
2020

# Annual Report

**December 31, 2020**

# Income Fund

ESTABLISHED 1989

TICKER: DODIX

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# To Our Shareholders

The Dodge & Cox Income Fund had a total return of 9.5% for the year ended December 31, 2020, compared to a return of 7.5% for the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg).

## Market Commentary

The coronavirus (COVID-19) pandemic and its devastating health, social, and economic impacts heavily influenced market performance in 2020. While financial markets were volatile, the broad decline in interest rates led to strong fixed income returns. Risk assets, including equities and corporate bonds, plummeted at the end of the first quarter over concerns about the virus and its uncertain economic implications. As the pandemic unfolded, jobless claims surged to record levels, economic activity plunged, and consumer and business confidence indicators fell to near-decade lows.

But markets staged a remarkable recovery starting in April as investors were heartened by the rapid and unprecedented monetary and fiscal policy response from the U.S. government. The Federal Reserve cut short-term interest rates by 150 basis points[a] to a range of 0% to 0.25% and buttressed this action with a massive securities purchase program (i.e., quantitative easing). Meanwhile, Congress passed a $2 trillion economic stimulus bill in March followed by a $900 billion stimulus bill in December. Confidence was soon bolstered by improving economic data. For example, the unemployment rate, which shot up to 14.8% in April, the highest level since the Great Depression, declined to 6.7% by year end. The development (and distribution plans) of two effective vaccines buoyed markets at year's end, and Joe Biden's victory in the Presidential election raised hopes for additional fiscal stimulus in 2021.

Amid this uncertain environment, the investment-grade Corporate bond sector returned 9.9%[b] for the year, ultimately outperforming comparable-duration[c] Treasuries by 0.5 percentage points despite a rollercoaster year for valuations. In late March, yield premiums[d] on investment-grade corporate bonds spiked to levels not seen since the 2008-09 global financial crisis as investors grew increasingly concerned about the depth and duration of the economic slowdown and its ramifications for corporate earnings and creditworthiness. However, the Fed's support of the market through various lending facilities, most notably the Secondary Market Corporate Credit Facility, largely calmed fears surrounding liquidity and potential defaults, and Corporate spreads tightened dramatically. Later in 2020, the corporate bond market benefited from better-than-expected corporate earnings, robust investor demand for yield, and expectations that the vaccine rollout and additional stimulus will help normalize economic activity.

Agency[e] MBS returned 3.9%, underperforming comparable short-duration Treasuries by 0.2 percentage points. Agency MBS valuations held up well despite a dramatic increase in mortgage prepayments in 2020.

## Investment Strategy

While it was an unusually volatile and unpredictable year for financial markets, we are pleased with the Fund's strong absolute and relative performance in 2020. Over the course of the year, we made significant changes to portfolio positioning in response to rapid fluctuations in valuations. Our experienced investment team, with its knowledge of companies and industries and how they perform through economic and capital market cycles, was critical in fostering the confidence to lean heavily into an extremely challenging environment. We also used a number of tactics to improve performance potential of the portfolio without straying from our long-held investment principles.

### The Credit Sector: Market Volatility Creates Opportunity

Credit investors faced three distinct environments in 2020, essentially requiring us to navigate an entire credit cycle over the course of one calendar year. We worked diligently to optimize portfolio positioning amid the constantly shifting valuation, risk, and corporate supply backdrop. As we alternated between trim and accumulation mode, based on valuations, the Fund's credit[f] weighting shifted significantly throughout the year.

First, in January and early February, with credit yield premiums near their narrowest levels in years, we reduced the Fund's credit exposure, continuing a process that began in early 2019. As we gradually trimmed exposure to issuers with less compelling risk/reward prospects, these sales brought the Fund's weighting in credit down to 37% at the end of February compared to 50% in early 2019.

This strict price discipline, a key tenet of our investment philosophy, provided significant dry powder that we were able to deploy during the opportunity-rich second phase of the 2020 credit environment. Financial markets stumbled mightily in March as the coronavirus began to spread around the globe. Over a mere three-week period in March, corporate bond yield premiums nearly tripled. As the crisis unfolded, many high quality, fundamentally creditworthy companies issued long-term debt to extend maturity profiles and weather the uncertain environment, and they did so at yield premiums more commonly associated with lower-rated credits. This provided a very attractive entry point for us to selectively invest in leading companies with solid business franchises and balance sheets. Drawing on the depth and breadth of our global industry analyst team, we added 16 carefully selected new corporate issuers to the portfolio across a range of industries. Examples include Anheuser-Busch InBev, Coca-Cola, Exxon Mobile, FedEx, Oracle, and T-Mobile.[g]

In the midst of the market volatility, we also invested for the first time in an investment-grade corporate bond ETF as well as index credit default swaps, establishing a 3.5% combined position. These tools enabled us to quickly increase the Fund's credit exposure at what we believed were very compelling prices. In aggregate, we boosted the Fund's credit weighting from the pre-crisis level of 37% in February to over 53% by the end of May.

The year's third credit environment was defined by a stretch of narrowing credit yield premiums that unfolded through the second half of the year. With spreads declining to pre-pandemic levels, we thought it was prudent to dial back some of the Fund's overweight to credit. As always, our sell decisions were based on careful evaluation of security-level return prospects. We reduced the Fund's exposure to issuers such as AbbVie, Bank of America, Cigna, and State of California. Each of them had performed exceptionally well, leaving their valuations less attractive on a go-forward basis. This pruning reduced the Fund's credit exposure to 46% by year end. While we continue to have a favorable view of the credit sector and the Fund's remaining holdings within it, the risk/reward equation did not support the more substantial overweight from earlier in the year.

We continue to view the credit sector positively for several reasons. Corporate America, broadly speaking, weathered the 2020 storm and is in good financial shape. We expect economic growth to rebound in 2021 as more people are vaccinated and begin to resume their normal lives. Further stimulus seems likely to offer additional support with President Joe Biden taking office alongside the newly Democratic-controlled Congress. Global central bank liquidity is abundant, and the Fed may reestablish corporate credit facilities if market conditions deteriorate, providing an implicit level of support for the sector. Finally, the Fund's credit holdings are differentiated from the market as a whole, grounded in the in-depth research of our investment team, and feature a yield premium of 182 basis points versus 92 basis points for the broad investment-grade Credit Index.[h]

### The Securitized Sector: Recrafting the Agency MBS Portfolio

The Fund's holdings in the Securitized sector consist predominantly of Agency MBS (39%[i]), with a smaller weighting (5%) in primarily AAA-rated asset-backed securities. As a group, these securities can provide attractive total-return cash flows in the front to intermediate part of the yield curve. They can also play an important role in the overall portfolio because of their dependable liquidity and high credit quality. We relied particularly on the portfolio's Agency MBS as a durably liquid source of funds for other investment opportunities amidst the market turmoil in March.

It was likewise an active year for us in repositioning the MBS portfolio. The Fund entered 2020 with a somewhat greater emphasis on higher coupon 30-year Agency MBS. Given the likelihood of a significant increase in prepayments because of the dramatic decline in interest rates, we trimmed a large portion of the portfolio's 30-year 4.5% coupon MBS holdings in the first half of the year in light of our appraisal that valuations did not adequately reflect the future prepayment picture.

We invested these proceeds in 30-year 2% and 2.5% coupon securities as relative pricing for these securities became more attractive. We believe low coupon, low loan balance Agency MBS offer attractive prepayment protection for two main reasons. First, given the low interest rate environment and low initial note rates of the mortgages underlying these MBS, attractive refinancing options for borrowers will likely be muted. Second, low loan balance borrowers lack sufficient financial incentives needed to offset the upfront fixed costs of refinancing, adding additional prepayment protection to the portfolio's position.

We also initiated a mortgage to-be-announced (TBA) roll position in the portfolio to take advantage of a technical distortion in Agency MBS bolstered by the Fed's asset purchase program. The Fed's purchases have contributed to a supply/demand imbalance so that purchasing for settlement in the current month is significantly more expensive than the forward month. To take advantage of this mispricing, we established a 6% position in forward settle, TBA Agency 30-year 2% and 2.5% coupon pass-through securities. This trade is referred to in the marketplace as the "roll" because, as long as the pricing of the underlying MBS remains favorable, we would continue to swap—or roll—our position forward (to later dates) as the current contract's maturity date nears. This position demonstrates one of the unique ways we successfully added yield to the Fund during the year.

Going forward, we anticipate somewhat elevated prepayment activity with mortgage rates near record lows. Mortgage originators have proven remarkably adept at refinancing borrowers even with elevated unemployment and shelter-in-place restrictions. As market participants compete for share, mortgage rates may continue to decline even if U.S. Treasury rates remain stable. With that backdrop, we continue to find opportunities in securities we believe have more moderate prepayment risk, specifically lower balance, lower coupon securities. In addition to individually selected Agency MBS pass-throughs, the Fund holds Ginnie Mae-guaranteed Home Equity Conversion Mortgages (also known as reverse mortgages). These floating-rate securities offer attractive spreads and low prepayment risk.

### Defensive Duration: Mitigating Effect of Rising Long-Term Treasury Yields over Time

We extended the Fund's duration modestly over the year, but maintained its lower duration position versus the Bloomberg Barclays U.S. Agg (4.9 years or 79% of Index duration as of December 31), reflecting our expectation that longer-term interest rates will rise from today's exceptionally low levels over our investment horizon.

The Fed is likely to keep the federal funds rate at its current near-zero level for an extended period, as a full recovery from the economic devastation of the pandemic may take years. This should keep short- and intermediate-term yields (0-10 years) relatively low. On the other hand, longer-term yields (10+ years) are more affected by the whims of the market, valuations, flows, and inflation, and that is where we believe interest rate risk is most pronounced. We believe a modest rise in longer-term rates—a rise that is slightly higher than what forward markets predict—is likely over the next year or two as more people are vaccinated, economic activity normalizes, and inflation picks up. Reflecting this dichotomy, we've positioned the portfolio with a similar interest rate exposure to the Index through the 10-year part of the yield curve; however, the portfolio has less exposure to the longer maturity (10+ year) part of the market where we think more risk resides. Given our view, we believe it is important to remain defensive in order to mitigate the negative effect of any bond market price declines that could stem from potential increases in long-term interest rates over time.

### In Closing

While we are pleased with the Fund's recent results, we caution shareholders not to expect a repeat of the exceptional performance from fixed income markets or the Fund that we saw in 2019 and 2020. Today's low yields are likely to constrain fixed income returns over the intermediate term.

That said, we believe bonds continue to serve a vital role in a broad portfolio, providing liquidity, income generation, downside protection, and low correlation to riskier asset classes. We continue to seek opportunities to build portfolio yield through our bottom-up, research-driven investment approach, and we are optimistic about the long-term prospects for the Fund.

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,<br>Chairman | Dana M. Emery,<br>President |

January 29, 2021

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[a] One basis point is equal to 1/100th of 1%.

[b] Sector returns as calculated and reported by Bloomberg.

[c] Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.

[d] Yield premiums are one way to measure a security's valuation. Narrowing yield premiums result in a higher valuation. Widening yield premiums result in a lower valuation.

[e] 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.

[f] Credit securities refers 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.

[g] The use of specific examples does not imply that they are more or less attractive investments than the Fund's other holdings.

[h] Credit Index refers to the Bloomberg Barclays U.S. Credit Index.

[i] Unless otherwise specified, all weightings and characteristics are as of December 31, 2020.

## 2020 Performance Review

The Fund outperformed the Bloomberg Barclays U.S. Agg by 1.9 percentage points in 2020.

### Key Contributors to Relative Results

- Asset allocation was significantly positive. The substantial increase we made to the Fund's corporate sector weighting amid the market volatility in March and April and the subsequent outperformance of credit contributed to relative returns.
- Security selection within credit was positive as several issuers outperformed, most notably Pemex, Petrobras, and Imperial Brands.
- The Fund's overweight to Agency MBS and selection within the sector contributed to relative returns.
- The Fund's nominal yield advantage benefited returns.

### Key Detractors from Relative Results

- The Fund's below-benchmark duration position (73%* of the Bloomberg Barclays U.S. Agg's duration) hampered relative returns as Treasury yields declined significantly in the first half of the year.
- While security selection was positive overall, certain corporate holdings underperformed, including Wells Fargo, Macy's, Bank of America, and Kinder Morgan.

* Figures in this section denote 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.

### 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. Fixed Income Investment Committee, which is the decision-making body for the Income Fund, is a nine-member committee with an average tenure at Dodge & Cox of 21 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.

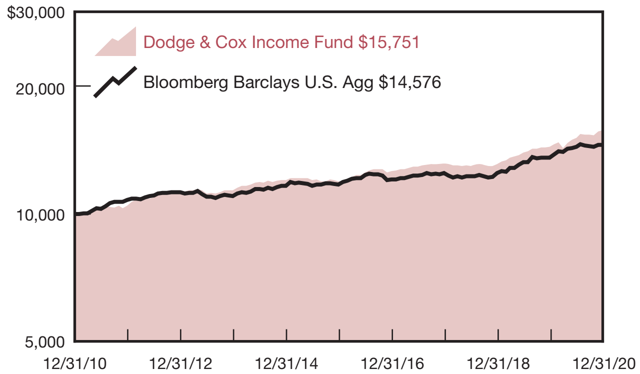
### Long-Term Focus and Low Expenses

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 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 December 31, 2010




**Average Annual Total Return**

For Periods Ended December 31, 2020

| | 1 Year | 5 Years | 10 Years | 20 Years |
|---|---|---|---|---|
| Dodge & Cox Income Fund | 9.45% | 5.71% | 4.65% | 5.55% |
| Bloomberg Barclays U.S. Aggregate Bond Index | 7.51 | 4.44 | 3.84 | 4.83 |

**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 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 interest income but, unlike Fund returns, do not reflect fees or expenses. The Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg) is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable debt securities.

