TO OUR SHAREHOLDERS
The Dodge & Cox Global Stock Fund had a total return of 12.2% for the six months ended June 30, 2019, compared to a return of 17.0% for the MSCI World Index.

MARKET COMMENTARY
After declining in the fourth quarter of 2018, global equity markets rebounded strongly through the first half of 2019, taking the S&P 500 Index, MSCI EAFE Index, and MSCI Emerging Markets Index back to levels seen in the third quarter of last year. Every developed market and most emerging market countries posted positive equity returns. As debates about trade wars, global economic growth, and the durability of low interest rates continue, so do two ongoing market themes that have persisted over the last decade. First, will U.S. equities continue to outperform international equities; and second, will growth stocks continue to outperform value stocks.\(^a\)

A COMPELLING STARTING POINT
Over the past 10 years, the U.S. equity market’s annualized total return was more than double that of international developed markets: the S&P 500 returned an average of 14.7% per annum compared to 6.9% for the MSCI EAFE.

While earnings growth has been higher in the United States over the past decade, the current valuation spread between the U.S. and international equity markets is now near a 15-year high. The MSCI EAFE is trading at an attractive valuation of 13.5 times forward earnings, versus the S&P 500 at 17.3 times.\(^b\)

Accordingly, the Fund’s portfolio is tilted toward international stocks and trades at a compelling 11.8 times forward earnings. History has demonstrated that starting valuations are significant drivers of long-term equity returns and lower starting valuations tend to produce more attractive long-term results. In addition, many of the Fund’s holdings have the potential to improve profitability and return meaningful amounts of capital to shareholders through dividends and share buybacks. We believe this combination provides a strong foundation for long-term returns.

AN OPPORTUNE TIME TO BE INVESTED IN VALUE STOCKS
The underperformance of value stocks has been another prominent global market trend. Over the past decade, the MSCI World Growth Index has outpaced the MSCI World Value Index by 76 percentage points, largely because of a valuation decline for the MSCI World Value. Earnings growth and dividend yield were actually higher for the value index.\(^c\)

The valuation differential between value- and growth-oriented stocks remains wide by historical standards. Growth stocks are relatively expensive: 20.8 times forward earnings for MSCI World Growth versus 12.4 times for MSCI World Value. This valuation gap should narrow as market prices move to more closely reflect our assessment of fundamental value. Historically, many value stocks have tended to outperform when they are particularly inexpensive, as they are today.

In addition, interest rates around the world are low by historical standards, and there is an overwhelming expectation in the market that they will remain “lower for longer.” We believe current valuations may already reflect most of these beliefs about rates. The future market “surprise” may be interest rate increases from today’s low levels, and we think there is a strong likelihood this will happen over the long term. Any increase in interest rates should create meaningful upside for many value stocks, especially in the Financials sector.

We have conviction in our value-oriented, active investment approach and continue to believe now is an opportune time to be invested in value stocks. Importantly, the Fund remains overweight in sectors poised to benefit from a rebound in value stocks, notably Financials and Energy.

**Financials**
Investors have steeply discounted companies with greater macro sensitivity and higher stock price volatility, and the Financials sector embodies investors’ concerns about the macro picture (e.g., low interest rates, low global growth). Financials, the largest component of the value universe, comprised 24.6% of the MSCI World Value and 15.8% of the MSCI World, and constituted 29.1% of the Fund on June 30.

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\(^a\) Value stocks are the lower valuation portion of the equity market and growth stocks are the higher valuation portion.

\(^b\) Unless otherwise specified, all weightings and characteristics are as of June 30, 2019.

\(^c\) The MSCI World Growth Index had a total return of 216.4% compared to 140.6% for the MSCI World Value Index from June 30, 2009 through June 30, 2019.
European & UK Financials

Over half of the Fund’s Financials exposure is invested in Europe and the United Kingdom. The Fund’s European Financials have been a large detractor from performance for several years, mostly due to valuation compression; however, earnings have improved in aggregate. Our global industry analysts have retested our views by incorporating input from our macro research team, learnings from industry conferences, and insights from meetings with senior management teams of these companies, competitors, regulators, central bankers, and policymakers. Based on this work, we continue to believe the Fund’s European Financials investments represent some of the best long-term opportunities currently available in the market.

