2018

Semi-Annual Report

June 30, 2018

Balanced Fund

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The Dodge & Cox Balanced Fund had a total return of 0.0% for the six months ended June 30, 2018, compared to a return of 1.0% for the Combined Index (a 60/40 blend of stocks and fixed income securities).

MARKET COMMENTARY

During the first half of 2018, U.S. growth stocks (the higher valuation portion of the equity market) outperformed value stocks (the lower valuation portion) by nine percentage points,[a] continuing a long-term trend. Since the end of 2014, growth has bested value by 32 percentage points;[b] growth-oriented companies in sectors and industries associated with technology—most notably the "FAANG" stocks (Facebook, Amazon, Apple, Netflix, Google)—have led markets.

In fixed income, the U.S. investment-grade bond market delivered a negative return as higher Treasury yields and wider credit spreads pushed bond prices lower. Interest rates fluctuated throughout the period as investors grappled with the offsetting influences of strong U.S. economic activity, rising inflation, geopolitical uncertainty, and intervals of volatility in financial markets.

INVESTMENT STRATEGY

We set the Fund's asset allocation based on our long-term outlook for the Fund's equity and fixed income holdings, which currently favors equities. We did not make any meaningful changes to this allocation during the first half of the year. At quarter end, the Fund's 71.4% equity weighting (including 4.9% in preferred stocks) reflected our more positive outlook for total return potential from equities than from fixed income.[c]

Equity Strategy

We understand that there are periods when value is trumped by growth. However, we believe the current divergence may narrow. In the United States, the valuation differential between growth and value stocks is wider than usual, with growth stocks trading at historically large premiums. Returns of value-focused strategies have been influenced by valuation spreads, and we believe current conditions are favorable for value stocks to rebound. While investors may not immediately recognize the intrinsic value of companies in relation to sales, cash flows, earnings, or book value, market prices over time tend to be driven by long-term fundamentals.

In the first six months of 2018, we made gradual portfolio adjustments in response to diverging valuations. For example, we sold selected technology and retail holdings that had performed strongly. We continue to find selected opportunities in industries such as Media and Banks.

Media

Within Consumer Discretionary, Media is an important overweight position in the equity portfolio: 11% compared to 2% for the S&P 500 on June 30. The media landscape is evolving due to direct-to-consumer new entrants, changes in consumer viewing and listening habits, shifting revenue streams, and industry consolidation. Uncertainty surrounding pending merger and acquisition (M&A) transactions and potential regulatory incursions (e.g., unbundling, forcing wholesale access, price regulation on broadband) pose risks to the portfolio's media investments.

Nevertheless, we recently added to Comcast[d] and Charter Communications—the largest and second-largest cable providers in the United States—because we believe the market has overly penalized their share prices as a result of concerns about subscriber growth and potential bidding wars. Both companies have attractive valuations, difficult-to-replicate assets, and the potential to benefit from growth in data consumption. Comcast and Charter Communications also have de-facto local monopolies on broadband internet services in many parts of the United States and, despite talk of "cord cutting," have potential to grow through increased broadband penetration and pricing power in residential and business services. Furthermore, their shareholder-friendly management teams are skilled capital allocators who seek to maximize value. In the equity portfolio, Comcast and Charter Communications were 3.6% and 2.9% positions, respectively, and among the ten largest holdings on June 30.

Wells Fargo

During the first half of 2018, we opportunistically added to Wells Fargo (down 7%), which was weak among bank stocks and detracted from performance. In February, Wells Fargo entered into a consent agreement with the Federal Reserve (Fed) that, among other things, placed restrictions on the bank's asset growth (capped at $1.952 trillion). This regulatory agreement stemmed from Wells Fargo's previously disclosed improper sales practices.

Since 2016, Wells Fargo has made substantial progress improving its governance, compliance controls, and operational risk management. Notably, the leadership and composition of the company's board has improved, including the election of six new independent directors in 2017. Management has affirmed its commitment to have third parties conduct an initial risk management review by the end of 2018. The company has settled with regulators regarding its auto insurance and mortgage sales practices and has also resolved class-action lawsuits with shareholders and consumers. Furthermore, Wells Fargo passed the Fed's annual industry stress test in June and received approval to use $32.9 billion for dividends and share buybacks over the next 12 months, representing a significant return of capital to shareholders.

After a comprehensive review, we believe Wells Fargo's superior franchise, deep management team, track record of generating higher returns than other banks, and attractive valuation at 1.5 times book value make it a compelling long-term investment opportunity. On June 30, Wells Fargo was the equity portfolio's largest holding (a 5.9% position).

Fixed Income Strategy

The fixed income portfolio features sizable positions in corporate bonds and Agency[e] mortgage-backed securities (MBS) (38% and 35%, respectively) and smaller positions in government-related securities (5%) and asset-backed securities (ABS) (7%). The portfolio's 15% position in U.S. Treasuries represents "dry powder" we can deploy as we uncover interesting opportunities. We have maintained the portfolio's defensive duration position given our longer-term expectations for interest rates to rise more than implied by current market valuations. Modest changes to portfolio positioning over the first half of 2018 reflected decisions made at the individual security and issuer levels by our investment team.