*Bloomberg is a registered trademark of Bloomberg Finance L.P. and its affiliates. Barclays® is a trademark of Barclays Bank PLC.*

## 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 December 31, 2020 | Beginning Account Value 7/1/2020 | Ending Account Value 12/31/2020 | Expenses Paid During Period* |
|---|---|---|---|
| Based on Actual Fund Return | $1,000.00 | $1,040.00 | $2.15 |
| Based on Hypothetical 5% Yearly Return | 1,000.00 | 1,023.03 | 2.14 |

* Expenses are equal to the Fund's annualized expense ratio of 0.42%, multiplied by the average account value over the period, multiplied by 184/366 (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).

| Sector Diversification (%) | % of Net Assets |
|---|---|
| Securitized | **44.7** |
| Corporate | **39.1** |
| U.S. Treasury | **9.1** |
| Government-Related | **5.1** |
| Net Cash & Other[(a)] | **2.0** |

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

## Debt Securities: 98.0%

| | Par Value | Value |
|---|---|---|
| **U.S. Treasury: 9.1%** | | |
| U.S. Treasury Note/Bond | | |
| 0.125%, 5/31/22 | $ 463,780,000 | $ 463,870,581 |
| 0.125%, 7/31/22 | 2,208,460,000 | 2,208,718,809 |
| 0.625%, 8/15/30 | 707,297,000 | 689,172,514 |
| 0.25%, 8/31/25 | 500,000,000 | 498,281,250 |
| 1.625%, 11/15/50 | 360,000,000 | 357,862,500 |
| 1.375%, 11/15/40 | 250,000,000 | 246,757,813 |
| 0.875%, 11/15/30 | 1,150,000,000 | 1,145,507,812 |
| 0.625%, 11/30/27 | 500,000,000 | 499,687,500 |
| 0.375%, 11/30/25 | 200,000,000 | 200,234,376 |
| | | 6,310,093,155 |
| **Government-Related: 5.1%** | | |
| Agency: 2.9% | | |
| New Valley Generation | | |
| 4.929%, 1/15/21 | 101,849 | 102,034 |
| Petroleo Brasileiro SA (Brazil) | | |
| 5.093%, 1/15/30 | 274,213,000 | 306,433,027 |
| 7.25%, 3/17/44 | 18,890,000 | 24,368,100 |
| 6.90%, 3/19/49 | 149,524,000 | 189,521,670 |
| 6.75%, 6/3/50 | 78,270,000 | 97,250,475 |
| Petroleos Mexicanos (Mexico) | | |
| 6.875%, 8/4/26 | 119,325,000 | 130,362,563 |
| 6.50%, 3/13/27 | 239,631,000 | 252,376,973 |
| 6.84%, 1/23/30 | 172,605,000 | 180,679,462 |
| 6.625%, 6/15/35 | 189,761,000 | 187,863,390 |
| 6.50%, 6/2/41 | 53,502,000 | 49,957,493 |
| 6.375%, 1/23/45 | 135,151,000 | 123,865,892 |
| 6.75%, 9/21/47 | 66,966,000 | 62,780,625 |
| 6.35%, 2/12/48 | 96,464,000 | 87,444,616 |
| 7.69%, 1/23/50 | 246,317,000 | 248,349,115 |
| 6.95%, 1/28/60 | 80,170,000 | 75,287,647 |
| | | 2,016,643,082 |
| Local Authority: 2.2% | | |
| L.A. Unified School District GO | | |
| 5.75%, 7/1/34 | 6,030,000 | 8,507,124 |
| 6.758%, 7/1/34 | 183,745,000 | 276,385,554 |
| New Jersey Turnpike Authority RB | | |
| 7.414%, 1/1/40 | 40,655,000 | 68,178,435 |
| 7.102%, 1/1/41 | 146,837,000 | 239,770,137 |
| State of California GO | | |
| 7.50%, 4/1/34 | 125,401,000 | 209,000,831 |
| 7.30%, 10/1/39 | 183,965,000 | 303,658,148 |
| State of Illinois GO | | |
| 5.10%, 6/1/33 | 356,525,000 | 383,695,770 |
| | | 1,489,195,999 |
| | | 3,505,839,081 |
| **Securitized: 44.7%** | | |
| Asset-Backed: 5.7% | | |
| **Federal Agency: 0.0%*** | | |
| Small Business Admin. - 504 Program | | |
| Series 2001-20G 1, 6.625%, 7/1/21 | 83,678 | 84,286 |
| Series 2001-20L 1, 5.78%, 12/1/21 | 218,184 | 222,762 |
| Series 2002-20A 1, 6.14%, 1/1/22 | 2,161 | 2,193 |
| Series 2002-20L 1, 5.10%, 12/1/22 | 95,296 | 98,492 |
| Series 2003-20G 1, 4.35%, 7/1/23 | 9,526 | 9,831 |
| Series 2004-20L 1, 4.87%, 12/1/24 | 240,736 | 254,658 |
| Series 2005-20B 1, 4.625%, 2/1/25 | 539,034 | 565,707 |
| Series 2005-20D 1, 5.11%, 4/1/25 | 17,704 | 18,703 |
| Series 2005-20E 1, 4.84%, 5/1/25 | 741,977 | 785,549 |
| Series 2005-20G 1, 4.75%, 7/1/25 | 947,503 | 997,766 |
| Series 2005-20H 1, 5.11%, 8/1/25 | 10,379 | 11,011 |
| Series 2005-20I 1, 4.76%, 9/1/25 | 1,143,701 | 1,202,304 |

| | Par Value | Value |
|---|---|---|
| Series 2006-20A 1, 5.21%, 1/1/26 | $ 991,510 | $ 1,053,437 |
| Series 2006-20B 1, 5.35%, 2/1/26 | 324,959 | 348,302 |
| Series 2006-20C 1, 5.57%, 3/1/26 | 1,387,836 | 1,481,951 |
| Series 2006-20G 1, 6.07%, 7/1/26 | 2,446,602 | 2,616,684 |
| Series 2006-20H 1, 5.70%, 8/1/26 | 21,716 | 23,431 |
| Series 2006-20I 1, 5.54%, 9/1/26 | 35,654 | 38,172 |
| Series 2006-20J 1, 5.37%, 10/1/26 | 902,897 | 970,704 |
| Series 2006-20L 1, 5.12%, 12/1/26 | 913,971 | 983,714 |
| Series 2007-20A 1, 5.32%, 1/1/27 | 2,125,733 | 2,277,009 |
| Series 2007-20C 1, 5.23%, 3/1/27 | 3,064,915 | 3,281,678 |
| Series 2007-20D 1, 5.32%, 4/1/27 | 2,793,608 | 3,000,785 |
| Series 2007-20G 1, 5.82%, 7/1/27 | 2,103,830 | 2,272,051 |
| | | 22,601,180 |
| **Other: 1.0%** | | |
| Rio Oil Finance Trust (Brazil) | | |
| 9.25%, 7/6/24[(a)] | 311,380,805 | 344,078,903 |
| 9.75%, 1/6/27[(a)] | 198,763,779 | 230,071,062 |
| 8.20%, 4/6/28[(a)] | 70,462,000 | 78,918,145 |
| | | 653,068,110 |
| **Student Loan: 4.7%** | | |
| Navient Student Loan Trust | | |
| USD LIBOR 1-Month | | |
| +1.05%, 1.198%, 6/25/69[(a)] | 48,871,362 | 49,498,767 |
| +0.90%, 1.04%, 8/26/69[(a)] | 76,919,718 | 77,321,801 |
| +1.25%, 1.398%, 6/25/65[(a)] | 257,397,395 | 260,674,296 |
| +1.15%, 1.298%, 3/25/66[(a)] | 213,757,187 | 216,313,274 |
| +1.30%, 1.448%, 3/25/66[(a)] | 150,828,000 | 153,890,608 |
| +0.80%, 0.948%, 7/26/66[(a)] | 269,388,113 | 268,698,776 |
| +1.05%, 1.198%, 7/26/66[(a)] | 320,453,000 | 324,068,863 |
| +1.15%, 1.298%, 7/26/66[(a)] | 232,417,000 | 236,792,715 |
| +1.00%, 1.148%, 9/27/66[(a)] | 113,429,000 | 113,488,925 |
| +1.05%, 1.198%, 12/27/66[(a)] | 173,052,578 | 175,219,405 |
| +0.72%, 0.868%, 3/25/67[(a)] | 96,785,000 | 95,665,130 |
| +0.80%, 0.948%, 3/25/67[(a)] | 181,973,000 | 181,807,568 |
| +0.68%, 0.828%, 6/27/67[(a)] | 218,399,610 | 217,919,918 |
| +1.00%, 1.148%, 2/27/68[(a)] | 61,463,000 | 62,109,283 |
| +0.83%, 0.978%, 7/25/68[(a)] | 68,509,020 | 68,608,790 |
| +0.81%, 0.958%, 7/25/68[(a)] | 63,945,000 | 63,753,280 |
| +0.70%, 0.848%, 2/25/70[(a)] | 224,120,648 | 225,092,009 |
| Navient Student Loan Trust (Private Loans) | | |
| Series 2014-AA A2A, 2.74%, 2/15/29[(a)] | 9,325,102 | 9,502,717 |
| Series 2017-A A2A, 2.88%, 12/16/58[(a)] | 20,999,261 | 21,343,145 |
| SLM Student Loan Trust | | |
| USD LIBOR 1-Month | | |
| +1.20%, 1.348%, 10/25/34 | 27,526,000 | 27,934,753 |
| USD LIBOR 3-Month | | |
| +0.63%, 0.845%, 1/25/40[(a)] | 128,229,447 | 125,892,516 |
| +0.17%, 0.385%, 7/25/40 | 13,626,000 | 12,994,303 |
| +0.55%, 0.765%, 10/25/64[(a)] | 65,868,067 | 65,030,284 |
| +0.55%, 0.765%, 10/25/64[(a)] | 29,515,368 | 29,139,959 |
| SMB Private Education Loan Trust (Private Loans) | | |
| Series 2017-A A2A, 2.88%, 9/15/34[(a)] | 16,406,488 | 17,159,076 |
| Series 2017-B A2A, 2.82%, 10/15/35[(a)] | 18,258,416 | 18,935,210 |

**Debt Securities** (continued)

| | Par Value | Value |
|---|---|---|
| Series 2018-A A2A, 3.50%, 2/15/36[a] | $ 44,554,902 | $ 47,177,475 |
| Series 2018-B A2A, 3.60%, 1/15/37[a] | 56,189,755 | 60,035,173 |
| | | 3,226,068,019 |
| | | 3,901,737,309 |
| CMBS: 0.6% | | |
| **Agency CMBS: 0.6%** | | |
| Fannie Mae Multifamily DUS | | |
| Pool AL6455, 2.765%, 11/1/21[b] | 8,746,403 | 8,815,891 |
| Freddie Mac Multifamily Interest Only | | |
| Series K055 X1, 1.362%, 3/25/26[b] | 115,936,504 | 7,126,663 |
| Series K056 X1, 1.261%, 5/25/26[b] | 40,141,626 | 2,308,087 |
| Series K062 X1, 0.305%, 12/25/26[b] | 317,831,828 | 5,552,331 |
| Series K064 X1, 0.605%, 3/25/27[b] | 405,219,686 | 13,631,874 |
| Series K065 X1, 0.671%, 4/25/27[b] | 470,171,720 | 17,984,021 |
| Series K066 X1, 0.75%, 6/25/27[b] | 375,340,218 | 16,151,265 |
| Series K067 X1, 0.577%, 7/25/27[b] | 473,211,270 | 16,393,458 |
| Series K069 X1, 0.363%, 9/25/27[b] | 97,927,058 | 2,261,361 |
| Series K070 X1, 0.326%, 11/25/27[b] | 198,362,980 | 4,275,000 |
| Series K071 X1, 0.29%, 11/25/27[b] | 254,866,473 | 4,684,650 |
| Series K089 X1, 0.54%, 1/25/29[b] | 517,239,223 | 21,011,706 |
| Series K091 X1, 0.559%, 3/25/29[b] | 260,216,838 | 11,014,849 |
| Series K092 X1, 0.709%, 4/25/29[b] | 485,292,900 | 25,887,756 |
| Series K093 X1, 0.952%, 5/25/29[b] | 232,135,760 | 16,198,665 |
| Series K094 X1, 0.88%, 6/25/29[b] | 321,458,623 | 21,305,377 |
| Series K095 X1, 0.948%, 6/25/29[b] | 223,931,513 | 15,803,160 |
| Series K096 X1, 1.126%, 7/25/29[b] | 544,120,130 | 45,901,104 |
| Series K097 X1, 1.089%, 7/25/29[b] | 244,092,787 | 20,261,947 |
| Series K098 X1, 1.145%, 8/25/29[b] | 472,336,024 | 41,048,032 |
| Series K099 X1, 0.886%, 9/25/29[b] | 514,618,686 | 34,839,170 |
| Series K101 X1, 0.836%, 10/25/29[b] | 197,654,214 | 12,818,706 |
| Sereis K102 X1, 0.825%, 10/25/29[b] | 550,557,072 | 35,426,806 |
| Series K152 X1, 0.956%, 1/25/31[b] | 126,749,176 | 9,502,969 |
| Series K154 X1, 0.307%, 11/25/32[b] | 383,797,365 | 10,972,920 |
| Series K-1511 X1, 0.778%, 3/25/34[b] | 175,523,245 | 13,741,118 |
| | | 434,918,886 |
| | | 434,918,886 |
| Mortgage-Related: 38.4% | | |
| **Federal Agency CMO & REMIC: 4.5%** | | |
| Dept. of Veterans Affairs | | |
| Series 1995-2D 4A, 9.293%, 5/15/25 | 36,891 | 41,506 |
| Series 1997-2 Z, 7.50%, 6/15/27 | 3,740,909 | 4,276,089 |
| Series 1998-2 2A, 8.639%, 8/15/27[b] | 6,746 | 7,568 |
| Series 1998-1 1A, 8.293%, 3/15/28[b] | 47,449 | 52,033 |
| Fannie Mae | | |
| Trust 1998-58 PX, 6.50%, 9/25/28 | 133,302 | 151,035 |
| Trust 1998-58 PC, 6.50%, 10/25/28 | 815,882 | 927,689 |
| Trust 2001-69 PQ, 6.00%, 12/25/31 | 933,145 | 1,089,408 |
| Trust 2002-33 A1, 7.00%, 6/25/32 | 1,294,238 | 1,461,646 |
| Trust 2002-69 Z, 5.50%, 10/25/32 | 129,694 | 148,155 |
| Trust 2008-24 GD, 6.50%, 3/25/37 | 496,485 | 582,567 |
| Trust 2007-47 PE, 5.00%, 5/25/37 | 1,320,135 | 1,500,133 |
| Trust 2009-53 QM, 5.50%, 5/25/39 | 456,166 | 477,299 |
| Trust 2009-30 AG, 6.50%, 5/25/39 | 4,330,726 | 5,068,634 |
| Trust 2009-40 TB, 6.00%, 6/25/39 | 1,751,534 | 2,034,732 |
| Trust 2001-T3 A1, 7.50%, 11/25/40 | 65,469 | 74,036 |

