fund - Premier Class	61,957,522	61,957,522
<b>Total Short-Term Investments</b>		
(Cost \$574,926,522)		<b>\$ 574,926,522</b>
<b>Total Investments In Securities</b>		
(Cost \$11,027,628,894)	101.4%	<b>\$15,721,591,430</b>
Other Assets Less Liabilities	(1.4)%	(211,720,006)
<b>Net Assets</b>	<b>100.0%</b>	<b>\$15,509,871,424</b>

- (a) Non-income producing
- (b) Hybrid security: characteristics of both a debt and equity security.
- (c) Variable rate security: fixed-to-float security pays an initial fixed interest rate and will pay a floating interest rate established at a predetermined time in the future. The interest rate shown is the rate as of period end.
- (d) Security exempt from registration under Rule 144A of the Securities Act of 1933. The security may be resold in transactions exempt from registration, normally to qualified institutional buyers.
- (e) Variable rate security: interest rate is determined by the interest rates of underlying pool of assets that collateralize the security. The interest rate of the security may change due to a change in the interest rates or the composition of underlying pool of assets. The interest rate shown is the rate as of period end.
- (f) Subsidiary (see below)
- (g) Equity-linked notes issued by Goldman Sachs. The Facebook, Inc. and Microsoft Corp. equity-linked notes provide exposure to the price of their underlying common stock, subject to a cap of \$340.00 and \$250.00 respectively.
- (h) Repurchase agreement is collateralized by U.S. Treasury Notes 0.125%, 9/30/22-10/31/22. Total collateral value is \$523,228,461.

ADR: American Depositary Receipt  
 ARM: Adjustable Rate Mortgage  
 CMBS: Commercial Mortgage-Backed Security  
 CMO: Collateralized Mortgage Obligation  
 DUS: Delegated Underwriting and Servicing  
 GO: General Obligation  
 RB: Revenue Bond  
 REMIC: Real Estate Mortgage Investment Conduit

In determining a company's country designation, the Fund generally references the country of incorporation. In cases where the Fund considers the country of incorporation to be a "jurisdiction of convenience" chosen primarily for tax purposes or in other limited circumstances, the Fund uses the country designation of an appropriate broad-based market index. In those cases, two countries are listed—the country of incorporation and the country designated by an appropriate index, respectively.

Debt securities are grouped by parent company unless otherwise noted. Actual securities may be issued by the listed parent company or one of its subsidiaries.

Debt securities with floating interest rates are linked to the referenced benchmark; the interest rate shown is the rate as of period end.

Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount	Value / Unrealized Appreciation/ (Depreciation)
E-Mini S&P 500 Index— Short Position	(2,965)	9/17/21	\$(635,784,950)	\$(7,707,429)

Written Call Options Contracts

Common Stocks	Counterparty	Number of Shares	Notional Amount	Exercise Price	Expiration Date	Value
Bank of America Corp.	Goldman Sachs	(4,400,000)	\$(181,412,000)	\$ 50.00	1/20/23	\$ (9,743,294)
Booking Holdings, Inc.	Barclays	(33,000)	(72,206,970)	3,000.00	1/20/23	(3,178,968)
ConocoPhillips	Barclays	(1,400,000)	(85,260,000)	70.00	1/20/23	(7,448,165)
Goldman Sachs Group, Inc.	Barclays	(250,000)	(94,882,500)	440.00	6/17/22	(4,011,607)
Occidental Petroleum Corp.	JPMorgan	(4,000,000)	(125,200,000)	37.00	1/20/23	(22,363,724)
Schlumberger, Ltd.	Barclays	(2,800,000)	(89,628,000)	37.50	1/20/23	(10,815,333)
						<u>\$(57,561,091)</u>