Credit: Continuing to Monitor Risks and Seek Opportunities

The fixed income portfolio's weighting in credit-related issues declined by just one percentage point during the first half of 2018 to 45%, which understates a number of adjustments made at the individual security and issuer levels. For example, we trimmed certain holdings with somewhat less compelling risk/reward relationships after strong performance (e.g., State of California, Telecom Italia). In addition, other holdings either matured (e.g., State of Illinois), were "make-whole" called[f] (e.g., Navient), or were redeemed by the issuer at a large premium to the market price (e.g., Bank of America capital securities).

The recent widening in credit spreads generally—from 85 bps in early February to 123 bps at the end of June—has created incremental opportunities. These types of market movements have enabled us to add value over longer time periods, as we often use market weakness to add to existing positions or build new ones. For example, we purchased CVS bonds in the first quarter in connection with the company's levered acquisition of Aetna, and we added to the portfolio's Charter Communications position at an attractive valuation as investor sentiment regarding cable television providers soured somewhat amid M&A rumors.

We also initiated a position in Bayer AG, which issued approximately $20 billion of debt in June to fund its acquisition of Monsanto. The combination of Bayer and Monsanto creates a leader in crop science and pharmaceuticals, industries that are expected to benefit from global trends such as an aging population in developed markets, as well as population and income growth in emerging markets. In addition to the large scale and diverse nature of Bayer's business, we were attracted by the company's significant free cash flow, large equity cushion, and ample liquidity. The company's management is committed to rapidly delevering the balance sheet and returning the company to an A rating. Our firm's substantial knowledge of this company, based on the 14 years we've held Bayer equity in the Dodge & Cox International Stock Fund, facilitated our ability to comprehensively research its creditworthiness. We believe investors are being adequately compensated for the risks of high initial leverage for the combined companies, upcoming patent expirations, and potential M&A integration challenges.

We remain constructive on the portfolio's credit holdings which, in our view, offer attractive long-term value relative to Treasuries. In general, fundamentals remain strong: corporate profitability is solid and the operating environment is healthy. There is sustained global growth, and the banking system remains well capitalized and liquid. That said, concerns about higher leverage, particularly in association with M&A activity, and macro uncertainty have weighed on credit spreads. We recognize certain factors could create volatility in credit markets (e.g., escalating trade tensions, geopolitical events, equity market volatility), but such short-term turbulence can provide opportunities as prices fluctuate. Our rigorous, downside-focused underwriting process is designed to mitigate default risk, underpin the conviction necessary to maintain holdings through periods of stress, and facilitate the long-term compounding of incremental yield. The result is a credit portfolio that is significantly differentiated from the broad credit market.

Securitized: A Source of Consistency, Liquidity, and Incremental Yield

The fixed income portfolio's holdings in the Securitized sector consist predominantly of Agency MBS, with a small position in AAA-rated ABS. As a group, these securities add incremental yield over Treasuries in the intermediate portion of the yield curve and, given their high credit quality and strong liquidity, provide ballast for the overall portfolio. In the first half of the year, we added modestly to the portfolio's weighting, slightly changing the composition of underlying Agency MBS holdings and also adding modestly to ABS holdings in response to relative valuations. As with credit investments, we utilize in-house fundamental research on securities in this sector to identify attractive total return opportunities over a broad range of scenarios.

Defensive Duration: Mitigating Interest Rate Risk

We continue to position the portfolio defensively with regard to interest rate risk, with a duration of 4.6 years (equal to 76% of the Bloomberg Barclays U.S. Agg's duration). Despite the Fed's recent federal funds rate hikes, we continue to believe that a shorter relative duration is prudent. The significant tightening in measures of unemployment is likely to lead to higher wages. Coupled with stimulative tax and spending measures, the prospects for more rapid economic growth and somewhat higher inflation have risen. Keeping in mind the Fed's dual mandate of full employment and stable inflation, these factors should keep the Fed nudging short-term rates higher and add upward pressure on longer-term rates.

IN CLOSING

Despite geopolitical uncertainty, we remain optimistic about the long-term outlook for the U.S. economy and the Fund. The equity portfolio trades at a discount to the overall market (13.8 times forward earnings compared to 17.1 times for the S&P 500). We continue to position the fixed income portfolio defensively from a capital preservation standpoint, while seeking opportunities to build portfolio yield through our bottom-up, research-driven investment approach.

We believe the Fund is well positioned based on our view that longer-term global economic growth will be better than many investors expect, interest rates will continue to rise, and the outlook for corporate earnings remains attractive.

Patience, persistence, and a long-term investment horizon are essential to our investment approach. We encourage our shareholders to take a similar view. Thank you for your continued confidence in our firm. As always, we welcome your comments and questions.

For the Board of Trustees,

Charles F. Pohl,
Chairman

Dana M. Emery,
President

August 1, 2018

[a] The Russell 1000 Growth Index had a total return of 7.3% compared to –1.7% for the Russell 1000 Value Index during the first six months of 2018.

[b] The Russell 1000 Growth Index had a cumulative total return of 58.0% compared to 26.1% for the Russell 1000 Value Index from December 31, 2014 through June 30, 2018.

[c] Unless otherwise specified, all weightings and characteristics are as of June 30, 2018.

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

[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] A make-whole call provision is a call provision attached to a bond, whereby the borrower must make a payment to the lender in an amount equal to the net present value of the coupon payments that the lender will forgo if the borrower pays the bonds off early.