These companies are more resilient today than they were in previous periods of economic stress when valuations were at similar levels. They have greatly improved their underlying fundamentals by strengthening their balance sheets and increasing capital ratios, while pursuing initiatives to improve profitability. Hence, on a bottom-up basis, we recently added to the Fund’s positions in BNP Paribas, Credit Suisse Group, Societe Generale, and UniCredit. While our baseline expectation is for a prolonged period of low growth and low interest rates in Europe, any improvement in the macroeconomic backdrop, notably higher interest rates, could drive further upside.

Credit Suisse—a 1.5% position in the Fund—is a leading global wealth manager with attractive growth opportunities serving ultra-high net worth clients. The company recently completed a four-year restructuring program, which resulted in significant asset disposals, cost cuts, and balance sheet recapitalization. Significant litigation liabilities are largely behind the company. Today, Credit Suisse is increasingly generating and distributing capital through dividends and share buybacks. Yet, the company trades at less than nine times forward earnings, and we believe that over a longer-term horizon the company should be able to grow at attractive rates.

U.S. Financials

In the United States, financial services companies are trading near historically low valuations relative to the overall market. Banks, for example, are trading at 57% of the S&P 500 forward price-to-earnings multiple, the lowest relative level since the dotcom bubble in 1999. Why are bank stocks so inexpensive? Since September 2018, U.S. Treasury yields have declined by 100 basis points, as have market expectations for the federal funds rate through 2020. For most banks, lower rates have a negative impact on earnings, but we believe this issue has been fully priced into current valuations.

Despite low valuations, company fundamentals have been resilient. The Fund’s U.S. bank holdings that were subjected to the Federal Reserve’s 2019 stress-testing process have received approval to return a weighted average of 10% of their market cap in dividends and buybacks in 2020. This total yield compares favorably with the broad market and notably income-oriented equities, such as in the Real Estate (e.g., Investment Trusts) and Utilities sectors. Banks’ capital levels are near historical highs, as are aggregate banking sector profits. In recent years, banks’ earnings growth has outpaced the broad market. We expect banks to offset the effects of lower interest rates through volume growth, cost controls, and share buybacks. Going forward, we are particularly constructive on the Fund’s national retail bank holdings—Bank of America and Wells Fargo—that are increasingly using their scale, advantages in technology, and marketing expertise to drive outsized deposit growth and profitability.

Energy

Energy is another significant component of the MSCI World Value. While the short-term direction of oil prices is difficult to forecast, the long-term fundamentals of supply and demand are constructive. We believe global demand will continue to grow at roughly 1% per year, or around 1.0 to 1.5 million additional barrels per day. From a supply perspective, U.S. shale oil growth is currently robust, but the rate of growth should taper as U.S. shale producers shift their priority from growing production to generating free cash flow. The rest of the industry will need to reinvest at higher rates to counteract the natural decline from existing fields and to meet new demand growth. It is likely that world oil prices at or above current levels will be needed to incentivize that higher level of investment.

When evaluating energy stocks, we look for companies with assets that are on the low end of the global cost curve, management teams that have deployed capital prudently through the cycle, and low-to-reasonable valuations. We continue to find long-term opportunities in selected upstream and oilfield services companies with these characteristics. On a bottom-up basis, we recently added to the portfolio’s energy holdings, notably Occidental Petroleum following its agreement to acquire Anadarko Petroleum, which is also held in the Fund.

In June, one of our global industry analysts met with Occidental’s management team at their headquarters in Houston, Texas to conduct due diligence on the company’s pending acquisition. While there are concerns about integration risk and the high cost of financing, we believe Occidental’s risk-reward profile is compelling due to its attractive valuation, strong operational capabilities, and diversified, free-cash-flow generative upstream portfolio that is supplemented by its midstream and chemicals businesses. From our previous research on Anadarko, we know that Anadarko’s asset portfolio has been meaningfully streamlined in recent years and the remaining assets are world class with large reserves and low break-even oil prices. In addition, Occidental aims to achieve $2 billion in cost synergies, and we believe there is a high probability these savings will be realized long term. On June 30, Occidental and Anadarko were 2.0% and 0.9% positions, respectively, in the Fund.

\textsuperscript{d} On June 30, Financials accounted for 29.1% and European Financials represented 15.2% of the Fund’s net assets.

\textsuperscript{e} The use of specific examples does not imply that they are more or less attractive investments than the portfolio’s other holdings.