## Statement of Assets and Liabilities (unaudited)

	June 30, 2021
<b>Assets:</b>	
Investments in securities, at value (cost \$11,027,628,894)	\$15,721,591,430
Deposits with broker for options contracts	57,990,000
Deposits with broker for futures contracts	32,615,000
Receivable for investments sold	406,132,165
Receivable for Fund shares sold	4,542,584
Dividends and interest receivable	38,574,908
Prepaid expenses and other assets	42,784
	<u>16,261,488,871</u>
<b>Liabilities:</b>	
Cash received as collateral for TBA securities	260,000
Options written, at value (premiums received \$55,475,251)	57,561,091
Payable for variation margin for futures contracts	978,450
Payable for investments purchased	677,937,910
Payable for Fund shares redeemed	7,611,698
Management fees payable	6,392,536
Accrued expenses	875,762
	<u>751,617,447</u>
<b>Net Assets</b>	<u>\$15,509,871,424</u>
<b>Net Assets Consist of:</b>	
Paid in capital	\$ 9,892,544,355
Distributable earnings	5,617,327,069
	<u>\$15,509,871,424</u>
Fund shares outstanding (par value \$0.01 each, unlimited shares authorized)	133,381,551
Net asset value per share	\$ 116.28

## Statement of Operations (unaudited)

	Six Months Ended June 30, 2021
<b>Investment Income:</b>	
Dividends (net of foreign taxes of \$3,812,875)	\$ 100,474,079
Interest	66,148,836
	<u>166,622,915</u>
<b>Expenses:</b>	
Management fees	37,462,426
Custody and fund accounting fees	123,043
Transfer agent fees	1,225,113
Professional services	120,459
Shareholder reports	55,193
Registration fees	101,120
Trustees fees	202,394
Miscellaneous	327,473
	<u>39,617,221</u>
<b>Net Investment Income</b>	<u>127,005,694</u>
<b>Realized and Unrealized Gain (Loss):</b>	
Net realized gain (loss)	
Investments in securities	1,041,656,238
Futures contracts	(135,474,036)
Foreign currency transactions	30,747
Net change in unrealized appreciation/depreciation	
Investments in securities	1,258,307,107
Futures contracts	18,170,883
Options written	(2,085,840)
	<u>2,180,605,099</u>
Net realized and unrealized gain	<u>2,180,605,099</u>
<b>Net Change in Net Assets From Operations</b>	<u>\$2,307,610,793</u>

## Statement of Changes in Net Assets (unaudited)

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
<b>Operations:</b>		
Net investment income	\$ 127,005,694	\$ 310,171,962
Net realized gain (loss)	906,212,949	823,188,896
Net change in unrealized appreciation/depreciation	1,274,392,150	(310,826,238)
	<u>2,307,610,793</u>	<u>822,534,620</u>
<b>Distributions to Shareholders:</b>		
Total distributions	(322,369,232)	(975,104,073)
<b>Fund Share Transactions:</b>		
Proceeds from sale of shares	600,119,992	782,441,953
Reinvestment of distributions	304,290,016	919,867,584
Cost of shares redeemed	(1,490,007,316)	(3,186,075,999)
Net change from Fund share transactions	(585,597,308)	(1,483,766,462)
Total change in net assets	1,399,644,253	(1,636,335,915)
<b>Net Assets:</b>		
Beginning of period	14,110,227,171	15,746,563,086
End of period	<u>\$15,509,871,424</u>	<u>\$14,110,227,171</u>
<b>Share Information:</b>		
Shares sold	5,399,132	8,410,405
Distributions reinvested	2,723,748	9,827,469
Shares redeemed	(13,376,479)	(34,586,852)
Net change in shares outstanding	<u>(5,253,599)</u>	<u>(16,348,978)</u>

### Note 1: Organization and Significant Accounting Policies

Dodge & Cox Balanced Fund (the “Fund”) is one of the series constituting the Dodge & Cox Funds (the “Trust” or the “Funds”). The Trust is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Fund commenced operations on June 26, 1931, and seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income. Risk considerations and investment strategies of the Fund are discussed in the Fund’s Prospectus.

The Fund is an investment company and follows the accounting and reporting guidance issued in Topic 946 by the Financial Accounting Standards Board. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require the use of estimates and assumptions by management. Actual results may differ from those estimates. Significant accounting policies are as follows:

**Security valuation** The Fund’s net assets are normally valued as of the scheduled close of trading on the New York Stock Exchange (NYSE), generally 4 p.m. Eastern Time, each day that the NYSE is open for business.

Portfolio securities for which market quotes are readily available are valued at market value. Listed securities, for example, are generally valued using the official quoted close price or the last sale on the exchange that is determined to be the primary market for the security.