| | Par Value | Value |
|---|---|---|
| Trust 2010-123 WT, 7.00%, 11/25/40 | $18,158,786 | $21,688,675 |
| Trust 2001-T7 A1, 7.50%, 2/25/41 | 75,905 | 90,711 |
| Trust 2001-T5 A2, 6.977%, 6/19/41[b] | 29,337 | 34,507 |
| Trust 2001-T5 A3, 7.50%, 6/19/41[b] | 149,378 | 177,381 |
| Trust 2001-T4 A1, 7.50%, 7/25/41 | 1,181,267 | 1,422,343 |
| Trust 2011-58 AT, 4.00%, 7/25/41 | 5,143,209 | 5,705,905 |
| Trust 2001-T10 A1, 7.00%, 12/25/41 | 1,240,535 | 1,468,450 |
| Trust 2013-106 MA, 4.00%, 2/25/42 | 13,157,629 | 14,272,729 |
| Trust 2002-W6 2A1, 7.00%, 6/25/42[b] | 1,581,143 | 1,800,417 |
| Trust 2002-W8 A2, 7.00%, 6/25/42 | 963,279 | 1,166,173 |
| Trust 2002-90 A1, 6.50%, 6/25/42 | 3,007,720 | 3,540,802 |
| Trust 2002-T16 A3, 7.50%, 7/25/42 | 2,314,934 | 2,859,129 |
| Trust 2003-W2 1A2, 7.00%, 7/25/42 | 4,777,713 | 5,779,287 |
| Trust 2003-W4 3A, 5.571%, 10/25/42[b] | 1,386,366 | 1,614,921 |
| Trust 2012-121 NB, 7.00%, 11/25/42 | 611,734 | 744,113 |
| Trust 2003-W1 2A, 5.663%, 12/25/42[b] | 1,730,019 | 1,937,310 |
| Trust 2003-7 A1, 6.50%, 12/25/42 | 2,527,971 | 2,923,756 |
| Trust 2004-T1 1A2, 6.50%, 1/25/44 | 1,048,557 | 1,235,377 |
| Trust 2004-W2 2A2, 7.00%, 2/25/44 | 77,287 | 91,360 |
| Trust 2004-W2 5A, 7.50%, 3/25/44 | 2,225,023 | 2,605,124 |
| Trust 2004-W8 3A, 7.50%, 6/25/44 | 1,749,452 | 2,098,151 |
| Trust 2004-W15 1A2, 6.50%, 8/25/44 | 475,712 | 560,942 |
| Trust 2005-W1 1A3, 7.00%, 10/25/44 | 4,143,786 | 5,023,783 |
| Trust 2001-79 BA, 7.00%, 3/25/45 | 377,959 | 441,889 |
| Trust 2006-W1 1A1, 6.50%, 12/25/45 | 214,763 | 253,403 |
| Trust 2006-W1 1A2, 7.00%, 12/25/45 | 1,614,534 | 1,932,094 |
| Trust 2006-W1 1A3, 7.50%, 12/25/45 | 27,021 | 32,902 |
| Trust 2006-W1 1A4, 8.00%, 12/25/45 | 1,765,121 | 2,124,225 |
| Trust 2007-W10 1A, 6.213%, 8/25/47[b] | 5,231,744 | 6,057,054 |
| Trust 2007-W10 2A, 6.301%, 8/25/47[b] | 1,557,503 | 1,793,977 |
| USD LIBOR 1-Month | | |
| +0.55%, 0.698%, 9/25/43 | 20,220,300 | 20,432,951 |
| +0.40%, 0.548%, 7/25/44 | 1,082,510 | 1,071,231 |
| Freddie Mac | | |
| Series 2456 CJ, 6.50%, 6/15/32 | 89,865 | 106,023 |
| Series 3312 AB, 6.50%, 6/15/32 | 1,696,454 | 1,995,117 |
| Series T-41 2A, 5.169%, 7/25/32[b] | 158,144 | 173,675 |
| Series 2587 ZU, 5.50%, 3/15/33 | 2,276,091 | 2,602,017 |
| Series 2610 UA, 4.00%, 5/15/33 | 1,003,112 | 1,100,877 |
| Series T-48 1A, 4.778%, 7/25/33[b] | 1,882,781 | 2,105,936 |
| Series 2708 ZD, 5.50%, 11/15/33 | 8,525,190 | 9,762,641 |
| Series 3204 ZM, 5.00%, 8/15/34 | 4,010,496 | 4,574,125 |
| Series 3330 GZ, 5.50%, 6/15/37 | 404,447 | 455,920 |
| Series 3427 Z, 5.00%, 3/15/38 | 1,763,731 | 2,017,410 |
| Series T-51 1A, 6.50%, 9/25/43[b] | 44,815 | 56,219 |
| Series 4283 DW, 4.50%, 12/15/43[b] | 41,096,508 | 46,907,558 |
| Series 4283 EW, 4.50%, 12/15/43[b] | 24,477,226 | 26,615,911 |
| Series 4281 BC, 4.50%, 12/15/43[b] | 68,992,023 | 78,038,264 |
| Series 4319 MA, 4.50%, 3/15/44[b] | 13,967,391 | 15,752,660 |

**Debt Securities** (continued)

| | Par Value | Value |
|---|---|---|
| Ginnie Mae | | |
| USD LIBOR 1-Month | | |
| +0.50%, 0.64%, 6/20/68 | $ 36,866,370 | $ 36,967,435 |
| +0.50%, 0.64%, 11/20/68 | 31,832,557 | 31,921,344 |
| +0.65%, 0.79%, 10/20/64 | 6,654,704 | 6,704,959 |
| +0.63%, 0.77%, 4/20/65 | 9,529,607 | 9,593,582 |
| +0.60%, 0.74%, 7/20/65 | 6,543,849 | 6,580,510 |
| +0.60%, 0.74%, 8/20/65 | 6,580,424 | 6,616,926 |
| +0.62%, 0.76%, 9/20/65 | 1,347,680 | 1,356,718 |
| +0.75%, 0.89%, 11/20/65 | 26,133,534 | 26,415,442 |
| +0.90%, 1.04%, 3/20/66 | 15,913,851 | 16,169,184 |
| +0.90%, 1.04%, 4/20/66 | 18,607,382 | 18,908,468 |
| +0.78%, 0.92%, 9/20/66 | 9,536,071 | 9,650,660 |
| +0.75%, 0.89%, 10/20/66 | 46,028,887 | 46,560,870 |
| +0.80%, 0.94%, 11/20/66 | 19,957,702 | 20,230,548 |
| +0.81%, 0.95%, 12/20/66 | 12,046,515 | 12,215,135 |
| +0.57%, 0.71%, 9/20/67 | 25,877,147 | 26,038,100 |
| +0.60%, 0.74%, 9/20/69 | 37,368,246 | 37,726,331 |
| +0.60%, 0.74%, 11/20/69 | 30,435,910 | 30,780,134 |
| +0.65%, 0.79%, 11/20/69 | 37,463,962 | 38,051,251 |
| +0.65%, 0.79%, 11/20/69 | 116,927,194 | 118,476,339 |
| +0.65%, 0.79%, 11/20/69 | 23,389,957 | 23,716,100 |
| +0.55%, 0.702%, 3/20/70 | 116,169,551 | 117,101,406 |
| USD LIBOR 12-Month | | |
| +0.30%, 0.749%, 9/20/66 | 16,333,649 | 16,327,777 |
| +0.28%, 0.61%, 12/20/66 | 30,837,320 | 30,777,937 |
| +0.30%, 2.263%, 1/20/67 | 83,186,584 | 83,151,155 |
| +0.31%, 2.273%, 1/20/67 | 33,006,236 | 33,004,859 |
| +0.30%, 2.263%, 1/20/67 | 89,966,297 | 89,928,062 |
| +0.25%, 2.057%, 2/20/67 | 16,894,424 | 16,893,201 |
| +0.20%, 2.007%, 3/20/67 | 2,983,141 | 2,977,119 |
| +0.30%, 1.454%, 4/20/67 | 21,455,701 | 21,480,257 |
| +0.20%, 1.202%, 5/20/67 | 39,361,406 | 39,255,969 |
| +0.30%, 1.302%, 5/20/67 | 17,513,597 | 17,536,011 |
| +0.20%, 1.036%, 6/20/67 | 88,284,698 | 87,998,037 |
| +0.30%, 1.136%, 6/20/67 | 20,126,821 | 20,145,626 |
| +0.20%, 0.739%, 8/20/67 | 20,122,904 | 20,040,799 |
| +0.27%, 0.719%, 9/20/67 | 61,538,261 | 61,420,711 |
| +0.25%, 0.699%, 9/20/67 | 20,267,598 | 20,219,175 |
| +0.25%, 0.683%, 10/20/67 | 43,263,415 | 43,138,678 |
| +0.23%, 0.663%, 10/20/67 | 142,232,166 | 141,680,306 |
| +0.23%, 0.663%, 10/20/67 | 65,409,218 | 65,168,898 |
| +0.22%, 0.653%, 10/20/67 | 28,461,247 | 28,361,966 |
| +0.20%, 0.558%, 11/20/67 | 14,991,273 | 14,913,864 |
| +0.22%, 0.578%, 11/20/67 | 20,481,262 | 20,390,485 |
| +0.22%, 0.578%, 11/20/67 | 118,109,684 | 117,527,120 |
| +0.06%, 2.055%, 12/20/67 | 48,865,168 | 48,374,361 |
| +0.18%, 0.51%, 12/20/67 | 31,019,357 | 30,804,424 |
| +0.15%, 2.113%, 1/20/68 | 14,233,434 | 14,123,556 |
| +0.08%, 2.075%, 1/20/68 | 40,094,996 | 39,786,028 |
| +0.06%, 2.055%, 1/20/68 | 93,072,049 | 92,139,457 |
| +0.10%, 2.095%, 2/20/68 | 74,180,382 | 73,441,872 |
| +0.15%, 2.145%, 2/20/68 | 29,880,648 | 29,686,627 |
| +0.10%, 2.095%, 2/20/68 | 40,653,816 | 40,277,788 |
| +0.04%, 1.847%, 2/20/68 | 47,373,501 | 46,909,284 |
| +0.07%, 1.877%, 2/20/68 | 42,829,667 | 42,462,809 |
| +0.05%, 0.688%, 2/20/68 | 21,904,409 | 21,702,498 |
| +0.05%, 1.857%, 2/20/68 | 3,390,111 | 3,359,226 |
| +0.06%, 1.867%, 3/20/68 | 11,607,466 | 11,476,355 |
| +0.05%, 1.204%, 3/20/68 | 51,158,370 | 50,703,761 |
| +0.03%, 1.184%, 3/20/68 | 16,016,188 | 15,833,533 |
| +0.04%, 1.847%, 3/20/68 | 74,866,337 | 74,170,672 |
| +0.04%, 1.847%, 3/20/68 | 28,498,404 | 28,153,482 |
| +0.02%, 1.174%, 4/20/68 | 19,974,585 | 19,691,409 |

| | Par Value | Value |
|---|---|---|
| +0.05%, 1.204%, 4/20/68 | $ 35,618,780 | $ 35,176,334 |
| +0.05%, 1.204%, 4/20/68 | 33,152,437 | 32,739,606 |
| +0.04%, 1.042%, 5/20/68 | 36,201,033 | 35,726,720 |
| +0.15%, 2.887%, 6/20/68 | 34,723,997 | 34,465,570 |
| +0.25%, 0.888%, 7/20/68 | 34,943,874 | 34,845,692 |
| +0.12%, 0.569%, 8/20/68 | 29,683,870 | 29,437,690 |
| +0.10%, 0.533%, 10/20/68 | 53,717,408 | 53,137,614 |
| +0.22%, 0.578%, 11/20/68 | 27,924,905 | 27,755,104 |
| +0.30%, 0.658%, 11/20/68 | 31,316,177 | 31,276,922 |
| +0.40%, 2.207%, 2/20/69 | 27,034,016 | 27,195,568 |
| +0.40%, 0.833%, 10/20/69 | 16,934,658 | 17,029,714 |
| +0.40%, 0.758%, 10/20/69 | 25,607,617 | 25,752,717 |
| +0.50%, 0.858%, 11/20/69 | 59,181,798 | 59,755,418 |
| | | 3,084,649,220 |
| **Federal Agency Mortgage Pass-Through: 33.9%** | | |
| Fannie Mae, 15 Year | | |
| 5.50%, 1/1/21 - 7/1/25 | 20,249,977 | 21,028,072 |
| 6.00%, 9/1/21 - 3/1/23 | 2,503,496 | 2,552,688 |
| 5.00%, 9/1/25 | 10,084,434 | 10,582,830 |
| 4.00%, 9/1/25 | 309,477 | 319,464 |
| 3.50%, 10/1/25 - 6/1/34 | 582,434,781 | 619,090,640 |
| 4.50%, 3/1/29 | 8,215,026 | 8,720,428 |
| 4.00%, 11/1/33 | 257,073,921 | 280,355,163 |
| Fannie Mae, 20 Year | | |
| 4.50%, 3/1/29 - 1/1/34 | 221,223,005 | 243,604,355 |
| 4.00%, 9/1/30 - 3/1/37 | 1,067,484,356 | 1,164,112,306 |
| 3.50%, 11/1/35 - 10/1/39 | 241,407,904 | 256,322,808 |
| Fannie Mae, 30 Year | | |
| 6.00%, 11/1/28 - 2/1/39 | 61,884,286 | 73,730,899 |
| 7.00%, 4/1/32 - 2/1/39 | 5,192,366 | 6,030,486 |
| 6.50%, 12/1/32 - 8/1/39 | 25,657,102 | 29,773,615 |
| 5.50%, 2/1/33 - 11/1/39 | 92,381,777 | 107,647,795 |
| 4.50%, 11/1/35 - 11/1/48 | 1,413,529,183 | 1,564,366,192 |
| 5.00%, 7/1/37 - 3/1/49 | 95,135,680 | 105,655,140 |
| 4.00%, 10/1/40 - 2/1/47 | 298,320,160 | 324,212,923 |
| 3.50%, 8/1/49 - 3/1/50 | 45,681,584 | 47,230,261 |
| 2.50%, 5/1/50 - 11/1/50 | 2,725,060,207 | 2,896,221,770 |
| 2.00%, 6/1/50 - 12/1/50 | 1,537,983,033 | 1,601,232,280 |
| 2.00%, 12/1/50 | 257,300,439 | 267,990,310 |
| Fannie Mae, 40 Year | | |
| 4.50%, 1/1/52 - 6/1/56 | 104,101,225 | 118,797,523 |
| Fannie Mae, Hybrid ARM | | |
| 2.612%, 10/1/33[(b)] | 760,856 | 796,206 |
| 3.098%, 7/1/34 - 1/1/48[(b)] | 2,885,784 | 3,007,623 |
| 2.232%, 8/1/34[(b)] | 1,015,140 | 1,043,462 |
| 2.518%, 8/1/34[(b)] | 97,337 | 98,553 |
| 2.142%, 9/1/34[(b)] | 806,170 | 846,633 |
| 1.874%, 10/1/34[(b)] | 548,137 | 565,306 |
| 3.316%, 1/1/35[(b)] | 542,779 | 555,091 |
| 2.034%, 1/1/35[(b)] | 368,327 | 370,843 |
| 3.372%, 4/1/35[(b)] | 1,122,724 | 1,161,775 |
| 2.956%, 6/1/35[(b)] | 221,073 | 223,482 |
| 2.678%, 7/1/35[(b)] | 796,682 | 835,003 |
| 2.444%, 7/1/35[(b)] | 312,653 | 323,996 |
| 2.306%, 7/1/35[(b)] | 123,756 | 125,110 |
| 2.349%, 7/1/35[(b)] | 253,218 | 256,186 |
| 2.474%, 8/1/35[(b)] | 919,190 | 962,545 |
| 2.042%, 8/1/35[(b)] | 1,722,854 | 1,807,598 |
| 1.974%, 8/1/35[(b)] | 529,345 | 540,579 |
| 2.387%, 9/1/35[(b)] | 585,914 | 594,150 |
| 1.997%, 10/1/35[(b)] | 663,349 | 686,641 |
| 2.295%, 10/1/35 - 9/1/42[(b)] | 1,713,237 | 1,761,838 |
| 2.372%, 11/1/35[(b)] | 567,985 | 588,034 |
| 2.968%, 12/1/35[(b)] | 154,684 | 155,296 |