\textsuperscript{f} One basis point is equal to 1/100th of 1%.

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IN CLOSING

During a challenging decade for value investors, the Fund has outperformed the global value investment universe by 52 percentage points. We are optimistic about the long-term outlook for the Fund, which remains tilted towards international stocks and sectors poised to benefit from a rebound in value stocks, such as Financials and Energy. As share prices and currencies can be volatile in the short term, we encourage shareholders to remain focused on the long term.

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 31, 2019

The Dodge & Cox Global Stock Fund had a cumulative total return of 192.5% compared to 140.6% for the MSCI World Value Index from June 30, 2009 through June 30, 2019.
**Objectives**

- The Fund seeks long-term growth of principal and income.

**Strategy**

- The Fund invests primarily in a diversified portfolio of equity securities issued by companies from at least three different countries, including emerging market countries. The Fund typically invests in medium-to-large well established companies based on standards of the applicable market. The Fund is not required to allocate its investments in set percentages in particular countries. Under normal circumstances, the Fund will invest at least 40% of its total assets in securities of non-U.S. companies.

**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. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Please read the prospectus for specific details regarding the Fund’s risk profile.

### General Information

- **Net Asset Value Per Share**: $12.38
- **Total Net Assets (billions)**: $9.7
- **Expense Ratio**: 0.62%
- **Portfolio Turnover Rate (1/1/19 to 6/30/19, unannualized)**: 12%
- **30-Day SEC Yield**: 1.93%
- **Active Share**: 88%
- **Number of Companies**: 85
- **Fund Inception**: 2008
- **No sales charges or distribution fees**

**Investment Manager**: Dodge & Cox, San Francisco. Managed by the Global Equity Investment Committee, whose seven members’ average tenure at Dodge & Cox is 25 years.

### Portfolio Characteristics

<table>
<thead>
<tr>
<th>Fund</th>
<th>MSCI World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Market Capitalization (billions)</td>
<td>$38</td>
</tr>
<tr>
<td>Weighted Average Market Capitalization (billions)</td>
<td>$105</td>
</tr>
<tr>
<td>Price-to-Earnings Ratio</td>
<td>11.8x</td>
</tr>
<tr>
<td>Countries Represented</td>
<td>20</td>
</tr>
<tr>
<td>Emerging Markets (Brazil, China, India, Mexico, Russia, South Africa, South Korea, Thailand)</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### TEN LARGEST HOLDINGS (%)

<table>
<thead>
<tr>
<th>Fund</th>
<th>MSCI World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter Communications, Inc. (United States)</td>
<td>3.1</td>
</tr>
<tr>
<td>Novartis AG (Switzerland)</td>
<td>2.3</td>
</tr>
<tr>
<td>Alphabet, Inc. (United States)</td>
<td>2.2</td>
</tr>
<tr>
<td>FedEx Corp. (United States)</td>
<td>2.2</td>
</tr>
<tr>
<td>Comcast Corp. (United States)</td>
<td>2.2</td>
</tr>
<tr>
<td>UniCredit SPA (Italy)</td>
<td>2.2</td>
</tr>
<tr>
<td>Sanofi (France)</td>
<td>2.2</td>
</tr>
<tr>
<td>Roche Holding AG (Switzerland)</td>
<td>2.2</td>
</tr>
<tr>
<td>Johnson Controls International PLC (United States)</td>
<td>2.1</td>
</tr>
<tr>
<td>Occidental Petroleum Corp. (United States)</td>
<td>2.0</td>
</tr>
</tbody>
</table>

### Asset Allocation

- **Equity Securities**: 97.0%
- **Net Cash & Other**: 3.0%

### Region Diversification (%)

<table>
<thead>
<tr>
<th>Fund</th>
<th>MSCI World</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>45.7</td>
</tr>
<tr>
<td>Europe (excluding United Kingdom)</td>
<td>24.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>9.3</td>
</tr>
<tr>
<td>Asia Pacific (excluding Japan)</td>
<td>7.5</td>
</tr>
<tr>
<td>Latin America</td>
<td>3.9</td>
</tr>
<tr>
<td>Japan</td>
<td>3.0</td>
</tr>
<tr>
<td>Africa</td>
<td>1.6</td>
</tr>
<tr>
<td>Canada</td>
<td>1.3</td>
</tr>
<tr>
<td>Middle East</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### Sector Diversification (%)