YEAR-TO-DATE PERFORMANCE REVIEW

The Fund underperformed the Combined Index by 1.0 percentage points year to date. The underperformance of the equity portfolio was partially offset by having a lower allocation to fixed income.

Equity Portfolio

- Similar to full-year 2017, the strong performance of several large internet and technology stocks not held by the portfolio (including Amazon, Apple, Facebook, and Netflix) negatively impacted relative results. This was significant in both the Information Technology and Consumer Discretionary sectors.
- Within Information Technology (holdings up 6% compared to up 11% for the S&P 500 sector), Micro Focus International (down 48%) was particularly weak.
- In the Consumer Staples sector, the portfolio's underweight position (average less than 1% versus 7% for the S&P 500 sector) helped results. The portfolio's lack of holdings in the Tobacco and Household Products industries, down 20% and 12% in the Index, respectively, was a meaningful positive.

Fixed Income Portfolio

- The portfolio's shorter relative duration (72% of the Bloomberg Barclays U.S. Agg's duration) added significantly to relative returns.
- Security selection within credit was positive as several holdings performed well, particularly Bank of America capital securities, which outperformed due to redemption by the issuer at a premium to the market price. Other outperformers included Macy's, Rio Oil Finance Trust, and Verizon.
- The portfolio's overweight to corporate bonds and underweight to U.S. Treasuries detracted from relative returns given the poor performance of credit.

KEY CHARACTERISTICS OF DODGE & COX

Independent Organization

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

Over 85 Years of Investment Experience

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

Experienced Investment Team

The U.S. Equity Investment Committee, which is responsible for determining the asset allocation of the Balanced Fund and managing the equity portion of the Balanced Fund, is a nine-member committee with an average tenure at Dodge & Cox of 24 years. The U.S. Fixed Income Investment Committee, which is responsible for managing the debt portion of the Balanced Fund, is a ten-member committee with an average tenure 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.

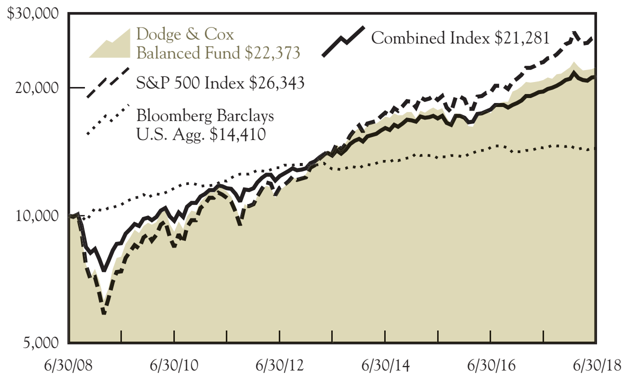
Long-Term Focus and Low Expenses

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

GROWTH OF $10,000 OVER 10 YEARS

FOR AN INVESTMENT MADE ON JUNE 30, 2008



AVERAGE ANNUAL TOTAL RETURN

FOR PERIODS ENDED JUNE 30, 2018

	1 Year	5 Years	10 Years	20 Years
Dodge & Cox Balanced Fund	6.88%	9.62%	8.39%	8.11%
S&P 500 Index	14.37	13.42	10.17	6.46
Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Agg)	–0.40	2.27	3.72	4.70
Combined Index[(a)]	8.34	8.98	7.84	6.07

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 dividends and/or interest income but, unlike Fund returns, do not reflect fees or expenses.

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

FUND EXPENSE EXAMPLE

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

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON WITH OTHER MUTUAL FUNDS

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

Six Months Ended June 30, 2018	Beginning Account Value 1/1/2018	Ending Account Value 6/30/2018	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,000.20	$2.63
Based on Hypothetical 5% Yearly Return	1,000.00	1,022.16	2.66

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

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

GENERAL INFORMATION

Net Asset Value Per Share	$104.75
Total Net Assets (billions)	$15.4
Expense Ratio	0.53%
Portfolio Turnover Rate (1/1/18 to 6/30/18, unannualized)	10%
30-Day SEC Yield[(a)]	2.00%
Fund Inception	1931

No sales charges or distribution fees

Investment Manager: Dodge & Cox, San Francisco. Managed by the U.S. Equity Investment Committee, whose nine members' average tenure at Dodge & Cox is 24 years, and by the U.S. Fixed Income Investment Committee, whose ten members' average tenure is 21 years.

EQUITY PORTFOLIO (71.4%)

	Fund
Number of Common Stocks	**65**
Number of Preferred Stocks	**5**
Median Market Capitalization (billions)[(b)]	**$45**
Price-to-Earnings Ratio[(b)(c)]	**13.8x**
Foreign Securities not in the S&P 500[(d)]	**7.6%**

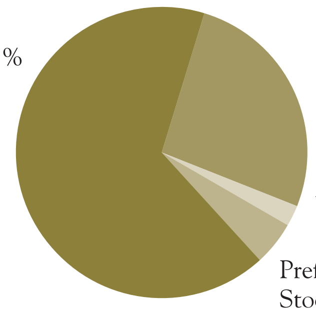
FIVE LARGEST SECTORS (%)

	Common	Preferred	Fund
Financials	18.0	4.5	**22.5**
Health Care	15.5	—	**15.5**
Information Technology	11.2	—	**11.2**
Consumer Discretionary	9.7	0.4	**10.1**
Energy	6.1	—	**6.1**