Debt securities, certain preferred stocks, equity-linked notes and derivatives traded over-the-counter are valued using prices received from independent pricing services which utilize dealer quotes, recent transaction data, pricing models, and other inputs to arrive at market-based valuations. Pricing models may consider quoted prices for similar securities, interest rates, cash flows (including prepayment speeds), and credit risk. Exchange-traded derivatives are valued at the settlement price determined by the relevant exchange. Short-term securities less than 60 days to maturity may be valued at amortized cost if amortized cost approximates current value. Mutual funds are valued at their respective net asset values. Security values are not discounted based on the size of the Fund’s position and may differ from the value a Fund receives upon sale of the securities. All securities held by the Fund are denominated in U.S. dollars.

If market quotations are not readily available or if normal valuation procedures produce valuations that are deemed unreliable or inappropriate under the circumstances existing at the time, the investment will be valued at fair value as determined in good faith by or under the direction of the Fund’s Board of Trustees. The Board of Trustees has appointed Dodge & Cox, the Fund’s investment manager, to make fair value determinations in accordance with the Dodge & Cox Funds Valuation Policies (“Valuation Policies”), subject to Board oversight. Dodge & Cox has established a Pricing Committee that is comprised of representatives from Treasury, Legal, Compliance, and Operations. The Pricing Committee is responsible for implementing the Valuation Policies, including determining the fair value of securities and other investments when necessary. The Pricing Committee considers relevant indications of value that are reasonably available to it in determining the fair value assigned to a particular

security, such as the value of similar financial instruments, trading volumes, contractual restrictions on disposition, related corporate actions, and changes in economic conditions. In doing so, the Pricing Committee employs various methods for calibrating fair valuation approaches, including a regular review of key inputs and assumptions, back-testing, and review of any related market activity.

Valuing securities through a fair value determination involves greater reliance on judgment than valuation of securities based on readily available market quotations. In some instances, lack of information and uncertainty as to the significance of information may lead to a conclusion that a prior valuation is the best indication of a security’s value. When fair value pricing is employed, the prices of securities used by the Fund to calculate its net asset value may differ from quoted or published prices for the same securities.

**Security transactions, investment income, expenses, and distributions** Security transactions are recorded on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost.

Dividend income and corporate action transactions are recorded on the ex-dividend date, or when the Fund first learns of the dividend/corporate action if the ex-dividend date has passed. Non-cash dividends, if any, are recorded at the fair market value of the securities received. Dividends characterized as return of capital for U.S. tax purposes are recorded as a reduction of cost of investments and/or realized gain.

Interest income is recorded on the accrual basis. Interest income includes coupon interest, amortization of premium and accretion of discount on debt securities, and gain/loss on paydowns. The ability of the issuers of the debt securities held by the Fund to meet their obligations may be affected by economic developments in a specific industry, state, or region. Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectibility of interest is reasonably assured.

Expenses are recorded on the accrual basis. Some expenses of the Trust can be directly attributed to a specific series. Expenses which cannot be directly attributed are allocated among the Funds in the Trust using methodologies determined by the nature of the expense.

Distributions to shareholders are recorded on the ex-dividend date.

**Foreign taxes** The Fund may be subject to foreign taxes which may be imposed by certain countries in which the Fund invests. The Fund endeavors to record foreign taxes based on applicable foreign tax law. Withholding taxes are incurred on certain foreign dividends and are accrued at the time the associated dividend is recorded. The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund records a reclaim receivable based on, among other things, a jurisdiction’s legal obligation to pay reclaims as well as payment history and market convention. In consideration of recent decisions rendered by European

## Notes to Financial Statements (unaudited)

courts, the Fund has filed for additional reclaims related to prior years. A corresponding receivable is established when both the amount is known and significant contingencies or uncertainties regarding collectability are removed. These amounts, if any, are reported in dividends and interest receivable in the Statement of Assets and Liabilities. Expenses incurred related to filing EU reclaims are recorded on the accrual basis in professional services in the Statement of Operations. Expenses that are contingent upon successful EU reclaims are recorded in professional services in the Statement of Operations once the amount is known.

