Dodge & Cox Funds®

March 31, 2021

Income Fund

TICKER SYMBOL
DODIX

Objectives

- The Fund seeks a high and stable rate of current income, consistent with long-term preservation of capital. A secondary objective is to take advantage of opportunities to realize capital appreciation.

Strategy

- The Fund invests in a diversified portfolio consisting primarily of investment-grade debt securities, including government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities. To a lesser extent, the Fund may also invest in below investment-grade debt securities.
- The proportions held in various debt securities will be revised in light of Dodge & Cox's appraisal of the economy, the relative yields of securities in the various market sectors, the investment prospects for issuers, and other factors. In selecting securities, Dodge & Cox considers many factors, including yield, credit rating, liquidity, call risk, duration, structure, and capital appreciation potential.

Risks

- The Fund invests in individual bonds whose yields and market values fluctuate, so that your 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. Please read the prospectus for specific details regarding the Fund's risk profile.

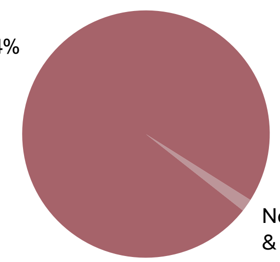
General Information

Net Asset Value Per Share	$14.12
Total Net Assets (billions)	$68.2
Expense Ratio	0.42%
2020 Portfolio Turnover Rate	94%
30-Day SEC Yield[a]	1.68%
Number of Credit Issuers	66
Fund Inception	1989

No sales charges or distribution fees

Investment Manager: Dodge & Cox, San Francisco. Managed by the U.S. Fixed Income Investment Committee, whose eight members' average tenure at Dodge & Cox is 21 years.

Asset Allocation



Portfolio Characteristics

	Fund	BBG Barclays U.S. Agg
Effective Duration (years)	**5.4**	6.4

Five Largest Credit Issuers (%)[b]

	Fund
Petroleos Mexicanos	**2.0**
Charter Communications, Inc.	**2.0**
HSBC Holdings PLC	**1.7**
Ford Motor Credit Co. LLC	**1.6**
JPMorgan Chase & Co.	**1.5**

Sector Diversification (%)

	Fund	BBG Barclays U.S. Agg
U.S. Treasury	**13.2**	37.3
Government-Related	**4.9**	6.2
Securitized	**45.3**	29.9
Corporate	**35.0**	26.7
Net Cash & Other[d]	**1.6**	0.0

Credit Quality (%)[c]

	Fund	BBG Barclays U.S. Agg
U.S. Treasury/Agency/GSE	**52.6**	67.3
AAA	**1.8**	3.6
AA	**4.9**	2.9
A	**6.5**	11.4
BBB	**22.6**	14.9
BB	**9.7**	0.0
B	**0.2**	0.0
CCC	**0.0**[e]	0.0
Net Cash & Other[d]	**1.6**	0.0

Maturity Diversification (%)

	Fund	BBG Barclays U.S. Agg
0-1 Years to Maturity	**2.9**	0.0
1-5	**28.4**	47.7
5-10	**50.2**	33.7
10-15	**3.3**	1.5
15-20	**6.1**	4.1
20-25	**1.9**	4.6
25 and Over	**7.2**	8.4

Market values for debt securities include accrued interest.

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

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

[c] The credit quality distributions shown for the Fund and the Index are based on the middle of Moody's, S&P, and Fitch ratings, which is the methodology used by Bloomberg in constructing its indices. If a security is rated by only two agencies, the lower of the two ratings is used. Please note the Fund applies the highest of Moody's, S&P, and Fitch ratings to determine compliance with the quality requirements stated in its prospectus. On that basis, the Fund held 6.9% in securities rated below investment grade. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

[d] Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.

[e] Rounds to 0.0%.

Average Annual Total Return[1]

For periods ended March 31, 2021	1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Income Fund	7.44%	5.61%	4.68%	4.24%	5.22%
Bloomberg Barclays U.S. Agg Index	0.71	4.65	3.10	3.44	4.50

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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 above. Performance is updated and published monthly. Visit the Fund's website at dodgeandcox.com or call 800-621-3979 for current month-end performance figures.

The Dodge & Cox Income Fund had a total return of –2.5% for the first quarter of 2021, compared to a total return of –3.4% for the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg).