TEN LARGEST EQUITIES (%)[(e)]

	Common	Preferred	Fund
Wells Fargo & Co.	2.7	1.5	**4.2**
JPMorgan Chase & Co.	1.6	1.7	**3.3**
Bank of America Corp.	2.2	0.5	**2.7**
Comcast Corp.	2.5	—	**2.5**
Capital One Financial Corp.	2.4	—	**2.4**
Charles Schwab Corp.	2.4	—	**2.4**
Twenty-First Century Fox, Inc.	2.3	—	**2.3**
Microsoft Corp.	2.2	—	**2.2**
Charter Communications, Inc.	2.1	—	**2.1**
Alphabet, Inc.	2.1	—	**2.1**

ASSET ALLOCATION



FIXED INCOME PORTFOLIO (26.3%)

	Fund
Number of Credit Issuers	**48**
Effective Duration (years)[(g)]	**4.6**

SECTOR DIVERSIFICATION (%)

	Fund
U.S. Treasury[(h)]	**3.9**
Government-Related[(i)]	**1.6**
Securitized	**10.9**
Corporate	**9.9**

CREDIT QUALITY (%)[(j)]

	Fund
U.S. Treasury/Agency/GSE[(h)]	**13.1**
Aaa	**0.5**
Aa	**1.7**
A	**1.0**
Baa	**8.0**
Ba	**2.0**
B	**0.0**
Caa	**0.0**

FIVE LARGEST CREDIT ISSUERS (%)[(e)]

	Fund
Charter Communications, Inc.	**0.7**
Petroleos Mexicanos	**0.5**
State of California GO	**0.5**
Verizon Communications, Inc.	**0.4**
Cox Enterprises, Inc.	**0.4**

(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) Excludes the Fund's preferred stock positions.

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

(d) Foreign stocks are U.S. dollar denominated.

(e) 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.

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

(g) Interest rate derivatives reduce the duration of the fixed income portfolio by 0.2 years (i.e., total portfolio duration is 4.8 years without derivatives).

(h) Data as presented excludes the Fund's position in Treasury futures contracts.

(i) The portfolio's Government-Related holdings include tax-exempt municipal securities; the Index classifies these securities as Municipal Bonds.

(j) The credit quality distribution shown for the Fund is 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. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

COMMON STOCKS: 66.5%

	SHARES	VALUE
CONSUMER DISCRETIONARY: 9.7%		
AUTOMOBILES & COMPONENTS: 0.2%		
Harley-Davidson, Inc.	838,400	$ 35,279,872
CONSUMER DURABLES & APPAREL: 0.4%		
Mattel, Inc.[a]	3,618,723	59,419,431
MEDIA: 7.4%		
Charter Communications, Inc., Class A[a]	1,103,207	323,471,324
Comcast Corp., Class A	12,005,348	393,895,468
DISH Network Corp., Class A[a]	1,685,032	56,633,926
News Corp., Class A	1,057,504	16,391,312
Twenty-First Century Fox, Inc., Class A	5,960,200	296,162,338
Twenty-First Century Fox, Inc., Class B	1,153,000	56,808,310
		1,143,362,678
RETAILING: 1.7%		
Booking Holdings, Inc.[a]	55,400	112,300,786
Qurate Retail, Inc., Series A[a]	3,154,617	66,940,973
Target Corp.	986,200	75,069,544
		254,311,303
		1,492,373,284
CONSUMER STAPLES: 0.2%		
FOOD, BEVERAGE & TOBACCO: 0.2%		
Molson Coors Brewing Company, Class B	507,614	34,538,057
ENERGY: 6.1%		
Anadarko Petroleum Corp.	3,878,892	284,128,839
Apache Corp.	3,704,439	173,182,523
Baker Hughes, a GE Company	3,828,100	126,442,143
Concho Resources, Inc.[a]	324,400	44,880,740
National Oilwell Varco, Inc.	2,636,000	114,402,400
Occidental Petroleum Corp.	658,814	55,129,555
Schlumberger, Ltd. (Curacao/United States)	2,033,221	136,286,804
Weatherford International PLC[a] (Ireland)	3,970,000	13,061,300
		947,514,304
FINANCIALS: 18.0%		
BANKS: 7.0%		
Bank of America Corp.	12,007,500	338,491,425
BB&T Corp.	1,525,584	76,950,457
JPMorgan Chase & Co.	2,429,100	253,112,220
Wells Fargo & Co.	7,400,106	410,261,877
		1,078,815,979
DIVERSIFIED FINANCIALS: 9.2%		
American Express Co.	2,433,000	238,434,000
Bank of New York Mellon Corp.	4,032,400	217,467,332
Capital One Financial Corp.	4,073,559	374,360,072
Charles Schwab Corp.	7,147,200	365,221,920
Goldman Sachs Group, Inc.	989,600	218,276,072
		1,413,759,396
INSURANCE: 1.8%		
AEGON NV (Netherlands)	11,908,965	70,501,073
Brighthouse Financial, Inc.[a]	337,818	13,536,367
MetLife, Inc.	4,692,300	204,584,280
		288,621,720
		2,781,197,095
HEALTH CARE: 15.5%		
HEALTH CARE EQUIPMENT & SERVICES: 5.2%		
Cigna Corp.	959,859	163,128,037
Danaher Corp.	376,100	37,113,548
Express Scripts Holding Co.[a]	3,867,568	298,614,925
Medtronic PLC (Ireland)	1,614,200	138,191,662
UnitedHealth Group, Inc.	639,572	156,912,595
		793,960,767