**Repurchase agreements** Repurchase agreements are transactions under which a Fund purchases a security from a dealer counterparty and agrees to resell the security to that counterparty on a specified future date at the same price, plus a specified interest rate. The Fund's repurchase agreements are secured by U.S. government or agency securities. It is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. In the event of default by the counterparty, the Fund has the contractual right to liquidate the collateral securities and to apply the proceeds in satisfaction of the obligation.

**Equity-linked note** An equity-linked note is a structured security with a return linked to one or more underlying reference equity securities. Changes in the market value of equity-linked notes are recorded as unrealized appreciation or depreciation and realized gains or losses are recorded upon the sale or maturity of the notes in the Statement of Operations within investments in securities. The risks of investing in equity-linked notes include unfavorable price movements in the underlying securities and the credit risk of the issuing financial institution. Equity-linked notes may be more volatile and less liquid than other investments held by the Fund.

**To-Be-Announced securities** The Fund may purchase mortgage-related securities on a to-be-announced ("TBA") basis at a fixed price, with payment and delivery on a scheduled future date beyond the customary settlement period for such securities. The Fund may choose to extend the settlement through a "dollar roll" transaction in which it sells the mortgage-related securities to a dealer and simultaneously agrees to purchase similar securities for future delivery at a predetermined price. The Fund accounts for TBA dollar rolls as purchase and sale transactions.

**Indemnification** Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business the Trust enters into contracts that provide general indemnities to other parties. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

## Note 2: Valuation Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1: Quoted prices in active markets for identical securities
- Level 2: Other significant observable inputs (including quoted prices for similar securities, market indices, interest rates, credit risk, forward exchange rates, etc.)
- Level 3: Significant unobservable inputs (including Fund management's assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's holdings at June 30, 2021:

Classification	LEVEL 1 (Quoted Prices)	LEVEL 2 (Other Significant Observable Inputs)
<b>Securities</b>		
Common Stocks		
Communication Services	\$ 1,621,710,092	\$ —
Consumer Discretionary	368,528,912	—
Consumer Staples	128,765,478	—
Energy	905,870,060	—
Financials	2,597,200,183	—
Health Care	2,213,413,413	—
Industrials	786,388,896	—
Information Technology	2,029,580,428	—
Materials	81,514,044	—
Preferred Stocks		
Financials	—	250,399,966
Equity-Linked Notes		
Communication Services	—	101,500,349
Information Technology	—	67,049,828
Debt Securities		
U.S. Treasury	—	794,903,108
Government-Related	—	168,655,649
Securitized	—	1,702,707,622
Corporate	—	1,328,476,880
Short-Term Investments		
Repurchase Agreements	—	512,969,000
Money Market Fund	61,957,522	—
<b>Total Securities</b>	<b>\$10,794,929,028</b>	<b>\$4,926,662,402</b>
<b>Other Investments</b>		
Futures Contracts		
Depreciation	\$ (7,707,429)	\$ —
Written Call Option Contracts	—	(57,561,091)

## Note 3: Derivative Instruments

The Fund may use derivatives either to minimize the impact of certain risks to one or more of its investments (as a "hedging technique") or



## Notes to Financial Statements (unaudited)

to implement its investment strategy. A derivative is a financial instrument whose value is derived from a security, currency, interest rate, index, or other financial instrument.

**Covered equity call options written** In return for the payment of an upfront premium, the buyer of an equity call option has the right (but not the obligation) to buy a referenced stock at a predetermined strike price or to receive a payment equal to the profit from buying at the strike price or selling at the market price. If the Fund writes an equity call option, it records the premium it receives as a liability in the Statement of Assets and Liabilities. The liability is adjusted daily to reflect the current market value of the option. If an option is exercised, the premium is added to the proceeds from the sale of the underlying reference stock in determining realized gain or loss. If an option expires unexercised, the premium received is treated as a realized gain. If an option is closed, the difference between the premium received and the cost of the closing transaction is treated as realized gain or loss. Changes in the value of an open equity call option written are recorded as unrealized appreciation or depreciation and any realized gains or losses are recorded at the closing or expiration of the option in the Statement of Operations.

If the Fund writes a covered equity call option, it foregoes the opportunity to gain from increases in the price of the underlying stock above the sum of the premium and the strike price, but retains the risk of loss should the price of the underlying stock decline.

The Fund wrote over-the-counter covered equity call options referencing single stocks in order to express its opinion about the future value of the stock.