## Debt Securities (continued)

| | Par Value | Value |
|---|---|---|
| 2.597%, 1/1/36(b) | $ 1,292,824 | $ 1,347,680 |
| 2.524%, 1/1/36(b) | 1,363,840 | 1,418,661 |
| 3.244%, 1/1/36(b) | 5,330,772 | 5,600,635 |
| 2.496%, 7/1/36(b) | 57,429 | 57,621 |
| 2.638%, 11/1/36 - 7/1/46(b) | 2,296,962 | 2,381,173 |
| 2.835%, 12/1/36(b) | 781,127 | 818,740 |
| 2.182%, 12/1/36(b) | 452,008 | 459,526 |
| 3.557%, 1/1/37(b) | 831,320 | 865,681 |
| 4.001%, 2/1/37(b) | 805,375 | 843,124 |
| 3.678%, 4/1/37(b) | 320,455 | 346,447 |
| 2.697%, 8/1/37(b) | 535,815 | 556,069 |
| 2.772%, 11/1/37 - 12/1/44(b) | 5,365,699 | 5,556,215 |
| 3.278%, 5/1/38(b) | 1,194,501 | 1,261,008 |
| 2.84%, 5/1/38(b) | 54,845,025 | 57,609,312 |
| 2.557%, 9/1/38(b) | 109,059 | 110,458 |
| 2.946%, 10/1/38(b) | 1,725,576 | 1,796,867 |
| 2.416%, 10/1/38(b) | 370,810 | 375,263 |
| 2.914%, 10/1/38(b) | 261,435 | 271,629 |
| 2.894%, 6/1/39(b) | 232,560 | 243,169 |
| 2.26%, 12/1/39 - 12/1/46(b) | 4,877,671 | 5,048,331 |
| 3.502%, 4/1/42(b) | 1,970,678 | 2,051,314 |
| 2.149%, 11/1/42(b) | 1,937,422 | 2,007,802 |
| 2.263%, 12/1/42(b) | 8,189,835 | 8,472,625 |
| 2.874%, 2/1/43(b) | 4,440,807 | 4,593,212 |
| 2.527%, 2/1/43(b) | 1,110,516 | 1,158,839 |
| 2.334%, 5/1/43(b) | 1,804,992 | 1,864,531 |
| 2.408%, 6/1/43(b) | 286,487 | 288,278 |
| 2.152%, 9/1/43(b) | 761,208 | 783,076 |
| 2.129%, 9/1/43(b) | 1,900,438 | 1,961,393 |
| 3.248%, 9/1/43(b) | 1,353,614 | 1,411,562 |
| 2.401%, 10/1/43(b) | 11,071,355 | 11,446,648 |
| 2.078%, 11/1/43(b) | 5,343,624 | 5,505,277 |
| 2.855%, 11/1/43(b) | 7,923,606 | 8,250,642 |
| 2.007%, 12/1/43(b) | 2,279,719 | 2,345,916 |
| 3.55%, 2/1/44(b) | 480,192 | 483,346 |
| 2.938%, 2/1/44(b) | 2,697,689 | 2,783,085 |
| 2.807%, 2/1/44(b) | 2,143,375 | 2,206,002 |
| 3.536%, 4/1/44(b) | 2,639,173 | 2,733,886 |
| 3.005%, 4/1/44(b) | 1,394,982 | 1,441,605 |
| 2.985%, 4/1/44(b) | 2,635,959 | 2,731,063 |
| 3.164%, 4/1/44(b) | 8,964,442 | 9,349,604 |
| 2.737%, 4/1/44 - 9/1/44(b) | 19,950,831 | 20,778,554 |
| 3.444%, 5/1/44(b) | 2,710,884 | 2,808,935 |
| 2.708%, 5/1/44(b) | 8,482,905 | 8,740,533 |
| 2.906%, 7/1/44(b) | 1,830,312 | 1,889,042 |
| 2.823%, 7/1/44(b) | 4,977,747 | 5,149,527 |
| 2.948%, 7/1/44(b) | 5,166,239 | 5,348,477 |
| 2.842%, 7/1/44(b) | 5,986,372 | 6,196,312 |
| 3.149%, 7/1/44(b) | 4,902,083 | 5,075,299 |
| 3.048%, 7/1/44(b) | 2,201,759 | 2,281,074 |
| 3.015%, 8/1/44(b) | 3,604,474 | 3,738,237 |
| 2.803%, 8/1/44(b) | 9,397,125 | 9,741,872 |
| 2.875%, 8/1/44(b) | 2,934,147 | 3,043,890 |
| 2.758%, 8/1/44(b) | 3,204,627 | 3,310,484 |
| 2.91%, 9/1/44(b) | 7,405,414 | 7,687,696 |
| 2.879%, 9/1/44(b) | 1,653,663 | 1,711,094 |
| 2.752%, 9/1/44(b) | 4,446,296 | 4,599,254 |
| 2.547%, 9/1/44(b) | 3,842,348 | 3,975,081 |
| 3.118%, 9/1/44(b) | 2,235,734 | 2,317,739 |
| 2.632%, 10/1/44(b) | 6,090,680 | 6,310,035 |
| 2.837%, 10/1/44(b) | 3,222,234 | 3,335,212 |
| 2.732%, 10/1/44 - 4/1/46(b) | 6,943,841 | 7,193,537 |
| 2.744%, 10/1/44(b) | 12,684,562 | 13,110,706 |
| 2.957%, 10/1/44(b) | 2,745,167 | 2,838,420 |

| | Par Value | Value |
|---|---|---|
| 2.813%, 10/1/44(b) | $ 7,664,354 | $ 7,955,374 |
| 2.887%, 10/1/44 - 10/1/47(b) | 5,235,145 | 5,445,404 |
| 2.564%, 10/1/44(b) | 2,761,963 | 2,859,799 |
| 2.872%, 10/1/44(b) | 3,853,612 | 3,990,826 |
| 2.847%, 10/1/44(b) | 4,608,978 | 4,770,020 |
| 2.849%, 10/1/44(b) | 6,300,092 | 6,524,587 |
| 2.464%, 10/1/44(b) | 2,866,030 | 2,957,690 |
| 2.802%, 11/1/44(b) | 7,956,035 | 8,257,204 |
| 2.939%, 11/1/44(b) | 6,443,891 | 6,690,027 |
| 2.928%, 11/1/44(b) | 8,160,441 | 8,472,915 |
| 2.721%, 11/1/44(b) | 2,348,975 | 2,433,496 |
| 2.811%, 11/1/44(b) | 3,082,410 | 3,199,520 |
| 2.824%, 11/1/44(b) | 4,954,282 | 5,125,497 |
| 2.722%, 12/1/44 - 6/1/46(b) | 12,469,426 | 12,906,952 |
| 2.694%, 12/1/44(b) | 2,188,250 | 2,271,379 |
| 2.648%, 12/1/44(b) | 1,938,818 | 2,009,346 |
| 2.905%, 12/1/44(b) | 1,960,694 | 2,032,276 |
| 2.929%, 12/1/44(b) | 2,309,946 | 2,395,991 |
| 2.976%, 1/1/45(b) | 3,328,625 | 3,452,560 |
| 2.742%, 2/1/45(b) | 6,316,094 | 6,540,470 |
| 3.018%, 3/1/45(b) | 61,238,014 | 63,453,456 |
| 3.114%, 3/1/45(b) | 1,958,064 | 2,042,930 |
| 2.791%, 4/1/45(b) | 14,984,429 | 15,485,764 |
| 2.655%, 4/1/45(b) | 1,976,774 | 2,045,983 |
| 2.625%, 8/1/45(b) | 6,093,794 | 6,331,397 |
| 2.577%, 8/1/45(b) | 3,101,768 | 3,205,906 |
| 2.822%, 10/1/45(b) | 12,761,012 | 13,289,438 |
| 2.58%, 11/1/45(b) | 10,326,409 | 10,724,445 |
| 2.687%, 3/1/46(b) | 1,268,111 | 1,313,094 |
| 2.42%, 4/1/46(b) | 14,231,852 | 14,694,496 |
| 2.788%, 4/1/46(b) | 8,917,031 | 9,253,273 |
| 2.764%, 4/1/46(b) | 3,373,886 | 3,500,528 |
| 2.933%, 4/1/46(b) | 2,737,377 | 2,845,504 |
| 2.407%, 5/1/46(b) | 4,428,169 | 4,571,019 |
| 2.71%, 6/1/46(b) | 3,573,193 | 3,706,941 |
| 3.056%, 6/1/47(b) | 9,556,181 | 9,964,447 |
| 3.156%, 6/1/47(b) | 11,482,259 | 11,986,001 |
| 3.157%, 7/1/47(b) | 11,141,862 | 11,631,111 |
| 3.147%, 7/1/47(b) | 4,679,025 | 4,888,061 |
| 2.848%, 8/1/47(b) | 2,614,369 | 2,725,694 |
| 3.009%, 8/1/47(b) | 3,192,809 | 3,330,286 |
| 3.231%, 8/1/47(b) | 3,204,494 | 3,349,057 |
| 2.693%, 8/1/47(b) | 12,569,287 | 13,054,137 |
| 2.954%, 10/1/47(b) | 3,146,070 | 3,278,389 |
| 2.806%, 11/1/47(b) | 2,641,332 | 2,752,434 |
| 3.05%, 11/1/47(b) | 7,542,838 | 7,871,783 |
| 3.173%, 1/1/48(b) | 3,434,091 | 3,588,991 |
| 3.064%, 3/1/48(b) | 5,602,163 | 5,861,979 |
| 3.202%, 4/1/48(b) | 5,159,098 | 5,387,978 |
| 3.139%, 5/1/48(b) | 42,842,823 | 44,743,029 |
| 3.496%, 8/1/48(b) | 3,305,777 | 3,430,463 |
| 3.285%, 10/1/48(b) | 8,511,247 | 8,860,205 |
| 3.577%, 11/1/48(b) | 4,702,353 | 4,913,473 |
| 3.396%, 4/1/49(b) | 5,239,388 | 5,453,586 |
| 3.723%, 8/1/49(b) | 24,141,525 | 25,307,407 |
| 3.684%, 8/1/49(b) | 40,966,177 | 42,762,934 |
| 3.571%, 8/1/49(b) | 14,899,297 | 15,579,695 |
| 3.373%, 9/1/49(b) | 32,231,955 | 33,456,452 |
| 3.421%, 9/1/49(b) | 47,395,738 | 48,624,616 |
| 3.326%, 10/1/49(b) | 5,952,320 | 6,209,781 |
| 2.889%, 1/1/50(b) | 8,210,461 | 8,600,355 |
| Fannie Mae Pool, 30 Year | | |
| 2.50%, 2/1/49(c) | 2,455,001,000 | 2,583,022,281 |
| 2.00%, 3/1/50(c) | 1,427,805,000 | 1,477,943,643 |

**Debt Securities** (continued)

| | Par Value | Value |
|---|---|---|
| Freddie Mac, Hybrid ARM | | |
| 2.416%, 9/1/33[(b)] | $ 2,687,301 | $ 2,807,853 |
| 3.825%, 2/1/34[(b)] | 1,754,509 | 1,844,802 |
| 2.48%, 8/1/34[(b)] | 406,149 | 425,457 |
| 2.375%, 11/1/34[(b)] | 807,915 | 849,474 |
| 3.625%, 1/1/35 - 4/1/35[(b)] | 390,495 | 390,913 |
| 3.768%, 2/1/35[(b)] | 417,336 | 439,940 |
| 3.321%, 3/1/35[(b)] | 535,664 | 561,665 |
| 2.466%, 8/1/35[(b)] | 554,845 | 579,946 |
| 2.529%, 8/1/35[(b)] | 1,101,590 | 1,158,326 |
| 2.402%, 9/1/35[(b)] | 817,477 | 826,353 |
| 2.485%, 10/1/35[(b)] | 941,360 | 981,813 |
| 3.416%, 1/1/36[(b)] | 1,639,235 | 1,730,863 |
| 2.683%, 1/1/36[(b)] | 1,235,361 | 1,275,482 |
| 2.378%, 1/1/36[(b)] | 495,866 | 515,503 |
| 3.414%, 4/1/36[(b)] | 1,337,900 | 1,409,834 |
| 2.215%, 8/1/36 - 10/1/43[(b)] | 1,833,087 | 1,898,263 |
| 2.25%, 12/1/36[(b)] | 877,991 | 917,734 |
| 3.773%, 1/1/37[(b)] | 740,834 | 747,218 |
| 3.57%, 3/1/37[(b)] | 930,114 | 939,916 |
| 3.439%, 4/1/37[(b)] | 545,781 | 547,447 |
| 3.282%, 4/1/37[(b)] | 674,598 | 703,125 |
| 3.375%, 5/1/37[(b)] | 515,941 | 518,415 |
| 2.698%, 7/1/37[(b)] | 2,513,136 | 2,626,530 |
| 2.585%, 10/1/37[(b)] | 102,581 | 109,515 |
| 4.03%, 1/1/38[(b)] | 251,316 | 255,971 |
| 2.283%, 2/1/38[(b)] | 943,818 | 976,636 |
| 3.501%, 4/1/38[(b)] | 1,402,196 | 1,470,912 |
| 3.444%, 4/1/38[(b)] | 1,475,441 | 1,550,841 |
| 3.684%, 5/1/38[(b)] | 294,792 | 298,170 |
| 3.091%, 6/1/38[(b)] | 1,135,597 | 1,188,309 |
| 2.759%, 10/1/38[(b)] | 187,103 | 188,547 |
| 2.792%, 10/1/38[(b)] | 1,330,372 | 1,396,261 |
| 2.868%, 11/1/39[(b)] | 787,050 | 826,002 |
| 2.621%, 7/1/43[(b)] | 565,064 | 589,683 |
| 2.962%, 8/1/43[(b)] | 8,947,342 | 9,194,235 |
| 2.469%, 1/1/44[(b)] | 1,393,986 | 1,443,392 |
| 3.097%, 1/1/44 - 1/1/45[(b)] | 9,888,035 | 10,243,991 |
| 2.857%, 2/1/44[(b)] | 4,993,402 | 5,155,705 |
| 3.086%, 4/1/44[(b)] | 1,237,630 | 1,278,707 |
| 3.251%, 4/1/44[(b)] | 2,788,385 | 2,884,212 |
| 2.84%, 5/1/44[(b)] | 42,288,453 | 43,737,110 |
| 2.91%, 6/1/44[(b)] | 7,274,533 | 7,520,016 |
| 2.839%, 6/1/44[(b)] | 2,392,627 | 2,479,449 |
| 3.137%, 7/1/44[(b)] | 2,962,863 | 3,077,171 |
| 3.068%, 7/1/44[(b)] | 1,646,802 | 1,704,311 |
| 3.066%, 8/1/44[(b)] | 4,288,734 | 4,448,856 |
| 3.009%, 8/1/44[(b)] | 3,537,639 | 3,662,905 |
| 2.808%, 8/1/44[(b)] | 3,147,191 | 3,254,831 |
| 2.826%, 9/1/44[(b)] | 3,860,639 | 4,005,593 |
| 2.687%, 9/1/44[(b)] | 3,456,573 | 3,579,449 |
| 2.764%, 9/1/44[(b)] | 4,125,954 | 4,277,053 |
| 2.929%, 10/1/44[(b)] | 6,164,089 | 6,408,557 |
| 2.874%, 10/1/44[(b)] | 2,644,812 | 2,748,768 |
| 3.046%, 10/1/44[(b)] | 5,861,273 | 6,089,799 |
| 2.935%, 10/1/44[(b)] | 7,148,154 | 7,430,576 |
| 2.913%, 10/1/44[(b)] | 7,929,740 | 8,242,221 |
| 2.909%, 11/1/44[(b)] | 2,794,901 | 2,892,823 |
| 2.98%, 11/1/44[(b)] | 4,454,784 | 4,624,050 |
| 2.949%, 11/1/44[(b)] | 7,346,266 | 7,650,995 |
| 2.946%, 11/1/44[(b)] | 8,492,365 | 8,821,045 |
| 2.807%, 11/1/44[(b)] | 6,382,618 | 6,624,700 |
| 2.95%, 11/1/44[(b)] | 5,585,599 | 5,809,187 |
| 2.711%, 11/1/44[(b)] | 9,302,542 | 9,649,433 |