	SHARES	VALUE
PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES: 10.3%		
Alnylam Pharmaceuticals, Inc.[a]	392,300	$ 38,637,627
AstraZeneca PLC ADR (United Kingdom)	5,070,899	178,039,264
Bristol-Myers Squibb Co.	2,984,800	165,178,832
Eli Lilly and Co.	2,601,949	222,024,308
Gilead Sciences, Inc.	1,647,680	116,721,651
GlaxoSmithKline PLC ADR (United Kingdom)	4,545,000	183,208,950
Merck & Co., Inc.	200,603	12,176,602
Novartis AG ADR (Switzerland)	3,271,200	247,106,448
Roche Holding AG ADR (Switzerland)	6,486,000	179,208,180
Sanofi ADR (France)	6,205,265	248,272,653
		1,590,574,515
		2,384,535,282
INDUSTRIALS: 3.3%		
CAPITAL GOODS: 1.2%		
Johnson Controls International PLC (Ireland)	5,538,214	185,253,258
TRANSPORTATION: 2.1%		
FedEx Corp.	934,354	212,154,419
Union Pacific Corp.	763,200	108,130,176
		320,284,595
		505,537,853
INFORMATION TECHNOLOGY: 11.2%		
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT: 0.3%		
Maxim Integrated Products, Inc.	810,191	47,525,804
SOFTWARE & SERVICES: 6.0%		
Alphabet, Inc., Class A[a]	2,000	2,258,380
Alphabet, Inc., Class C[a]	287,195	320,409,102
Dell Technologies, Inc., Class V[a]	1,438,163	121,639,827
Micro Focus International PLC ADR (United Kingdom)	3,236,727	55,898,275
Microsoft Corp.	3,446,400	339,849,504
Synopsys, Inc.[a]	401,100	34,322,127
VMware, Inc.[a]	278,000	40,857,660
		915,234,875
TECHNOLOGY, HARDWARE & EQUIPMENT: 4.9%		
Cisco Systems, Inc.	3,865,200	166,319,556
Hewlett Packard Enterprise Co.	13,275,520	193,955,347
HP Inc.	7,657,773	173,754,870
Juniper Networks, Inc.	3,590,329	98,446,821
TE Connectivity, Ltd. (Switzerland)	1,368,036	123,205,322
		755,681,916
		1,718,442,595
MATERIALS: 0.6%		
Celanese Corp., Series A	843,032	93,627,134
TELECOMMUNICATION SERVICES: 1.9%		
AT&T, Inc.	4,316,016	138,587,274
Sprint Corp.[a]	15,802,971	85,968,162
Zayo Group Holdings, Inc.[a]	2,075,000	75,696,000
		300,251,436
TOTAL COMMON STOCKS (Cost $6,460,266,904)		**$10,258,017,040**

PREFERRED STOCKS: 4.9%

	PAR VALUE	VALUE
CONSUMER DISCRETIONARY: 0.4%		
MEDIA: 0.4%		
NBCUniversal Enterprise, Inc. 5.25%[c]	$ 53,210,000	$ 53,742,100

PREFERRED STOCKS (continued)

	PAR VALUE	VALUE
FINANCIALS: 4.5%		
BANKS: 4.5%		
Bank of America Corp. 6.10%(g)	$ 16,008,000	$ 16,638,715
Bank of America Corp. 6.25%(g)	52,470,000	54,831,150
Citigroup, Inc. 5.95%(g)	5,175,000	5,265,563
Citigroup, Inc. 5.95%(g)	77,327,000	78,003,611
Citigroup, Inc. 6.25%(g)	50,886,000	52,794,225
JPMorgan Chase & Co. 6.10%(g)	246,575,000	254,613,345
Wells Fargo & Co. 5.875%(g)	227,645,000	234,758,906
		696,905,515
TOTAL PREFERRED STOCKS		
(Cost $731,149,551)		**$ 750,647,615**