**Futures contracts** Futures contracts involve an obligation to purchase or sell (depending on whether the Fund has entered a long or short futures contract, respectively) an asset at a future date, at a price set at the time of the contract. Futures contracts are exchange-traded. Upon entering into a futures contract, the Fund is required to deposit an amount of cash or liquid assets (referred to as "initial margin") in a segregated account with the clearing broker. Subsequent payments (referred to as "variation margin") to and from the clearing broker are made on a daily basis based on changes in the market value of the contract. Changes in the market value of open futures contracts are recorded as unrealized appreciation or depreciation in the Statement of Operations. Realized gains and losses on futures contracts are recorded in the Statement of Operations at the closing or expiration of the contracts. Cash deposited with a broker as initial margin is recorded in the Statement of Assets and Liabilities. A receivable and/or payable to brokers for daily variation margin is also recorded in the Statement of Assets and Liabilities.

Investments in futures contracts may include certain risks, which may be different from, and potentially greater than, those of the underlying securities. To the extent the Fund uses futures, it is exposed to additional volatility and potential losses resulting from leverage.

The Fund used short equity index futures contracts to reduce the exposure of the Fund's equity allocation to a general downturn in the equity markets.

**Additional derivative information** The following identifies the location on the Statement of Assets and Liabilities and values of the Fund's derivative instruments categorized by primary underlying risk exposure.

	<b>Equity Derivatives</b>
<b>Liabilities</b>	
Futures contracts <sup>(a)</sup>	\$ 7,707,429
Options written	57,561,091
	<u>\$65,268,520</u>

(a) Includes cumulative appreciation (depreciation). Only the current day's variation margin is reported in the Statement of Assets and Liabilities.

The following summarizes the effect of derivative instruments on the Statement of Operations, categorized by primary underlying risk exposure.

	<b>Equity Derivatives</b>
<b>Net realized gain (loss)</b>	
Futures contracts	\$(135,474,036)
<b>Net change in unrealized appreciation/depreciation</b>	
Futures contracts	\$ 18,170,883
Options written	(2,085,840)
	<u>\$ 16,085,043</u>

The following summarizes the range of volume in the Fund's derivative instruments during the six months ended June 30, 2021.

<b>Derivative</b>		<b>% of Net Assets</b>
Futures contracts	USD notional value	5-7%
Options written	USD delta adjusted notional value	0-2%

The Fund may enter into various over-the-counter derivative contracts governed by International Swaps and Derivatives Association master agreements ("ISDA agreements"). The Fund's ISDA agreements, which are separately negotiated with each dealer counterparty, specify (i) events of default and other events permitting a party to terminate some or all of the contracts thereunder and (ii) the process by which those contracts will be valued for purposes of determining termination payments. If some or all of the contracts under a master agreement are terminated because of an event of default or similar event, the values of all terminated contracts must be netted to determine a single payment owed by one party to the other. To the extent amounts owed to the Fund by its counterparties are not collateralized, the Fund is at risk of those counterparties' non-performance. The Fund attempts to mitigate counterparty credit risk by entering into contracts only with counterparties it believes to be of good credit quality, by exchanging collateral, and by monitoring the financial stability of those counterparties.

For financial reporting purposes, the Fund does not offset assets and liabilities that are subject to a master netting arrangement in the Statement of Assets and Liabilities.

The Fund's ability to net assets and liabilities and to offset collateral pledged or received is based on contractual netting/offset provisions in the ISDA agreements. The following table presents the

## Notes to Financial Statements (unaudited)

Fund's net exposure to each counterparty for derivatives that are subject to enforceable master netting arrangements as of June 30, 2021.

Counterparty	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Cash Collateral Pledged / (Received) <sup>(a)</sup>	Net Amount <sup>(b)</sup>
Barclays	\$—	\$(25,454,073)	\$25,454,073	\$—
Goldman Sachs	—	(9,743,294)	9,540,000	(203,294)
JPMorgan	—	(22,363,724)	22,260,000	(103,724)
	\$—	\$(57,561,091)	\$57,254,073	\$(307,018)

<sup>(a)</sup> Cash collateral pledged/(received) in excess of derivative assets/liabilities is not presented in this table. The total cash collateral is presented on the Fund's Statement of Assets and Liabilities.