<table>
<thead>
<tr>
<th>Fund</th>
<th>MSCI World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials</td>
<td>29.1</td>
</tr>
<tr>
<td>Health Care</td>
<td>16.6</td>
</tr>
<tr>
<td>Communication Services</td>
<td>14.1</td>
</tr>
<tr>
<td>Information Technology</td>
<td>9.7</td>
</tr>
<tr>
<td>Energy</td>
<td>7.9</td>
</tr>
<tr>
<td>Industrials</td>
<td>7.6</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>7.4</td>
</tr>
<tr>
<td>Materials</td>
<td>3.6</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>0.6</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0.4</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.0</td>
</tr>
</tbody>
</table>

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(a) SEC Yield is an annualization of the Fund’s net investment income for the trailing 30-day period. Dividends paid by the Fund may be higher or lower than implied by the SEC Yield.

(b) Active share is a measure of how much an investment portfolio differs from its benchmark index, based on a scale of 0% (complete overlap with the index) to 100% (no overlap). Overlap for each security in the Fund is the lower of either its percentage weight in the Fund or its percentage weight in the relevant index. Active share is calculated as 100% minus the sum of the overlapping security weights.

(c) Price-to-earnings (P/E) ratios are calculated using 12-month forward earnings estimates from third-party sources.

(d) The Fund’s portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation to buy, sell, or hold any particular security and is not indicative of Dodge & Cox’s current or future trading activity.

(e) Net Cash & Other includes cash, short-term investments, derivatives, receivables, and payables.

(f) The Fund may classify a company in a different category than the MSCI World. The Fund generally classifies a company based on its country of incorporation, but may designate a different country in certain circumstances.

(g) Includes the Fund’s Naspers common equity market value as well as the market value of a synthetic position in “core Naspers” (i.e. Naspers excluding its holdings of Tencent), which comprises a long total return swap in Naspers common equity and a short total return swap in Tencent common equity, each with similar notional values. For context, Tencent owns a 31% stake in Tencent.
The Dodge & Cox Global Stock Fund had a total return of 2.3% for the second quarter of 2019, compared to 4.0% for the MSCI World Index. For the six months ended June 30, 2019, the Fund had a total return of 12.2%, compared to 17.0% for the MSCI World.

INVESTMENT COMMENTARY

After declining in the fourth quarter of 2018, global equity markets rebounded strongly through the first half of 2019, taking the S&P 500 Index, MSCI EAFE Index, and MSCI Emerging Markets Index back to levels seen in the third quarter of last year. Every developed market and most emerging market countries posted positive equity returns. As debates about trade wars, global economic growth, and the durability of low rates continue, so do two ongoing market themes that have persisted over the last decade. First, will U.S. equities continue to outperform international equities; and second, will growth stocks continue to outperform value stocks.1

Over the past 10 years, the U.S. equity market's annualized total return was more than double that of international developed markets: the S&P 500 returned an average of 14.7% per annum compared to 6.9% for the MSCI World. This performance gap has become more pronounced over the last five years. Going forward, we are excited about the long-term prospects for international equities based on their fundamentals and compelling valuations: the MSCI EAFE trades at 13.5 times forward earnings, versus the S&P 500 at 17.3 times. History has demonstrated that lower starting valuations tend to produce more attractive long-term results. In addition, many of the Fund's international holdings are keenly focused on improving profitability and returns on capital.

The other prominent market trend is the underperformance of value stocks. For example, the MSCI EAFE Growth Index has outpaced the MSCI EAFE Value Index by 50 percentage points over the past decade, largely because of valuation declines for the MSCI EAFE Value. Earnings growth and dividend returns in total were actually quite similar for both the growth and value indices. As a result, the valuation gap is unusually wide: 10.4 times forward earnings for MSCI EAFE Value versus 18.6 times for MSCI EAFE Growth.

Going forward, we are excited about the long-term prospects for international equities based on their fundamentals and compelling valuations: the MSCI EAFE trades at 13.5 times forward earnings, versus the S&P 500 at 17.3 times. History has demonstrated that lower starting valuations tend to produce more attractive long-term results. In addition, many of the Fund's international holdings are keenly focused on improving profitability and returns on capital.

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During a challenging decade for value investors, the Fund has outperformed the global value investment universe by 52 percentage points.2 We have strong conviction in our value-oriented, active investment approach and continue to believe now is an opportunity time to be invested in value stocks.