DEBT SECURITIES: 26.3%

	PAR VALUE	VALUE
U.S. TREASURY: 3.9%		
U.S. Treasury Note/Bond		
2.00%, 1/15/21	19,600,000	19,311,359
2.25%, 2/15/21	58,695,000	58,174,540
1.125%, 2/28/21	111,515,000	107,285,271
1.125%, 7/31/21	56,610,000	54,089,086
1.75%, 11/30/21	130,000,000	126,140,625
1.875%, 1/31/22	90,500,000	88,018,320
1.875%, 2/28/22	14,110,000	13,714,810
1.75%, 5/31/22	38,064,000	36,724,326
2.00%, 11/30/22	9,200,000	8,927,594
2.75%, 4/30/23	43,045,000	43,073,584
2.75%, 5/31/23	54,000,000	54,048,516
		609,508,031
GOVERNMENT-RELATED: 1.6%		
FEDERAL AGENCY: 0.1%		
Small Business Admin. — 504 Program		
Series 1998-20I 1, 6.00%, 9/1/18	28,991	29,069
Series 1999-20F 1, 6.80%, 6/1/19	55,594	56,206
Series 2000-20D 1, 7.47%, 4/1/20	379,886	387,417
Series 2000-20E 1, 8.03%, 5/1/20	71,466	73,208
Series 2000-20G 1, 7.39%, 7/1/20	157,621	160,681
Series 2000-20I 1, 7.21%, 9/1/20	78,357	79,757
Series 2001-20E 1, 6.34%, 5/1/21	308,426	315,808
Series 2001-20G 1, 6.625%, 7/1/21	362,110	371,781
Series 2003-20J 1, 4.92%, 10/1/23	1,309,267	1,353,486
Series 2007-20F 1, 5.71%, 6/1/27	1,653,329	1,723,454
		4,550,867
FOREIGN AGENCY: 0.6%		
Petroleo Brasileiro SA (Brazil)		
4.375%, 5/20/23	7,620,000	7,118,985
5.999%, 1/27/28(c)	13,335,000	12,068,175
Petroleos Mexicanos (Mexico)		
6.875%, 8/4/26	13,775,000	14,477,525
6.50%, 3/13/27	18,400,000	18,823,200
6.625%, 6/15/35	9,425,000	9,212,937
6.375%, 1/23/45	20,125,000	18,535,125
6.35%, 2/12/48(c)	15,466,000	13,996,730
		94,232,677
LOCAL AUTHORITY: 0.9%		
New Jersey Turnpike Authority RB		
7.102%, 1/1/41	12,436,000	17,502,924
State of California GO		
7.50%, 4/1/34	13,470,000	18,918,480
7.55%, 4/1/39	14,475,000	21,345,414
7.30%, 10/1/39	18,730,000	26,536,664
7.625%, 3/1/40	4,590,000	6,769,516
State of Illinois		
GO 5.877%, 3/1/19	10,225,000	10,406,187
5.00%, 11/1/20	8,000,000	8,309,280
5.00%, 11/1/21	10,500,000	11,017,125
5.10%, 6/1/33	$ 22,615,000	$ 21,401,931
		142,207,521
		240,991,065
SECURITIZED: 10.9%		
ASSET-BACKED: 1.8%		
Auto Loan: 0.2%		
Ford Credit Auto Owner Trust		
Series 2015-REV1 A, 2.12%, 7/15/26(c)	16,450,000	16,228,849
Series 2017-REV2 A, 2.36%, 3/15/29(c)	6,721,000	6,481,303
		22,710,152
Credit Card: 0.3%		
Bank of America Credit Card Trust		
Series 2018-A1 A1, 2.70%, 7/17/23	44,399,000	44,126,186
Other: 0.4%		
Rio Oil Finance Trust (Brazil)		
9.25%, 7/6/24(c)	23,777,853	25,442,302
9.75%, 1/6/27(c)	32,740,283	35,089,726
		60,532,028
Student Loan: 0.9%		
Navient Student Loan Trust		
USD LIBOR 1-Month		
+1.15%, 3.241%, 7/26/66(c)	6,902,000	7,069,868
+0.75%, 2.841%, 3/25/67(c)	86,422,000	86,275,783
SLM Student Loan Trust		
USD LIBOR 1-Month		
+0.75%, 2.841%, 1/25/45(c)	43,864,456	44,084,888
SLM Student Loan Trust (Private Loans)		
Series 2014-A A2A, 2.59%, 1/15/26(c)	2,638,718	2,632,933
Series 2012-B A2, 3.48%, 10/15/30(c)	106,012	106,058
Series 2012-E A2A, 2.09%, 6/15/45(c)	4,399,944	4,388,775
Series 2012-C A2, 3.31%, 10/15/46(c)	1,183,810	1,184,777
		145,743,082
		273,111,448
CMBS: 0.2%		
Agency CMBS: 0.2%		
Fannie Mae Multifamily DUS		
Pool AL8144, 2.404%, 10/1/22	7,768,330	7,664,873
Pool AL9086, 2.31%, 7/1/23	1,672,449	1,634,668
Freddie Mac Multifamily Interest Only		
Series K055 X1, 1.501%, 3/25/26(f)	10,603,108	915,927
Series K056 X1, 1.401%, 5/25/26(f)	4,647,562	375,279
Series K057 X1, 1.326%, 7/25/26(f)	3,806,736	296,199
Series K064 X1, 0.744%, 3/25/27(f)	9,555,949	432,371
Series K065 X1, 0.815%, 4/25/27(f)	44,330,103	2,235,288
Series K066 X1, 0.891%, 6/25/27(f)	38,029,542	2,150,898
Series K069 X1, 0.497%, 9/25/27(f)	238,762,899	7,310,371
		23,015,874
MORTGAGE-RELATED: 8.9%		
Federal Agency CMO & REMIC: 1.6%		
Dept. of Veterans Affairs		
Series 1995-1 1, 6.877%, 2/15/25(f)	211,388	223,708
Series 1995-2C 3A, 8.793%, 6/15/25	101,622	114,083
Series 2002-1 2J, 6.50%, 8/15/31	7,040,514	7,857,054
Fannie Mae		
Trust 2002-33 A1, 7.00%, 6/25/32	1,474,075	1,682,985
Trust 2009-66 ET, 6.00%, 5/25/39	1,370,777	1,424,636
Trust 2009-30 AG, 6.50%, 5/25/39	1,652,575	1,781,890
Trust 2001-T7 A1, 7.50%, 2/25/41	1,140,153	1,290,488
Trust 2001-T5 A3, 7.50%, 6/19/41(f)	492,172	549,535
Trust 2001-T4 A1, 7.50%, 7/25/41	1,199,398	1,365,202
Trust 2001-T8 A1, 7.50%, 7/25/41	1,233,968	1,392,295
Trust 2001-W3 A, 7.00%, 9/25/41(f)	779,685	820,652
Trust 2001-T10 A2, 7.50%, 12/25/41	910,634	1,033,560
Trust 2013-106 MA, 4.00%, 2/25/42	7,772,214	7,922,218
Trust 2002-W6 2A1, 7.00%, 6/25/42(f)	1,230,293	1,323,831