| | Par Value | Value |
|---|---|---|
| 2.732%, 11/1/44[(b)] | $ 3,993,713 | $ 4,144,514 |
| 3.056%, 11/1/44[(b)] | 3,361,362 | 3,503,465 |
| 2.941%, 11/1/44 - 12/1/44[(b)] | 17,067,257 | 17,723,472 |
| 2.86%, 11/1/44[(b)] | 4,645,512 | 4,831,797 |
| 2.797%, 12/1/44[(b)] | 7,548,415 | 7,841,511 |
| 2.903%, 12/1/44[(b)] | 6,613,945 | 6,888,114 |
| 2.532%, 12/1/44[(b)] | 1,001,603 | 1,034,854 |
| 2.939%, 12/1/44[(b)] | 4,214,008 | 4,389,668 |
| 2.911%, 1/1/45[(b)] | 6,914,944 | 7,182,742 |
| 2.817%, 1/1/45[(b)] | 4,807,604 | 4,997,298 |
| 2.645%, 1/1/45[(b)] | 6,519,450 | 6,768,861 |
| 2.82%, 1/1/45[(b)] | 3,974,081 | 4,125,892 |
| 2.835%, 2/1/45[(b)] | 6,883,256 | 7,139,385 |
| 2.553%, 4/1/45[(b)] | 3,453,511 | 3,583,130 |
| 2.596%, 5/1/45[(b)] | 19,409,176 | 20,113,723 |
| 2.675%, 6/1/45[(b)] | 2,127,371 | 2,206,177 |
| 2.745%, 8/1/45 - 5/1/46[(b)] | 25,227,754 | 26,210,418 |
| 2.842%, 8/1/45[(b)] | 2,974,400 | 3,083,909 |
| 2.576%, 8/1/45[(b)] | 4,444,429 | 4,599,871 |
| 2.777%, 9/1/45[(b)] | 4,868,225 | 5,060,548 |
| 2.753%, 5/1/46[(b)] | 95,191,248 | 98,869,060 |
| 2.608%, 7/1/46[(b)] | 11,329,347 | 11,723,225 |
| 2.541%, 9/1/46[(b)] | 20,547,869 | 21,274,658 |
| 3.155%, 6/1/47[(b)] | 3,516,945 | 3,664,790 |
| 3.112%, 8/1/47[(b)] | 2,809,113 | 2,930,191 |
| 3.164%, 10/1/47[(b)] | 3,492,166 | 3,639,973 |
| 3.218%, 11/1/47[(b)] | 2,566,758 | 2,682,104 |
| 3.626%, 2/1/49[(b)] | 12,494,034 | 13,018,845 |
| Freddie Mac Gold, 15 Year | | |
| 6.00%, 8/1/21 - 11/1/23 | 1,506,500 | 1,553,486 |
| 5.50%, 12/1/24 | 111,278 | 114,375 |
| 4.50%, 3/1/25 - 6/1/26 | 4,171,323 | 4,405,335 |
| Freddie Mac Gold, 20 Year | | |
| 6.50%, 10/1/26 | 1,166,949 | 1,307,671 |
| 4.50%, 5/1/30 - 1/1/34 | 57,698,837 | 63,687,080 |
| 4.00%, 9/1/31 - 10/1/35 | 272,064,998 | 296,825,220 |
| 3.50%, 7/1/35 - 1/1/36 | 103,591,337 | 111,963,366 |
| Freddie Mac Gold, 30 Year | | |
| 7.00%, 4/1/31 - 11/1/38 | 1,926,172 | 2,199,041 |
| 6.50%, 12/1/32 - 10/1/38 | 6,152,496 | 7,153,950 |
| 6.00%, 12/1/33 - 2/1/39 | 10,548,660 | 12,600,516 |
| 5.50%, 3/1/34 - 12/1/38 | 30,888,943 | 36,215,883 |
| 4.50%, 3/1/39 - 10/1/47 | 1,088,773,707 | 1,202,685,268 |
| 4.00%, 11/1/45 - 11/1/47 | 411,276,196 | 445,598,663 |
| Freddie Mac Pool, 15 Year | | |
| 6.00%, 10/1/21 | 450 | 455 |
| Freddie Mac Pool, 20 Year | | |
| 3.50%, 8/1/39 | 132,338,471 | 140,407,757 |
| Freddie Mac Pool, 30 Year | | |
| 7.00%, 11/1/37 | 6,923 | 8,051 |
| 4.50%, 7/1/42 | 6,612,795 | 7,419,153 |
| 2.50%, 5/1/50 - 8/1/50 | 1,446,906,418 | 1,536,840,158 |
| 2.00%, 6/1/50 - 12/1/50 | 4,129,761,713 | 4,309,192,601 |
| Ginnie Mae, 20 Year | | |
| 4.00%, 1/20/35 | 4,817,581 | 5,174,067 |
| Ginnie Mae, 30 Year | | |
| 7.50%, 12/15/23 - 5/15/25 | 295,399 | 316,252 |
| 7.00%, 5/15/28 | 118,976 | 130,695 |
| | | 23,425,754,095 |
| **Private Label CMO & REMIC: 0.0%*** | | |
| GSMPS Mortgage Loan Trust | | |
| Series 2004-4 1A4, 8.50%, 6/25/34[(a)] | 2,534,264 | 2,769,719 |

## Debt Securities (continued)

| | Par Value | Value |
|---|---|---|
| Seasoned Credit Risk Transfer Trust Series 2017-4 M45T, 4.50%, 6/25/57 | $ 18,412,489 | $ 20,258,759 |
| | | 23,028,478 |
| | | 26,533,431,793 |
| | | 30,870,087,988 |
| **Corporate: 39.1%** | | |
| Financials: 13.6% | | |
| Bank of America Corp. | | |
| 3.004%, 12/20/23[d] | 418,804,000 | 441,001,223 |
| 4.20%, 8/26/24 | 161,580,000 | 181,259,132 |
| 4.25%, 10/22/26 | 183,292,000 | 214,950,066 |
| 2.496%, 2/13/31[d] | 74,640,000 | 79,229,614 |
| 4.083%, 3/20/51[d] | 124,260,000 | 156,669,176 |
| Barclays PLC (United Kingdom) | | |
| 4.375%, 9/11/24 | 236,829,000 | 263,453,115 |
| 4.836%, 5/9/28 | 49,425,000 | 57,123,438 |
| BNP Paribas SA (France) | | |
| 4.25%, 10/15/24 | 377,926,000 | 425,948,875 |
| 4.375%, 9/28/25[a] | 71,416,000 | 81,807,189 |
| 4.375%, 5/12/26[a] | 114,734,000 | 131,869,502 |
| 4.625%, 3/13/27[a] | 230,095,000 | 268,229,102 |
| Boston Properties, Inc. | | |
| 4.125%, 5/15/21 | 52,327,000 | 52,543,331 |
| 3.85%, 2/1/23 | 75,326,000 | 80,133,173 |
| 3.125%, 9/1/23 | 19,310,000 | 20,495,568 |
| 3.80%, 2/1/24 | 63,389,000 | 68,869,556 |
| 3.20%, 1/15/25 | 46,635,000 | 50,968,029 |
| 3.65%, 2/1/26 | 28,645,000 | 32,637,545 |
| 4.50%, 12/1/28 | 59,475,000 | 71,103,351 |
| 2.90%, 3/15/30 | 16,188,000 | 17,421,876 |
| 3.25%, 1/30/31 | 108,540,000 | 119,599,825 |
| Capital One Financial Corp. | | |
| 3.50%, 6/15/23 | 128,092,000 | 137,446,846 |
| 3.75%, 4/24/24 | 14,520,000 | 15,902,558 |
| 3.20%, 2/5/25 | 45,441,000 | 49,574,000 |
| 4.20%, 10/29/25 | 125,944,000 | 143,641,662 |
| Citigroup, Inc. | | |
| 3.50%, 5/15/23 | 72,075,000 | 77,210,160 |
| 4.00%, 8/5/24 | 30,990,000 | 34,485,288 |
| 4.412%, 3/31/31[d] | 88,860,000 | 107,677,293 |
| USD LIBOR 3-Month +6.37%, 6.584%, 10/30/40[e] | 423,267,200 | 480,831,539 |
| Equity Residential | | |
| 4.625%, 12/15/21 | 107,657,000 | 110,758,734 |
| 3.00%, 4/15/23 | 46,830,000 | 49,309,293 |
| 3.375%, 6/1/25 | 12,290,000 | 13,580,516 |
| HSBC Holdings PLC (United Kingdom) | | |
| 9.30%, 6/1/21 | 100,000 | 103,326 |
| 3.262%, 3/13/23[d] | 13,570,000 | 14,024,878 |
| 3.60%, 5/25/23 | 63,100,000 | 67,866,960 |
| 3.95%, 5/18/24[d] | 132,355,000 | 142,758,353 |
| 4.30%, 3/8/26 | 114,950,000 | 132,420,247 |
| 4.95%, 3/31/30 | 65,743,000 | 82,253,113 |
| 2.848%, 6/4/31[d] | 105,275,000 | 113,043,440 |
| 2.357%, 8/18/31[d] | 32,125,000 | 33,160,344 |
| 6.50%, 5/2/36 | 223,527,000 | 323,392,918 |
| 6.50%, 9/15/37 | 258,950,000 | 378,512,399 |
| 6.80%, 6/1/38 | 34,735,000 | 52,554,480 |
| JPMorgan Chase & Co. | | |
| 3.375%, 5/1/23 | 46,473,000 | 49,666,709 |
| 4.125%, 12/15/26 | 118,674,000 | 138,778,426 |
| 4.25%, 10/1/27 | 130,835,000 | 155,198,929 |
| 8.75%, 9/1/30[e] | 80,637,000 | 119,955,557 |

| | Par Value | Value |
|---|---|---|
| 2.739%, 10/15/30[d] | $ 9,930,000 | $ 10,805,793 |
| 4.493%, 3/24/31[d] | 364,895,000 | 448,635,695 |
| 2.522%, 4/22/31[d] | 67,355,000 | 72,357,267 |
| 2.956%, 5/13/31[d] | 101,265,000 | 111,010,299 |
| Lloyds Banking Group PLC (United Kingdom) | | |
| 4.05%, 8/16/23 | 129,845,000 | 141,891,926 |
| 4.50%, 11/4/24 | 216,152,000 | 241,785,840 |
| 4.582%, 12/10/25 | 29,643,000 | 33,895,513 |
| 4.65%, 3/24/26 | 51,802,000 | 59,602,576 |
| NatWest Group PLC (United Kingdom) | | |
| 6.125%, 12/15/22 | 345,692,000 | 380,169,605 |
| 6.10%, 6/10/23 | 19,542,000 | 21,903,256 |
| 6.00%, 12/19/23 | 235,736,000 | 269,377,375 |
| UniCredit SPA (Italy) | | |
| 7.296%, 4/2/34[a][d] | 291,351,000 | 352,391,948 |
| 5.459%, 6/30/35[a][d] | 135,975,000 | 149,635,522 |
| Unum Group | | |
| 7.25%, 3/15/28 | 18,694,000 | 23,776,852 |
| 6.75%, 12/15/28 | 8,052,000 | 10,163,363 |
| Wells Fargo & Co. | | |
| 3.55%, 8/14/23 | 242,380,000 | 261,755,840 |
| 4.10%, 6/3/26 | 128,880,000 | 147,705,753 |
| 4.30%, 7/22/27 | 157,735,000 | 184,739,230 |
| 2.879%, 10/30/30[d] | 46,670,000 | 50,889,978 |
| 2.572%, 2/11/31[d] | 43,705,000 | 46,228,987 |
| 5.013%, 4/4/51[d] | 372,377,000 | 528,942,478 |
| | | 9,387,085,750 |
| Industrials: 23.5% | | |
| AbbVie, Inc. | | |
| 4.05%, 11/21/39 | 152,385,000 | 183,852,077 |
| 4.25%, 11/21/49 | 150,605,000 | 188,763,671 |
| Anheuser-Busch InBev SA/NV (Belgium) | | |
| 3.50%, 6/1/30 | 96,255,000 | 111,439,253 |
| 5.55%, 1/23/49 | 111,244,000 | 157,888,760 |
| 4.50%, 6/1/50 | 60,410,000 | 76,012,450 |
| 4.60%, 6/1/60 | 66,595,000 | 85,026,067 |
| AT&T, Inc. | | |
| 2.75%, 6/1/31 | 104,270,000 | 111,391,856 |
| 8.75%, 11/15/31 | 100,018,000 | 155,849,808 |
| 4.50%, 3/9/48 | 46,095,000 | 55,048,037 |
| 3.50%, 9/15/53[a] | 87,302,000 | 86,969,207 |
| 3.55%, 9/15/55[a] | 106,017,000 | 105,453,273 |
| 3.65%, 9/15/59[a] | 330,341,000 | 331,306,603 |
| Bayer AG (Germany) | | |
| 3.875%, 12/15/23[a] | 298,635,000 | 325,285,749 |
| 4.25%, 12/15/25[a] | 69,030,000 | 78,890,185 |
| British American Tobacco PLC (United Kingdom) | | |
| 2.259%, 3/25/28 | 51,400,000 | 53,332,419 |
| 2.726%, 3/25/31 | 71,660,000 | 74,178,242 |
| 3.734%, 9/25/40 | 22,010,000 | 22,926,542 |
| 3.984%, 9/25/50 | 89,773,000 | 93,522,575 |
| Burlington Northern Santa Fe LLC[f] | | |
| 8.251%, 1/15/21 | 222,424 | 222,882 |
| 3.05%, 9/1/22 | 39,190,000 | 40,711,271 |
| 5.943%, 1/15/23 | 2,963 | 3,000 |
| 3.85%, 9/1/23 | 78,735,000 | 85,297,850 |
| 5.72%, 1/15/24 | 7,696,579 | 8,189,628 |
| 5.629%, 4/1/24 | 9,036,200 | 9,574,531 |
| 5.342%, 4/1/24 | 2,040,771 | 2,153,146 |
| 5.996%, 4/1/24 | 21,369,538 | 23,489,657 |