<sup>(b)</sup> Represents the net amount receivable from (payable to) the counterparty in the event of a default.

### Note 4: Related Party Transactions

**Management fees** Under a written agreement approved by a unanimous vote of the Board of Trustees, the Fund pays a management fee monthly at an annual rate of 0.50% of the Fund's average daily net assets to Dodge & Cox, investment manager of the Fund.

**Fund officers and trustees** All officers and two of the trustees of the Trust are officers or employees of Dodge & Cox. The Trust pays a fee only to those trustees who are not affiliated with Dodge & Cox.

### Note 5: Income Tax Information and Distributions to Shareholders

A provision for federal income taxes is not required since the Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute all of its taxable income to shareholders. Distributions are determined in accordance with income tax regulations, and such amounts may differ from net investment income and realized gains for financial reporting purposes. The Fund may also designate a portion of the amount paid to redeeming shareholders as a distribution for tax purposes. Financial reporting records are adjusted for permanent book to tax differences at year end to reflect tax character. Book to tax differences are primarily due to differing treatments of wash sales, foreign currency realized gain (loss), U.S. Treasury inflation-protected securities, certain corporate action transactions, derivatives, and distributions.

Distributions during the periods noted below were characterized as follows for federal income tax purposes:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Ordinary income	\$ 154,453,317 (\$1.143 per share)	\$ 363,084,389 (\$2.559 per share)
Long-term capital gain	\$ 167,915,915 (\$1.231 per share)	\$ 612,019,684 (\$4.482 per share)

The components of distributable earnings on a tax basis are reported as of the Fund's most recent year end. At December 31, 2020, the tax basis components of distributable earnings were as follows:

Undistributed ordinary income	\$ 29,264,576
Undistributed long-term capital gain	167,801,392
Net unrealized appreciation	3,435,019,540
Total distributable earnings	\$3,632,085,508

At June 30, 2021, unrealized appreciation and depreciation for investments and derivatives based on cost for federal income tax purposes were as follows:

Tax cost	\$10,966,714,599
Unrealized appreciation	4,933,111,843
Unrealized depreciation	(188,028,281)
Net unrealized appreciation	4,745,083,562

Fund management has reviewed the tax positions for open periods (three years and four years, respectively, from filing the Fund's Federal and State tax returns) as applicable to the Fund, and has determined that no provision for income tax is required in the Fund's financial statements.

### Note 6: Loan Facilities

Pursuant to an exemptive order issued by the Securities and Exchange Commission (SEC), the Fund may participate in an inter-fund lending facility (Facility). The Facility allows the Fund to borrow money from or loan money to the Funds. Loans under the Facility are made for temporary or emergency purposes, such as to fund shareholder redemption requests. Interest on borrowings is the average of the current repurchase agreement rate and the bank loan rate. There was no activity in the Facility during the period.

All Funds in the Trust participate in a \$500 million committed credit facility (Line of Credit) with State Street Bank and Trust Company, to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The maximum amount available to the Fund is \$250 million. Each Fund pays an annual commitment fee on its pro-rata portion of the Line of Credit. For the six months ended June 30, 2021, the Fund's commitment fee amounted to \$44,516 and is reflected as a Miscellaneous Expense in the Statement of Operations. Interest on borrowings is charged at the prevailing rate. There were no borrowings on the Line of Credit during the period.

### Note 7: Purchases and Sales of Investments

For the six months ended June 30, 2021, purchases and sales of securities, other than short-term securities and U.S. government securities, aggregated \$1,653,232,959 and \$3,255,009,530, respectively. For the six months ended June 30, 2021, purchases and sales of U.S. government securities aggregated \$2,513,892,185 and \$2,052,862,280, respectively.

## Notes to Financial Statements (unaudited)

### Note 8: New Accounting Guidance

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in the ASU provide optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the

period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

### Note 9: Subsequent Events

Fund management has determined that no material events or transactions occurred subsequent to June 30, 2021, and through the date of the Fund's financial statements issuance, which require additional disclosure in the Fund's financial statements.