See accompanying Notes to Financial Statements

DEBT SECURITIES (continued)

	PAR VALUE	VALUE
Trust 2002-W8 A2, 7.00%, 6/25/42	$ 1,559,107	$ 1,763,944
Trust 2003-W2 1A1, 6.50%, 7/25/42	2,574,148	2,824,167
Trust 2003-W2 1A2, 7.00%, 7/25/42	1,059,038	1,189,657
Trust 2003-W4 4A, 7.50%, 10/25/42[f]	1,228,717	1,346,173
Trust 2012-121 NB, 7.00%, 11/25/42	1,821,863	2,029,567
Trust 2004-T1 1A2, 6.50%, 1/25/44	1,573,249	1,750,135
Trust 2004-W2 5A, 7.50%, 3/25/44	2,416,888	2,666,733
Trust 2004-W8 3A, 7.50%, 6/25/44	406,818	460,952
Trust 2005-W4 1A2, 6.50%, 8/25/45	3,870,463	4,287,075
Trust 2009-11 MP, 7.00%, 3/25/49	3,494,768	3,873,236
USD LIBOR 1-month		
+0.55%, 2.641%, 9/25/43	7,607,643	7,699,703
Freddie Mac		
Series 1078 GZ, 6.50%, 5/15/21	38,995	39,750
Series 16 PK, 7.00%, 8/25/23	1,239,387	1,315,918
Series T-48 1A4, 5.538%, 7/25/33	24,022,098	25,533,156
Series T-51 1A, 6.50%, 9/25/43[f]	163,871	183,605
Series T-59 1A1, 6.50%, 10/25/43	8,531,410	9,735,625
Series 4281 BC, 4.50%, 12/15/43[f]	45,919,987	48,093,609
USD LIBOR 1-month		
+0.61%, 2.683%, 9/15/43	16,569,761	16,791,170
Ginnie Mae		
USD LIBOR 1-Month		
+0.62%, 2.537%, 9/20/64	3,887,380	3,911,387
USD LIBOR 12-Month		
+0.23%, 2.01%, 10/20/67	22,350,719	22,498,945
+0.23%, 2.01%, 10/20/67	13,815,039	13,899,217
+0.06%, 2.35%, 12/20/67	35,989,960	35,901,205
+0.08%, 2.81%, 5/20/68	10,085,980	9,997,334
		246,574,400
Federal Agency Mortgage Pass-Through: 7.3%		
Fannie Mae, 15 Year		
6.50%, 7/1/18-11/1/18	401	400
7.00%, 11/1/18	627	627
6.00%, 12/1/18-3/1/22	139,012	142,471
4.50%, 1/1/25-1/1/27	8,924,329	9,214,496
3.50%, 11/1/25-12/1/29	24,502,316	24,829,946
Fannie Mae, 20 Year		
4.00%, 11/1/30-2/1/37	45,056,337	46,529,931
4.50%, 1/1/31-12/1/34	68,400,991	71,490,710
3.50%, 6/1/35-4/1/37	81,687,078	82,441,207
Fannie Mae, 30 Year		
6.50%, 12/1/28-8/1/39	15,946,349	17,711,623
5.50%, 7/1/33-8/1/37	10,336,174	11,234,480
6.00%, 9/1/36-8/1/37	14,395,087	15,869,977
7.00%, 8/1/37	418,485	481,619
4.50%, 1/1/39-5/1/48	242,983,371	254,369,749
Fannie Mae, 40 Year		
4.50%, 6/1/56	41,498,068	43,418,561
Fannie Mae, Hybrid ARM		
1-Year U.S. Treasury CMT		
+2.04%, 3.186%, 9/1/34	803,338	844,114
USD LIBOR 12-Month		
+1.36%, 3.107%, 12/1/34	1,301,079	1,350,168
+1.58%, 3.524%, 1/1/35	838,797	876,180
+1.52%, 3.314%, 8/1/35	778,218	808,941
+1.64%, 3.767%, 5/1/37	1,009,181	1,052,310
+1.85%, 4.189%, 7/1/39	1,505,659	1,591,271
+1.78%, 3.772%, 11/1/40	1,817,059	1,878,228
+1.78%, 3.628%, 12/1/40	3,551,714	3,656,289
+1.58%, 2.683%, 11/1/43	4,212,876	4,379,791
+1.55%, 2.694%, 4/1/44	10,037,276	10,384,276
+1.60%, 2.817%, 11/1/44	17,880,930	17,950,112
+1.60%, 2.808%, 12/1/44	12,834,503	12,880,557
+1.59%, 2.89%, 9/1/45	3,558,160	3,558,452
+1.59%, 2.845%, 12/1/45	16,437,597	16,444,571
+1.59%, 2.664%, 1/1/46	14,300,264	14,256,807