**Debt Securities** (continued)

| | Par Value | Value |
|---|---|---|
| 3.442%, 6/16/28[a] | $ 71,318,031 | $ 80,551,149 |
| Cemex SAB de CV (Mexico) | | |
| 5.70%, 1/11/25[a] | 225,476,000 | 230,436,472 |
| 7.75%, 4/16/26[a] | 172,448,000 | 181,846,416 |
| 7.375%, 6/5/27[a] | 57,014,000 | 64,881,932 |
| 5.20%, 9/17/30[a] | 100,810,000 | 110,538,165 |
| Charter Communications, Inc. | | |
| 4.00%, 9/1/21 | 40,204,000 | 40,774,510 |
| 4.908%, 7/23/25 | 108,025,000 | 125,508,996 |
| 6.55%, 5/1/37 | 45,728,000 | 62,704,472 |
| 6.75%, 6/15/39 | 110,957,000 | 157,731,976 |
| 6.484%, 10/23/45 | 453,635,000 | 642,793,854 |
| 5.375%, 5/1/47 | 56,740,000 | 70,712,784 |
| 5.75%, 4/1/48 | 208,915,000 | 272,947,216 |
| 4.80%, 3/1/50 | 9,905,000 | 11,818,487 |
| Cigna Corp. | | |
| 3.75%, 7/15/23 | 42,917,000 | 46,393,379 |
| 4.125%, 11/15/25 | 47,075,000 | 54,213,999 |
| 7.875%, 5/15/27 | 26,556,000 | 36,113,519 |
| 4.375%, 10/15/28 | 59,587,000 | 71,990,600 |
| Coca-Cola Co. | | |
| 3.45%, 3/25/30 | 84,605,000 | 99,672,199 |
| 1.65%, 6/1/30 | 246,920,000 | 253,390,371 |
| Cox Enterprises, Inc. | | |
| 3.25%, 12/15/22[a] | 93,518,000 | 98,499,514 |
| 2.95%, 6/30/23[a] | 248,800,000 | 261,709,926 |
| 3.85%, 2/1/25[a] | 229,175,000 | 255,526,972 |
| 3.35%, 9/15/26[a] | 138,027,000 | 155,047,693 |
| 3.50%, 8/15/27[a] | 48,107,000 | 54,364,967 |
| CRH PLC (Ireland) | | |
| 3.875%, 5/18/25[a] | 104,462,000 | 117,730,481 |
| CSX Corp. | | |
| 6.251%, 1/15/23 | 9,709,328 | 10,717,617 |
| CVS Health Corp. | | |
| 4.30%, 3/25/28 | 32,995,000 | 39,273,725 |
| 3.75%, 4/1/30 | 82,424,000 | 95,873,291 |
| 4.78%, 3/25/38 | 77,610,000 | 97,933,661 |
| 4.125%, 4/1/40 | 57,090,000 | 68,068,580 |
| Dell Technologies, Inc. | | |
| 5.45%, 6/15/23[a] | 14,987,000 | 16,574,974 |
| 6.02%, 6/15/26[a] | 29,345,000 | 35,822,144 |
| 6.10%, 7/15/27[a] | 41,955,000 | 52,130,503 |
| Dillard's, Inc. | | |
| 7.875%, 1/1/23 | 275,000 | 298,426 |
| 7.75%, 7/15/26 | 20,806,000 | 23,583,374 |
| 7.75%, 5/15/27 | 12,723,000 | 13,944,098 |
| 7.00%, 12/1/28 | 27,945,000 | 30,079,739 |
| Dow, Inc. | | |
| 7.375%, 11/1/29 | 68,450,000 | 97,539,598 |
| 9.40%, 5/15/39 | 152,306,000 | 273,230,931 |
| 5.25%, 11/15/41 | 39,523,000 | 52,166,955 |
| Elanco Animal Health, Inc. | | |
| 4.912%, 8/27/21 | 32,550,000 | 33,282,375 |
| 5.272%, 8/28/23 | 32,450,000 | 35,451,625 |
| 5.90%, 8/28/28 | 85,917,000 | 101,382,060 |
| Exxon Mobil Corp. | | |
| 2.61%, 10/15/30 | 102,155,000 | 111,519,125 |
| 4.227%, 3/19/40 | 146,850,000 | 182,530,720 |
| 4.327%, 3/19/50 | 135,715,000 | 176,058,864 |
| 3.452%, 4/15/51 | 99,100,000 | 113,047,832 |
| FedEx Corp. | | |
| 4.25%, 5/15/30 | 81,130,000 | 98,523,239 |
| 5.25%, 5/15/50 | 138,885,000 | 196,393,624 |
| Ford Motor Credit Co. LLC[f] | | |

| | Par Value | Value |
|---|---|---|
| 5.75%, 2/1/21 | $191,003,000 | $191,480,508 |
| 5.875%, 8/2/21 | 175,825,000 | 179,956,888 |
| 3.813%, 10/12/21 | 192,840,000 | 195,009,450 |
| 5.596%, 1/7/22 | 104,875,000 | 108,407,190 |
| 3.219%, 1/9/22 | 45,740,000 | 46,164,264 |
| 4.25%, 9/20/22 | 8,142,000 | 8,403,847 |
| 4.14%, 2/15/23 | 125,816,000 | 129,590,480 |
| 4.375%, 8/6/23 | 68,877,000 | 71,459,888 |
| 4.063%, 11/1/24 | 117,690,000 | 123,641,583 |
| 3.375%, 11/13/25 | 69,490,000 | 71,161,929 |
| HCA Healthcare, Inc. | | |
| 5.25%, 6/15/26 | 11,007,000 | 13,024,014 |
| 4.125%, 6/15/29 | 110,748,000 | 128,416,335 |
| 5.125%, 6/15/39 | 38,610,000 | 49,344,644 |
| 5.25%, 6/15/49 | 77,501,000 | 102,199,918 |
| Imperial Brands PLC (United Kingdom) | | |
| 4.25%, 7/21/25[a] | 574,850,000 | 647,283,739 |
| 3.875%, 7/26/29[a] | 193,980,000 | 216,716,466 |
| Kinder Morgan, Inc. | | |
| 6.50%, 2/1/37 | 50,356,000 | 65,172,466 |
| 6.95%, 1/15/38 | 96,214,000 | 131,508,859 |
| 6.50%, 9/1/39 | 71,826,000 | 93,096,693 |
| 5.00%, 8/15/42 | 77,997,000 | 90,692,243 |
| 5.00%, 3/1/43 | 85,448,000 | 99,526,780 |
| 5.50%, 3/1/44 | 95,950,000 | 120,376,418 |
| 5.40%, 9/1/44 | 68,607,000 | 85,450,985 |
| 5.55%, 6/1/45 | 10,371,000 | 13,309,248 |
| 5.20%, 3/1/48 | 27,622,000 | 35,077,350 |
| LyondellBasell Industries NV (Netherlands) | | |
| 3.375%, 5/1/30 | 72,225,000 | 80,876,195 |
| 2.25%, 10/1/30 | 19,985,000 | 20,638,043 |
| 4.20%, 5/1/50 | 39,685,000 | 46,167,320 |
| 3.625%, 4/1/51 | 54,425,000 | 59,363,861 |
| Macy's, Inc. | | |
| 6.70%, 7/15/34[a] | 77,735,000 | 69,572,825 |
| 4.50%, 12/15/34 | 94,667,000 | 72,740,229 |
| 6.375%, 3/15/37 | 21,144,000 | 17,710,426 |
| Nordstrom, Inc. | | |
| 6.95%, 3/15/28 | 19,907,000 | 22,635,043 |
| Occidental Petroleum Corp. | | |
| 2.90%, 8/15/24 | 209,901,000 | 202,029,713 |
| 3.20%, 8/15/26 | 61,615,000 | 57,610,025 |
| 3.50%, 8/15/29 | 150,285,000 | 137,536,323 |
| 4.30%, 8/15/39 | 10,695,000 | 8,996,099 |
| Oracle Corp. | | |
| 2.95%, 4/1/30 | 130,470,000 | 145,806,039 |
| 3.60%, 4/1/40 | 83,055,000 | 97,186,409 |
| Prosus NV[f] (Netherlands) | | |
| 5.50%, 7/21/25[a] | 360,213,000 | 413,344,418 |
| 4.85%, 7/6/27[a] | 190,473,000 | 218,975,380 |
| 3.68%, 1/21/30[a] | 158,560,000 | 172,450,519 |
| RELX PLC (United Kingdom) | | |
| 4.00%, 3/18/29 | 58,740,000 | 69,698,114 |
| TC Energy Corp. (Canada) | | |
| 5.625%, 5/20/75[d][e] | 264,214,000 | 289,543,668 |
| 5.875%, 8/15/76[d][e] | 182,701,000 | 203,711,615 |
| 5.30%, 3/15/77[d][e] | 285,866,000 | 303,017,960 |
| 5.50%, 9/15/79[d][e] | 143,253,000 | 157,578,300 |
| Telecom Italia SPA (Italy) | | |
| 5.303%, 5/30/24[a] | 284,531,000 | 309,427,463 |
| 7.20%, 7/18/36 | 60,658,000 | 81,837,954 |
| 7.721%, 6/4/38 | 164,712,000 | 228,949,680 |
| The Kraft Heinz Co. | | |

## Debt Securities (continued)

| | Par Value | Value |
|---|---|---|
| 5.20%, 7/15/45 | $ 47,070,000 | $ 55,889,475 |
| 5.50%, 6/1/50[(a)] | 39,909,000 | 50,197,242 |
| The Walt Disney Co. | | |
| 6.65%, 11/15/37 | 75,362,000 | 118,919,776 |
| The Williams Companies, Inc. | | |
| 3.50%, 11/15/30 | 127,585,000 | 144,422,003 |
| T-Mobile U.S., Inc. | | |
| 3.875%, 4/15/30[(a)] | 166,820,000 | 193,179,228 |
| 4.375%, 4/15/40[(a)] | 51,475,000 | 62,818,546 |
| 4.50%, 4/15/50[(a)] | 30,705,000 | 37,871,086 |
| Ultrapar Participacoes SA (Brazil) | | |
| 5.25%, 10/6/26[(a)] | 152,925,000 | 170,130,592 |
| 5.25%, 6/6/29[(a)] | 221,190,000 | 246,350,363 |
| Union Pacific Corp. | | |
| 6.061%, 1/17/23 | 1,939,227 | 2,070,314 |
| 4.698%, 1/2/24 | 384,230 | 396,307 |
| 5.082%, 1/2/29 | 3,699,868 | 4,078,350 |
| 5.866%, 7/2/30 | 23,684,753 | 27,941,520 |
| 6.176%, 1/2/31 | 21,425,346 | 25,660,353 |
| Verizon Communications, Inc. | | |
| 4.272%, 1/15/36 | 164,849,000 | 204,229,130 |
| Vodafone Group PLC (United Kingdom) | | |
| 7.00%, 4/4/79[(d)(e)] | 203,250,000 | 252,939,552 |
| Xerox Holdings Corp. | | |
| 4.07%, 3/17/22 | 2,349,000 | 2,419,470 |
| Zoetis, Inc. | | |
| 4.50%, 11/13/25 | 164,514,000 | 191,994,448 |
| | | 16,275,489,429 |
| Utilities: 2.0% | | |
| Dominion Energy, Inc. | | |
| 4.104%, 4/1/21 | 96,511,000 | 97,368,000 |
| 3.375%, 4/1/30 | 23,545,000 | 26,805,982 |
| 5.75%, 10/1/54[(d)(e)] | 236,386,000 | 263,355,855 |
| Enel SPA (Italy) | | |
| 4.625%, 9/14/25[(a)] | 119,288,000 | 138,893,564 |
| 3.625%, 5/25/27[(a)] | 37,855,000 | 42,938,305 |
| 6.80%, 9/15/37[(a)] | 180,474,000 | 265,310,323 |
| 6.00%, 10/7/39[(a)] | 161,210,000 | 229,729,385 |
| The Southern Co. | | |
| 4.00%, 1/15/51[(d)(e)] | 285,818,000 | 302,702,658 |
| | | 1,367,104,072 |
| | | 27,029,679,251 |
| **Total Debt Securities** (Cost $63,152,335,018) | | **$67,715,699,475** |

## Short-Term Investments: 7.0%

| | Par Value/ Shares | Value |
|---|---|---|
| **Repurchase Agreements: 6.6%** | | |
| Fixed Income Clearing Corporation[(g)] 0.000%, dated 12/31/20, due 1/4/21, maturity value $4,560,470,000 | $4,560,470,000 | $ 4,560,470,000 |
| **Money Market Fund: 0.4%** | | |
| State Street Institutional U.S. Government Money Market Fund | 275,665,884 | $ 275,665,884 |
| **Total Short-Term Investments** (Cost $4,836,135,884) | | **$ 4,836,135,884** |
| **Total Investments In Securities** (Cost $67,988,470,902) | 105.0% | **$72,551,835,359** |
| Other Assets Less Liabilities | (5.0)% | (3,424,380,763) |
| **Net Assets** | **100.0%** | **$69,127,454,596** |

(a) 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.

(b) 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.

(c) The security was purchased on a to-be-announced (TBA) when-issued basis.

(d) 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.

(e) Hybrid security: characteristics of both a debt and equity security.

(f) Subsidiary (see below)

(g) Repurchase agreement is collateralized by U.S. Treasury Bills, 5/27/21-7/1/21, U.S. Treasury Inflation Indexed Notes 0.625%, 7/15/21, U.S. Treasury Notes 1.625%-2.875%, 6/30/21-11/30/21 and Cash Management Bills 5/11/21-5/25/21. Total collateral value is $4,651,679,904.

* Rounds to 0.0%.