## Financial Highlights (unaudited)

### Selected Data and Ratios

(for a share outstanding throughout each period)

	Six Months	Year Ended December 31,				
	Ended June 30,	2020	2019	2018	2017	2016
	2021					
<b>Net asset value, beginning of period</b>	\$101.78	\$101.60	\$93.27	\$107.00	\$103.35	\$94.42
<b>Income from investment operations:</b>						
Net investment income	0.94	2.19 <sup>(a)</sup>	2.48	2.20	2.28	2.34
Net realized and unrealized gain (loss)	15.93	5.03	15.35	(7.00)	10.45	12.89
Total from investment operations	16.87	7.22	17.83	(4.80)	12.73	15.23
<b>Distributions to shareholders from:</b>						
Net investment income	(0.96)	(2.22)	(2.46)	(2.01)	(2.29)	(2.34)
Net realized gain	(1.41)	(4.82)	(7.04)	(6.92)	(6.79)	(3.96)
Total distributions	(2.37)	(7.04)	(9.50)	(8.93)	(9.08)	(6.30)
<b>Net asset value, end of period</b>	\$116.28	\$101.78	\$101.60	\$93.27	\$107.00	\$103.35
<b>Total return</b>	16.68%	7.85%	19.62%	(4.61)%	12.59%	16.55%
<b>Ratios/supplemental data:</b>						
Net assets, end of period (millions)	\$15,510	\$14,110	\$15,747	\$14,181	\$16,387	\$15,382
Ratio of expenses to average net assets	0.53% <sup>(b)</sup>	0.53%	0.53%	0.53%	0.53%	0.53%
Ratio of net investment income to average net assets	1.69% <sup>(b)</sup>	2.29% <sup>(a)</sup>	2.46%	2.06%	2.12%	2.41%
Portfolio turnover rate	29%	54%	35%	24%	19%	24%

(a) Net investment income per share includes significant amounts received for EU claims related to prior years, which amounted to approximately \$0.11 per share. Excluding such amounts, the ratio of net investment income to average net assets would have been 2.17%.

(b) Annualized

See accompanying Notes to Financial Statements

## Fund Holdings

The Fund provides a complete list of its holdings on a quarterly basis by filing the lists with the SEC on Form N-CSR (as of the end of the second and fourth quarters) and on Part F of Form N-PORT (as of the end of the first and third quarters). Shareholders may view the Fund's Forms N-CSR and Part F of N-PORT on the SEC's website at [sec.gov](http://sec.gov). A list of the Fund's quarter-end holdings is also available at [dodgeandcox.com](http://dodgeandcox.com) on or about the 15th day following each quarter end and remains available on the website until the list is updated for the subsequent quarter.

## Proxy Voting

For a free copy of the Fund's proxy voting policies and procedures, please call 800-621-3979, visit the Fund's website at [dodgeandcox.com](http://dodgeandcox.com), or visit the SEC's website at [sec.gov](http://sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available at [dodgeandcox.com](http://dodgeandcox.com) or shareholders may view the Fund's Form N-PX at [sec.gov](http://sec.gov).

## Household Mailings

The Fund routinely mails shareholder reports and summary prospectuses to shareholders and, on occasion, proxy statements. In order to reduce the volume of mail, when possible, only one copy of these documents will be sent to shareholders who are part of the same family and share the same residential address.

If you have a direct account with the Funds and you do not want the mailing of shareholder reports and summary prospectuses combined with other members in your household, contact the Funds at 800-621-3979. Your request will be implemented within 30 days.

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# Balanced Fund

[dodgeandcox.com](http://dodgeandcox.com)

For Fund literature, transactions, and account information, please visit the Funds' website.

or write or call:

## **Dodge & Cox Funds**

c/o DST Asset Manager Solutions, Inc.  
P.O. Box 219502  
Kansas City, Missouri 64121-9502  
(800) 621-3979

## **Investment Manager**

Dodge & Cox  
555 California Street, 40th Floor  
San Francisco, California 94104  
(415) 981-1710

**This report is submitted for the general information of the shareholders of the Fund. The report is not authorized for distribution to prospective investors in the Fund unless it is accompanied by a current prospectus.**

**This report reflects our views, opinions, and portfolio holdings as of June 30, 2021, the end of the reporting period. Any such views are subject to change at any time based upon market or other conditions and Dodge & Cox disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Dodge & Cox Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Dodge & Cox Fund.**