Financials, the largest component of the value universe, comprised 24.6% of the MSCI World Value and 15.8% of the MSCI World, and constituted 29.1% of the Fund on June 30, with half invested in Europe and the United Kingdom.3 The Fund’s European Financials have been a detractor from performance for several reasons. First, many international stocks and sectors poised to benefit from a rebound in value stocks, such as Financials and Energy. As share prices and currencies can be volatile in the short term, we encourage shareholders to remain focused on the long term. Thank you for your continued confidence in Dodge & Cox.

SECOND QUARTER PERFORMANCE REVIEW

The Fund underperformed the MSCI World by 1.7 percentage points during the quarter.

KEY CONTRIBUTORS TO RELATIVE RESULTS

• Strong returns in the Consumer Staples sector (up 12% compared to up 3% for the MSCI World sector), combined with the Fund’s average overweight position (1% versus 9%), had a positive impact.
• Relative returns in the Materials sector (up 8% compared to up 5% for the MSCI World sector) also helped performance. Linde (up 15%) contributed to results.
• Additional contributors included Anadarko Petroleum (up 57%), TE Connectivity (up 19%), Standard Chartered (up 19%), Charter Communications (up 14%), and Johnson Controls International (up 13%).

YEAR-TO-DATE PERFORMANCE REVIEW

The Fund underperformed the MSCI World by 4.7 percentage points year to date.

KEY DETRACTORS FROM RELATIVE RESULTS

• Weak relative returns in the Financials sector (up 3% compared to up 6% for the MSCI World sector) hurt results. Societe Generale (down 7%) and Barclays (down 5%) were detractors.
• Relative returns in the Consumer Discretionary sector (flat compared to up 5% for the MSCI World sector) had a negative impact. Qurate Retail (down 22%) detracted from performance.
• Additional detractors included Baidu (down 28%), Grupo Televisa (down 23%), Occidental Petroleum (down 23%), Apache (down 12%), and FedEx (down 9%).

KEY CONTRIBUTORS TO RELATIVE RESULTS

• Strong returns in the Consumer Staples sector (up 22% compared to up 15% for the MSCI World sector), combined with the Fund's average overweight position (up 17% compared to up 13% for the MSCI World sector), combined with an average overweight position (up 17% versus 13%), had a negative impact. Bristol-Myers Squibb (down 11%) and Sanofi (up 3%) detracted from results.
• Other detractors include Qurate Retail (down 37%), Grupo Televisa (down 32%), Baidu (down 25%), Occidental Petroleum (down 16%), and FedEx (up 3%).

KEY DETRACTORS FROM RELATIVE RESULTS

• The Fund’s average overweight position in the Financials sector (31% versus 16% for the MSCI World sector), combined with weak relative returns (up 10% compared to up 15%), hurt results. Societe Generale (down 15%) was a detractor.
• Relative returns in the Health Care sector (up 6% compared to up 10% for the MSCI World sector), combined with an average overweight position (17% versus 13%), had a negative impact. Bristol-Myers Squibb (down 11%) and Sanofi (up 3%) detracted from results.
• Other contributors included Micro Focus International (up 53%), JD.com (up 45%), Zayo Group Holdings (up 44%), Johnson Controls International (up 41%), and Charter Communications (up 39%).

1 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 but, unlike Fund returns, do not reflect fees or expenses. The MSCI World Index is a broad-based, unmanaged equity market index aggregated from 23 developed market country indices, including the United States and Canada. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. All returns are stated in U.S. dollars, unless otherwise noted.
2 Value stocks are the lower valuation portion of the equity market and growth stocks are the higher valuation portion.
3 The MSCI EAFE Growth Index had a total return of 120.6% compared to 70.8% for the MSCI EAFE Value Index from June 30, 2009 through June 30, 2019.
4 The Dodge & Cox Global Stock Fund had a cumulative total return of 192.5% compared to 140.6% for the MSCI World Value Index from June 30, 2009 through June 30, 2019.
5 On June 30, 2019, European and UK Financials represented 15.2% of the Fund's net assets and 3.8% of the MSCI World.

MSCI World and EAFE indices are service marks of MSCI Barra. S&P 500® is a trademark of S&P Global Inc. For more information about these indices, visit dodgeandcox.com.