Investment Commentary

Long-term U.S. Treasury yields surged in the first quarter, driven by expectations of higher fiscal spending, stronger economic growth, and a potential rise in inflation. Ten-year U.S. Treasury rates rose significantly, from 0.9% at year end back to pre-pandemic levels of 1.7%. Reflecting the price declines associated with rising yields, all major sectors of the investment grade bond market suffered negative returns.

Growing investor optimism on the economic outlook reflected the confluence of several factors. Daily COVID-19 cases in the United States fell significantly from their post-holiday peak, and there was continued progress on vaccine rollouts. With the improved outlook, more states have lifted restrictions on business activities, and consumers feel more comfortable venturing out of their homes to spend money. Meanwhile, Congress passed nearly $2 trillion of further fiscal stimulus, including direct checks to Americans, more generous unemployment benefits, and support for state and local governments, among other provisions. This has provided an additional tailwind for an economic revival.

Evidence of the accelerating recovery showed up broadly across retail sales, industrial production, and consumer sentiment measures. Most notably, the labor market report released on April 2 indicated employers added 916,000 jobs in March, the largest gain since August, and the unemployment rate fell to 6.0%.

While multiple rounds of fiscal stimulus along with steady progress on vaccinations have brightened the economic outlook and also raised concerns of accelerating inflation, Federal Reserve Chair Jerome Powell has said "the economy is a long way from our employment and inflation goals" and expressed his view that elevated inflation is likely to be transitory. Fed policymakers have pushed back on the notion that the economy is at risk of overheating, and the central bank has reaffirmed its commitment to maintaining easy money policies until the economy has recovered further from the effects of the pandemic.

The investment-grade Corporate sector returned –4.7%,[2] but it outperformed comparable-duration[3] Treasuries by one percentage point. Reflecting increasingly optimistic expectations about the U.S. economy, investment-grade corporate yield premiums[4] narrowed, ending the quarter at three-year tights of 91 basis points.[5] Meanwhile, Agency[6] MBS returned –1.1%, outperforming comparable-duration Treasuries by 0.2 percentage points. Higher coupon Agency MBS outperformed lower coupons as the yield curve steepened.

We made a number of incremental changes to the Fund's portfolio during the first quarter. Continuing a process we started in mid-2020, we trimmed several credit holdings that had performed well and, in our opinion, reached full valuation. Examples included AbbVie, Bank of America, Exxon Mobil, and HSBC.[7] In aggregate, these adjustments reduced the Fund's credit weighting by five percentage points to 41% at quarter end. We invested the proceeds primarily in U.S. Treasuries as we await more compelling opportunities. Within Agency MBS, we added to 30-year TBA (to-be-announced) securities, which we find to be attractively priced given ongoing demand from the Fed's asset purchase program. We also lengthened the Fund's duration slightly during the quarter but remain shorter than the Fund's benchmark, reflecting our concern over rate increases beyond what is currently priced in the market.

Overall, we remain optimistic about the long-term prospects for the Fund. Thank you for your continued confidence in Dodge & Cox.

First Quarter Performance Review

The Fund outperformed the Bloomberg Barclays U.S. Agg by 0.9 percentage points during the quarter.

Key Contributors to Relative Results

- The Fund's below-benchmark duration position (79%[8] of the Bloomberg Barclays U.S. Agg's duration) contributed to relative returns as Treasury yields rose.
- Security selection within credit was positive as several issuers outperformed, including Kinder Morgan, Macy's, State of Illinois, and Pemex.
- Asset allocation was positive as the Fund's underweight to U.S. Treasuries and overweight to Agency MBS contributed to relative returns.
- The Fund's nominal yield advantage benefited returns.

Key Detractors from Relative Results

- While the Fund's overweight to Agency MBS contributed, selection within the sector detracted from relative returns.

1 The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends and/or interest income but, unlike Fund returns, do not reflect fees or expenses. The Bloomberg Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated investment-grade fixed income securities.
2 Sector returns as calculated and reported by Bloomberg.
3 Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
4 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.
5 One basis point is equal to 1/100th of 1%.
6 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.
7 The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.
8 Figures in this section denote Fund positioning at the beginning of the period.