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.

In determining a parent company's country designation, the Fund generally references the country of incorporation.

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

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

## Statement of Assets and Liabilities

| | December 31, 2020 |
|---|---|
| **Assets:** | |
| Investments in securities, at value (cost $67,988,470,902) | $72,551,835,359 |
| Receivable for investments sold | 4,170,959,900 |
| Receivable for Fund shares sold | 138,252,620 |
| Dividends and interest receivable | 398,240,306 |
| Prepaid expenses and other assets | 145,284 |
| | 77,259,433,469 |
| **Liabilities:** | |
| Cash received as collateral for TBA securities | 7,210,000 |
| Payable for investments purchased | 8,051,171,904 |
| Payable for Fund shares redeemed | 48,380,569 |
| Management fees payable | 23,157,445 |
| Accrued expenses | 2,058,955 |
| | 8,131,978,873 |
| **Net Assets** | $69,127,454,596 |
| **Net Assets Consist of:** | |
| Paid in capital | $64,141,987,931 |
| Distributable earnings | 4,985,466,665 |
| | $69,127,454,596 |
| Fund shares outstanding (par value $0.01 each, unlimited shares authorized) | 4,717,369,892 |
| Net asset value per share | $ 14.65 |

## Statement of Operations

| | Year Ended December 31, 2020 |
|---|---|
| **Investment Income:** | |
| Dividends | $ 37,863,429 |
| Interest | 1,827,489,833 |
| | 1,865,353,262 |
| **Expenses:** | |
| Management fees | 261,218,580 |
| Custody and fund accounting fees | 823,963 |
| Transfer agent fees | 9,359,940 |
| Professional services | 210,510 |
| Shareholder reports | 1,804,441 |
| Registration fees | 1,027,482 |
| Trustees fees | 401,667 |
| Miscellaneous | 849,157 |
| | 275,695,740 |
| **Net Investment Income** | 1,589,657,522 |
| **Realized and Unrealized Gain (Loss):** | |
| Net realized gain (loss) | |
| Investments in securities (Note 6) | 1,996,879,661 |
| Swaps | 28,768,096 |
| Net change in unrealized appreciation/depreciation | |
| Investments in securities | 2,133,558,949 |
| Net realized and unrealized gain | 4,159,206,706 |
| **Net Change in Net Assets From Operations** | $5,748,864,228 |

## Statement of Changes in Net Assets

| | Year Ended December 31, 2020 | Year Ended December 31, 2019 |
|---|---|---|
| **Operations:** | | |
| Net investment income | $ 1,589,657,522 | $ 1,850,664,346 |
| Net realized gain (loss) | 2,025,647,757 | 574,964,845 |
| Net change in unrealized appreciation/depreciation | 2,133,558,949 | 2,970,391,945 |
| | 5,748,864,228 | 5,396,021,136 |
| **Distributions to Shareholders:** | | |
| Total distributions | (3,090,813,861) | (2,203,565,377) |
| **Fund Share Transactions:** | | |
| Proceeds from sale of shares | 18,478,347,040 | 15,958,728,359 |
| Reinvestment of distributions | 2,703,016,903 | 1,912,882,574 |
| Cost of shares redeemed | (18,257,521,269) | (11,832,125,919) |
| Net change from Fund share transactions | 2,923,842,674 | 6,039,485,014 |
| Total change in net assets | 5,581,893,041 | 9,231,940,773 |
| **Net Assets:** | | |
| Beginning of year | 63,545,561,555 | 54,313,620,782 |
| End of year | $ 69,127,454,596 | $ 63,545,561,555 |
| **Share Information:** | | |
| Shares sold | 1,274,264,860 | 1,153,948,397 |
| Distributions reinvested | 187,787,758 | 137,478,496 |
| Shares redeemed | (1,275,444,569) | (857,254,896) |
| Net change in shares outstanding | 186,608,049 | 434,171,997 |



See accompanying Notes to Financial Statements

# Notes to Financial Statements

**Note 1: Organization and Significant Accounting Policies**

Dodge & Cox Income 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 January 3, 1989, and seeks high and stable current income consistent with long-term preservation of capital. 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.

Debt securities 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.

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. Dividend income is recorded on the ex-dividend date.

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.

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.

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 December 31, 2020:

| Classification | LEVEL 1 (Quoted Prices) | LEVEL 2 (Other Significant Observable Inputs) |
|---|---|---|
| **Securities** | | |
| Debt Securities | | |
| U.S. Treasury | $ — | $ 6,310,093,155 |
| Government-Related | — | 3,505,839,081 |
| Securitized | — | 30,870,087,988 |
| Corporate | — | 27,029,679,251 |
| Short-Term Investments | | |
| Repurchase Agreements | — | 4,560,470,000 |
| Money Market Fund | 275,665,884 | — |
| Total Securities | $275,665,884 | $72,276,169,475 |

## 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 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.

Index credit default swaps Index credit default swaps are agreements under which a credit protection buyer makes periodic payments to the seller in exchange for credit protection in respect of an equally weighted index of corporate issuers. If a credit event occurs with respect to any issuer in the index, the buyer receives a payment equal to the difference between par and the market value of the issuer's debt, applied to the portion of the swap represented by that issuer.

Upon entering into centrally cleared index credit default swaps, the Fund is required to post 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 its clearing broker are made on a daily basis based on changes in the market value of the swap. Changes in the market value of credit default swaps are recorded as unrealized appreciation or depreciation on the Statement of Operations. Realized gains and losses on swaps are recorded on the Statement of Operations upon exchange of cash flows for periodic payments and upon the closing or maturity of the swaps. Cash deposited with the clearing 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 index credit default swaps may include certain risks, which may be different from, and potentially greater than, investing directly in debt issued by the index constituents.

The Fund did not hold index credit default swaps at December 31, 2020.

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

| | Credit Derivatives |
|---|---|
| **Net realized gain (loss)** | |
| Swaps | $28,768,096 |

The following summarizes the range of volume in the Fund's derivative instruments during the year ended December 31, 2020.

| Derivative | | % of Net Assets |
|---|---|---|
| Swaps | USD notional value | 0-3% |

The Fund may enter into various 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 Fund did not hold derivatives that are subject to enforceable master netting arrangements at December 31, 2020.

### 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 up to $100 million and 0.40% of the Fund's average daily net assets in excess of $100 million to Dodge & Cox, investment manager of the Fund. The agreement further provides that Dodge & Cox shall waive its fee to the extent that such fee plus all other ordinary operating expenses of the Fund exceed 1% of the average daily net assets for the year.

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 redemptions in-kind, wash sales, U.S. Treasury inflation-protected securities, derivatives, and distributions.

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

| | Year Ended December 31, 2020 | Year Ended December 31, 2019 |
|---|---|---|
| Ordinary income | $ 2,466,786,415 | $ 1,993,518,195 |
| | *($0.546 per share)* | *($0.462 per share)* |
| Long-term capital gain | $ 624,027,446 | $ 210,047,182 |
| | *($0.137 per share)* | *($0.047 per share)* |

At December 31, 2020, the tax basis components of distributable earnings were as follows:

| | |
|---|---|
| Undistributed ordinary income | $295,230,732 |
| Undistributed long-term capital gain | $126,872,561 |

At December 31, 2020, unrealized appreciation and depreciation for investments and derivatives based on cost for federal income tax purposes were as follows:

| | |
|---|---|
| Tax cost | $67,988,471,988 |
| Unrealized appreciation | 4,669,717,519 |
| Unrealized depreciation | (106,354,148) |
| Net unrealized appreciation | 4,563,363,371 |

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: Redemptions In-Kind

During the year ended December 31, 2020, the Fund distributed securities and cash as payment for a redemption of Fund shares. For financial reporting purposes, the Fund realized a net gain of $47,442,259 attributable to the redemption in-kind. For tax purposes, no capital gain on the redemption in-kind was recognized.

### Note 7: Loan Facilities

Pursuant to an exemptive order issued by the Securities and Exchange Commission (SEC), the Fund may participate in an interfund 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 year.

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 year ended December 31, 2020, the Fund's commitment fee amounted to $399,036 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 year.

### Note 8: Purchases and Sales of Investments

For the year ended December 31, 2020, purchases and sales of securities, other than short-term securities and U.S. government securities, aggregated $11,463,507,312 and $8,556,404,176, respectively. For the year ended December 31, 2020, purchases and sales of U.S. government securities aggregated $50,465,246,192 and $51,168,355,817, respectively.

### Note 9: 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 10: Subsequent Events

Fund management has determined that no material events or transactions occurred subsequent to December 31, 2020, and through the date of the Fund's financial statements issuance, which require additional disclosure in the Fund's financial statements.

## Financial Highlights

### Selected data and ratios

**(for a share outstanding throughout each period)**

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2020** | **2019** | **2018** | **2017** | **2016** |
| **Net asset value, beginning of year** | $14.03 | $13.26 | $13.76 | $13.59 | $13.29 |
| **Income from investment operations:** | | | | | |
| Net investment income | 0.35 | 0.44 | 0.41 | 0.38 | 0.42 |
| Net realized and unrealized gain (loss) | 0.96 | 0.84 | (0.45) | 0.21 | 0.32 |
| Total from investment operations | 1.31 | 1.28 | (0.04) | 0.59 | 0.74 |
| **Distributions to shareholders from:** | | | | | |
| Net investment income | (0.36) | (0.43) | (0.40) | (0.38) | (0.42) |
| Net realized gain | (0.33) | (0.08) | (0.06) | (0.04) | (0.02) |
| Total distributions | (0.69) | (0.51) | (0.46) | (0.42) | (0.44) |
| **Net asset value, end of year** | $14.65 | $14.03 | $13.26 | $13.76 | $13.59 |
| **Total return** | 9.45% | 9.73% | (0.31)% | 4.36% | 5.62% |
| **Ratios/supplemental data:** | | | | | |
| Net assets, end of year (millions) | $69,127 | $63,546 | $54,314 | $54,287 | $46,632 |
| Ratio of expenses to average net assets | 0.42% | 0.42% | 0.42% | 0.43% | 0.43% |
| Ratio of net investment income to average net assets | 2.43% | 3.12% | 3.02% | 2.80% | 3.11% |
| Portfolio turnover rate | 94% | 49% | 37% | 19% | 27% |

See accompanying Notes to Financial Statements

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of the Dodge & Cox Funds and Shareholders of Dodge & Cox Income Fund

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Dodge & Cox Income Fund (one of the funds constituting Dodge & Cox Funds, referred to hereafter as the "Fund") as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
San Francisco, California
February 19, 2021

We have served as the auditor of one or more investment companies in the Dodge & Cox Funds since 1931.

## Special 2020 Tax Information (unaudited)

The following information is provided pursuant to provisions of the Internal Revenue Code:

The Fund designates $624,027,446 as long-term capital gain distributions in 2020.

For shareholders that are corporations, the Fund designates 64% of its ordinary dividends paid to shareholders in 2020 as Section 163(j) interest dividends.

## Funds' Liquidity Risk Management Program (unaudited)

The Funds have adopted and implemented a written liquidity risk management program ("Program") as required by Rule 22e-4 under the Investment Company Act. The Program is reasonably designed to assess and manage the Fund's liquidity risk, taking into consideration the Fund's investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit.

The Funds' Board of Trustees has approved the appointment of a Liquidity Risk Management Committee including representatives from Dodge & Cox's Legal, Compliance, Treasury, Operations, Trading, and Portfolio Management departments, which is responsible for the Program's administration and oversight and for reporting to the Board on at least an annual basis regarding the Program's operation and effectiveness.

The Liquidity Risk Management Committee refreshed its assessment of the Funds' liquidity risk profiles and considered the adequacy and effectiveness of the Program's operations for the 12 months ended September 30, 2020 (the "covered period") in order to prepare a written report to the Board of Trustees for consideration at its meeting held on December 16, 2020. The report concluded that (i) while market volatility and reduced liquidity, especially in the fixed income markets, created an unusually challenging liquidity environment during the second quarter of 2020, the Funds had sufficient liquidity to operate effectively throughout the covered period; (ii) each Fund's investment strategy continues to be appropriate for an open end fund; and (iii) the Funds' Program is reasonably designed to assess and manage its liquidity risk.

## Board Approval of Funds' Investment Management Agreements and Management Fees (unaudited)

The Board of Trustees is responsible for overseeing the performance of the Dodge & Cox Funds' investment manager and determining whether to continue the Investment Management Agreements between the Funds and Dodge & Cox each year (the "Agreements"). At a meeting of the Board of Trustees of the Trust held on December 16, 2020, the Trustees, by a unanimous vote (including a separate vote of those Trustees who are not "interested persons" (as defined in the Investment Company Act of 1940) (the "Independent Trustees")), approved the renewal of the Agreements for an additional one-year term through December 31, 2021 with respect to each Fund. During the course of the year, the Board received extensive information and materials relating to the investment management and administrative services provided by Dodge & Cox and the performance of each of the Funds.

### Information Received

Over the past several years, the Board has requested, received, and discussed a number of special presentations on topics relevant to their annual consideration of the proposed renewal of the Funds' Agreements, including, in 2020, special presentations relating to trends in the asset management industry, the mutual fund competitive landscape, mutual fund ratings methodologies, fund distribution channels, and fund flows and performance analysis. In addition to the foregoing and in advance of the meetings referred to below, the Board, including the Independent Trustees, requested, received, and reviewed materials relating to the Agreements and the services provided by Dodge & Cox. The Independent Trustees retained Broadridge to prepare an independent expense and performance summary for each Fund and comparable funds managed by other advisers identified by Broadridge. The Broadridge materials included information regarding advisory and administrative fee rates, expense ratios, and transfer agency, custodial, and distribution expenses, as well as performance comparisons to each Fund's peer group and to a broad-based securities index or combination of indices. The Broadridge materials also included a comparison of expenses of various share classes offered by comparable funds. The materials reviewed by the Board contained information concerning, among other things, Dodge & Cox's profitability, financial results and condition, management fee revenue, and separate account fee schedules. The Board additionally considered the Funds' brokerage commissions, turnover rates, sales and redemption data, and the investment that Dodge & Cox makes in research used in managing the Funds. The Board received and reviewed memoranda and related materials addressing, among other things, Dodge & Cox's services to the Funds; how Dodge & Cox Funds' fees compare to fees of peer group funds; the different fees, services, costs, and risks associated with other accounts managed by Dodge & Cox as compared to the Dodge & Cox Funds; and the ways in which the Funds realize economies of scale. Throughout the process of reviewing the services provided by Dodge & Cox and preparing for the meeting, the Independent Trustees found Dodge & Cox to be open, forthright, detailed, and helpful in answering questions about all issues. The Board received copies of the Agreements and a memorandum from the independent legal counsel to the Independent Trustees discussing the factors generally regarded as appropriate to consider in evaluating mutual fund management arrangements. The Trust's Contract Review Committee, consisting solely of Independent Trustees, met with the independent legal counsel on November 11, 2020 and again on December 16, 2020 to discuss whether to renew the Agreements. The Board, including the Independent Trustees, subsequently concluded that the existing Agreements are fair and reasonable and voted to approve the Agreements. In considering the Agreements, the Board, including the Independent Trustees, did not identify any single factor or particular information as all-important or controlling. In reaching the decision to approve the Agreements, the Board considered several factors, discussed below, to be key factors and reached the conclusions described below.

## Nature, Quality, and Extent of the Service

The Board considered that Dodge & Cox provides a range of services to the Funds in addition to portfolio management, including regulatory compliance, trading desks, proxy voting, transfer agent and custodian oversight, administration, regulatory filings, tax compliance and filings, website, and anti-money laundering. The nature of services provided by Dodge & Cox has been documented in materials provided to the Board and in presentations made to the Board throughout the year. In particular, the Board considered the nature, quality, and extent of portfolio management, administrative, and shareholder services performed by Dodge & Cox. With regard to portfolio management services, the Board considered Dodge & Cox's established long-term history of care in the management of the Funds; its consistency in investment approach and depth; the background and experience of the Dodge & Cox U.S. Equity Investment Committee, International Equity Investment Committee, Global Equity Investment Committee, U.S. Fixed Income Investment Committee, and Global Fixed Income Investment Committee, and research analysts responsible for managing the Funds; Dodge & Cox's methods for assessing the regulatory and investment climate in various jurisdictions; its overall level of attention to its core investment management function; and its commitment to the Funds and their shareholders. The Board reviewed information from Dodge & Cox describing conflicts of interest between the Funds and Dodge & Cox or its other clients, and how Dodge & Cox addresses those conflicts. The Board noted Dodge & Cox's record of favorable press and industry coverage, as well as its good compliance record, and its reputation as a trusted, shareholder-friendly mutual fund family. In addition, the Board considered that Dodge & Cox manages approximately $202 billion in Fund assets (as of November 30, 2020) with fewer professionals than most comparable funds, and that on average these professionals have more experience and longer tenure than investment professionals at comparable funds. The Board also noted that Dodge & Cox is an investment research-oriented firm with no other business endeavors to distract management's attention from its research efforts, that its investment professionals adhere to a consistent investment approach across the Funds, and that due to its deliberate strategy with respect to new products, Dodge & Cox has had stability in its mutual fund product offerings over the course of many years and has the fewest funds of any of the 25 largest mutual fund families by assets. The Board further considered the "Gold" analyst rating awarded by Morningstar to all of the Funds (other than the Balanced Fund, which has a "Silver" rating). The Board concluded that it was satisfied with the nature, extent, and quality of investment management and other services provided to the Funds by Dodge & Cox.

## Investment Performance

The Board reviewed each Fund's recent and long-term investment performance (including periods of outperformance and underperformance), as compared to relevant indices and the performance of such Fund's peer group and broader Morningstar category. In assessing the performance of the Funds, the Board considered the Funds' investment returns over various periods and the volatility thereof and concluded that the levels experienced were consistent with Dodge & Cox's long-term approach and active investment style. The Board also compared the short- and long-term investment performance of the equity funds to value-oriented indices, in recognition of the significant performance divergence between value and growth stocks that has persisted for the last several years. It was noted that equity performance has been consistent with the value oriented investment strategy employed by Dodge & Cox. The Board concluded that Dodge & Cox's historic, long-term, team-oriented, bottom-up investment approach remains consistent and that Dodge & Cox continues to be distinguished by its integrity, transparency, and independence. The Board considered that the performance of the Funds is the result of a value-oriented investment management process that emphasizes a long-term investment horizon, independent research, a team approach, price discipline, low cost, and low portfolio turnover. The Board concluded that Dodge & Cox has delivered long-term performance for Fund investors consistent with the long-term investment strategies being pursued by the Funds.

## Costs and Ancillary Benefits

Costs of Services to Funds: Fees and Expenses The Board considered each Fund's management fee rate and net expense ratio relative to (1) a broad category of other mutual funds with similar portfolio characteristics and share class and expense structures and (2) a smaller group of peers selected by Broadridge based on investment style, share class characteristics, and asset levels. The Board also considered the management fees charged by Dodge & Cox to other clients. In particular, the Board noted that the management fee rate paid by each Fund compares favorably to its broad category and is competitive within the Fund's peer group. The Board also evaluated the operating structures of the Funds and Dodge & Cox, noting that the Funds do not charge front-end sales commissions or distribution fees, and Dodge & Cox bears, among other things, the cost of most third-party research, reimbursement for shareholder recordkeeping and administrative costs to third-party retirement plan administrators, and administrative and office overhead. The Board noted that the Broadridge report shows that the net expense ratio of every Dodge & Cox Fund is in the least expensive quartile compared to its broad Morningstar category (taking into account, in the case of the Global Bond Fund, voluntary expense reimbursements by Dodge & Cox). The Board noted the Funds' unusual single-share-class structure and reviewed Broadridge data (including asset-weighted average expense ratios) showing that most of the peer group funds offer several different classes of shares, with different expense ratios, to different categories of investors, and that the Broadridge expense comparisons described above generally compare the net expense ratio of each Dodge & Cox Fund's single share class to one of the least expensive share classes of the peer fund, even though those share classes are often not available to retail investors. On an asset-weighted basis, each Fund ranks in the least expensive quartile of its Broadridge peer group (taking into account, in the case of the Global Bond Fund, voluntary expense reimbursements by Dodge & Cox). The Board noted that the Funds provide access for small investors to quality investment management at a relatively low cost.

The Board also considered that the Funds are priced to scale, i.e., management fee rates begin at relatively low levels. Even without breakpoints, the Funds' management fee rates are lower than those of many peer funds whose fee schedules include breakpoints. With respect to non-U.S. funds sponsored and managed by Dodge & Cox that are comparable to the Funds in many respects, the Board noted that the fee rates charged by Dodge & Cox are the same as or higher than the fee rates charged to the Funds. The Board reviewed information regarding the fee rates Dodge & Cox charges to separate accounts that have investment programs similar to those of the Funds, including instances where separate account fees are lower than Fund fees. The Board considered the differences in the nature and scope of services Dodge & Cox provides to the Funds as compared to other client accounts, as well as material differences in regulatory, litigation, and other risks as between the Dodge & Cox Funds and other types of clients. The Board noted that different markets exist for mutual fund and institutional separate account management services and that a comparison of Fund fee rates and separate account fee rates must consider the fact that separate account clients bear additional costs and responsibilities that are included in the cost of a Fund. After consideration of these matters, the Board concluded that the overall costs incurred by the Funds for the services they receive (including the management fee paid to Dodge & Cox) are reasonable and that the fees are acceptable based upon the qualifications, experience, reputation, and performance of Dodge & Cox and the low overall expense ratios of the Funds.

Profitability and Costs of Services to Dodge & Cox; "Fall-out" Benefits The Board reviewed reports of Dodge & Cox's financial position, profitability, and estimated overall value and considered Dodge & Cox's overall profitability within its context as a private, employee-owned S-Corporation and relative to the scope and quality of the services provided. The Board noted in particular that Dodge & Cox's profits are not generated by high fee rates, but reflect a focused business approach toward investment management. The Board recognized the importance of Dodge & Cox's profitability—which is derived solely from management fees and does not include other business ventures—to maintain its independence, stability, company culture and ethics, and management continuity. The Board also considered that the compensation/profit structure at Dodge & Cox includes a return on shareholder employees' investment in the firm, which is vital for remaining independent and facilitating retention of management and investment professionals. The Board also considered that Dodge & Cox has in the past closed some of the Funds to new investors to proactively manage growth in those Funds. While these actions are intended to benefit existing Fund shareholders, the effect is to reduce potential revenues to Dodge & Cox from new shareholders. The Board also considered potential "fall-out" benefits (including the receipt of research from unaffiliated brokers and reputational benefits to non-U.S. funds sponsored and managed by Dodge & Cox) that Dodge & Cox might receive as a result of its association with the Funds and determined that they are acceptable. The Board also noted that Dodge & Cox continues to invest in its business to provide enhanced services, systems, and research capabilities, all of which benefit the Funds. The Board concluded that Dodge & Cox's profitability is the keystone of its independence, stability, and long-term investment performance and that the profitability of Dodge & Cox's relationship with the Funds (including fall-out benefits) is fair and reasonable.

## Economies of Scale

The Board considered whether there have been economies of scale with respect to the management of each Fund, whether the Funds have appropriately benefited from any economies of scale, and whether the management fee rate is reasonable in relation to the level of Fund assets and any economies of scale that may exist. In the Board's view, any consideration of economies of scale must take account of the Funds' low fee and expense structure and the fact that the Dodge & Cox Funds build economies of scale into their fee structures by charging low fees from a fund's inception and keeping overall expenses down as a Fund grows, as compared to other fund complexes that employ fee "breakpoints" only after a fund reaches a certain scale. An assessment of economies of scale must also take into account that Dodge & Cox invests time and resources in each new Fund for months (and sometimes years) prior to launch; in addition, in a Fund's early periods of operations, expenses are capped, which means that Dodge & Cox subsidizes the operations of a new Fund for a period of time until it reaches scale. The Board also observed that, while total Fund assets have grown over the long term, this growth has not been continuous or evenly distributed across all of the Funds. In addition, the Board noted that Dodge & Cox has shared the benefits of economies of scale with the Funds by adding services to the Funds over time, and that Dodge & Cox's internal costs of providing investment management, technology, administrative, legal, and compliance services to the Funds continue to increase. For example, Dodge & Cox has increased its global research staff and investment resources over the years to add new capabilities for the benefit of Fund shareholders and to address the increased complexity of investing globally. In addition, Dodge & Cox has made expenditures in other staff, technology, and infrastructure to enable it to integrate credit and equity analyses and to implement its strategy in a more effective manner. Over the last ten years, Dodge & Cox has increased its spending on research, investment management, client servicing, cybersecurity, technology, third-party research, data services, and computer systems for trading, operations, compliance, accounting, and communications at a rate that has outpaced the Funds' growth rate during the same period. The Board also observed that, even without fee breakpoints, the Funds are competitively priced in a competitive market and that having a low fee from inception is better for shareholders than starting with a higher fee and adding breakpoints. The Board also noted that there are certain diseconomies of scale associated with managing large funds, insofar as certain of the costs and risks associated with portfolio management increase disproportionately as assets grow. The Board concluded that the current Dodge & Cox fee structure is fair and reasonable and adequately shares economies of scale that may exist.

## Conclusion

Based on their evaluation of all material factors and assisted by the advice of independent legal counsel to the Independent Trustees, the Board, including the Independent Trustees, concluded that the management fee structure was fair and reasonable, that each Fund was paying a competitive fee for the services provided, that Dodge & Cox's services have provided value for Fund shareholders over the long term, and that approval of the Agreements was in the best interests of each Fund and its shareholders.

## 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. A list of the Fund's quarter-end holdings is also available at 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, or visit the SEC's website at 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 or shareholders may view the Fund's Form N-PX at 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.

# Dodge & Cox Funds — Executive Officer & Trustee Information

| Name (Age) and Address* | Position with Trust (Year of Election or Appointment) | Principal Occupation During Past Five Years and Other Relevant Experience | Other Directorships of Public Companies Held by Trustees |
|---|---|---|---|
| **Interested Trustees and Executive Officers** | | | |
| **Charles F. Pohl (62)** | Chairman and Trustee (since 2014) | Chairman and Director of Dodge & Cox; Chief Investment Officer and member of U.S. Equity Investment Committee (USEIC), Global Equity Investment Committee (GEIC), and International Equity Investment Committee (IEIC) | — |
| **Dana M. Emery (59)** | President (since 2014) and Trustee (since 1993) | Chief Executive Officer, President, and Director of Dodge & Cox; member of U.S. Fixed Income Investment Committee (USFIIC) and Global Fixed Income Investment Committee (GFIIC) | — |
| **Diana S. Strandberg (61)** | Senior Vice President (since 2006) | Senior Vice President and Director of Dodge & Cox; Director of International Equity and member of GEIC and IEIC | — |
| **Roberta R.W. Kameda (60)** | Chief Legal Officer (since 2019) and Secretary (since 2017) | Vice President, General Counsel, and Secretary (since 2017) of Dodge & Cox | — |
| **Shelly Chu (47)** | Treasurer (since 2021) | Vice President (since 2020) and Financial Oversight and Control Analyst (since 2017) of Dodge & Cox; Head of Fund Administration at RS Investments (2014-2016); Treasurer of RS Funds (2014-2016); Chief Financial Officer of RS Funds Distributor, LLC (2014-2016) | — |
| **Katherine M. Primas (46)** | Chief Compliance Officer (since 2010) | Vice President and Chief Compliance Officer of Dodge & Cox | — |
| **Independent Trustees** | | | |
| **Caroline M. Hoxby (54)** | Trustee (since 2017) | Professor of Economics, Stanford University; Director of the Economics of Education Program, National Bureau of Economic Research; Senior Fellow, Hoover Institution and Stanford Institute for Economic Policy Research | — |
| **Thomas A. Larsen (71)** | Trustee (since 2002) | Senior Counsel of Arnold & Porter (law firm) (2013-2018); Partner of Arnold & Porter (until 2012); Director of Howard, Rice, Nemerovski, Canady, Falk & Rabkin (1977-2011) | — |
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| **Gabriela Franco Parcella (52)** | Trustee (since 2020) | President (since 2020) and Executive Managing Director of Merlone Geier Partners (2018-2019); Chairman, President, and CEO, Mellon Capital (2011 to 2017); COO, Mellon Capital (1997 to 2011) | Director, Terreno Realty Corporation (since 2018) |
| **Gary Roughead (69)** | Trustee (since 2013) | Robert and Marion Oster Distinguished Military Fellow, Hoover Institution (since 2012); Admiral, United States Navy (Ret.); U.S. Navy Chief of Naval Operations (2008-2011) | Director, Northrop Grumman Corp. (global security) (since 2012); Director, Maersk Line, Limited (shipping and transportation) (since 2016) |
| **Mark E. Smith (69)** | Trustee (since 2014) | Executive Vice President, Managing Director—Fixed Income at Loomis Sayles & Company, L.P. (2003-2011) | — |
| **John B. Taylor (74)** | Trustee (since 2005) (and 1995-2001) | Professor of Economics, Stanford University (since 1984); Senior Fellow, Hoover Institution (since 1996); Under Secretary for International Affairs, United States Treasury (2001-2005) | — |

* The address for each Officer and Trustee is 555 California Street, 40th Floor, San Francisco, California 94104. Each Officer and Trustee oversees all six series in the Dodge & Cox Funds complex and serves for an indefinite term.

**Additional information about the Trust's Trustees and Officers is available in the Trust's Statement of Additional Information (SAI). You can get a free copy of the SAI by visiting the Funds' website at dodgeandcox.com or calling 800-621-3979.**

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# Income Fund

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or write or call:

**Dodge & Cox Funds**

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