	PAR VALUE	VALUE
+1.61%, 3.182%, 6/1/47	$ 13,079,314	$ 13,131,097
+1.61%, 3.143%, 7/1/47	17,907,704	17,959,748
+1.60%, 2.729%, 8/1/47	21,901,771	21,884,158
USD LIBOR 6-Month		
+1.54%, 3.731%, 1/1/35	1,455,543	1,505,507
Freddie Mac, Hybrid ARM		
1-Year U.S. Treasury CMT		
+2.25%, 3.496%, 10/1/35	1,883,253	1,988,470
USD LIBOR 12-Month		
+1.96%, 4.519%, 5/1/34	1,700,975	1,804,028
+1.56%, 3.941%, 4/1/37	1,833,659	1,905,680
+1.79%, 3.543%, 9/1/37	1,123,568	1,178,224
+1.94%, 3.704%, 1/1/38	256,508	268,277
+2.06%, 4.024%, 2/1/38	3,094,697	3,249,185
+1.96%, 3.832%, 7/1/38	219,162	231,402
+1.73%, 3.653%, 10/1/38	999,060	1,045,179
+1.79%, 3.617%, 10/1/41	852,473	866,943
+1.79%, 2.594%, 8/1/42	7,024,825	7,328,529
+1.62%, 2.952%, 5/1/44	11,638,014	11,695,984
+1.61%, 2.994%, 5/1/44	1,629,061	1,637,842
+1.62%, 2.934%, 6/1/44	3,621,306	3,635,593
+1.62%, 3.148%, 6/1/44	4,374,614	4,412,771
+1.63%, 3.078%, 1/1/45	20,113,120	20,216,824
+1.62%, 2.735%, 10/1/45	9,450,940	9,434,276
+1.62%, 2.822%, 10/1/45	10,638,941	10,627,270
+1.63%, 3.239%, 7/1/47	10,621,480	10,662,013
Freddie Mac Gold, 15 Year		
4.50%, 9/1/24-9/1/26	6,101,367	6,303,769
Freddie Mac Gold, 20 Year		
6.50%, 10/1/26	2,939,920	3,174,471
4.50%, 4/1/31-6/1/31	8,505,303	8,882,631
Freddie Mac Gold, 30 Year		
7.75%, 7/25/21	118,780	121,333
7.47%, 3/17/23	62,337	65,237
6.50%, 12/1/32-4/1/33	4,761,809	5,303,125
7.00%, 11/1/37-9/1/38	3,828,267	4,242,612
5.50%, 12/1/37	539,567	585,926
6.00%, 2/1/39	1,345,484	1,484,079
4.50%, 9/1/41-8/1/47	273,278,595	285,187,404
Ginnie Mae, 30 Year		
7.97%, 4/15/20-1/15/21	96,580	99,756
7.50%, 11/15/24-10/15/25	514,324	558,577
		1,132,325,784
		1,378,900,184
		1,675,027,506
CORPORATE: 9.9%		
FINANCIALS: 3.5%		
Bank of America Corp.		
3.004%, 12/20/23[g]	36,273,000	35,172,858
4.20%, 8/26/24	5,825,000	5,852,982
4.25%, 10/22/26	2,970,000	2,933,823
4.183%, 11/25/27	7,925,000	7,715,170
Barclays PLC (United Kingdom)		
4.375%, 9/11/24	18,275,000	17,755,624
4.836%, 5/9/28	4,525,000	4,271,849
BNP Paribas SA (France)		
4.25%, 10/15/24	31,175,000	30,748,394
4.375%, 9/28/25[c]	20,120,000	19,630,716
4.375%, 5/12/26[c]	8,000,000	7,758,954
4.625%, 3/13/27[c]	4,275,000	4,194,545
Boston Properties, Inc.		
3.85%, 2/1/23	7,800,000	7,837,191
3.125%, 9/1/23	17,550,000	17,061,879
3.80%, 2/1/24	5,000,000	4,972,971
3.65%, 2/1/26	4,450,000	4,290,620
Capital One Financial Corp.		
3.50%, 6/15/23	21,006,000	20,512,981
4.20%, 10/29/25	10,175,000	9,878,512

See accompanying Notes to Financial Statements

DEBT SECURITIES (continued)

	PAR VALUE	VALUE
Cigna Corp.		
7.875%, 5/15/27	$ 17,587,000	$ 21,808,414
Citigroup, Inc.		
4.00%, 8/5/24	5,925,000	5,822,890
USD LIBOR 3-Month +6.37%, 8.729%, 10/30/40(b)	37,080,925	40,195,723
Equity Residential		
3.00%, 4/15/23	14,775,000	14,413,524
2.85%, 11/1/26	6,000,000	5,566,496
HSBC Holdings PLC (United Kingdom)		
4.30%, 3/8/26	4,600,000	4,610,229
6.50%, 5/2/36	27,355,000	31,704,398
6.50%, 9/15/37	12,665,000	14,766,170
JPMorgan Chase & Co.		
8.75%, 9/1/30(b)	23,042,000	31,686,550
Lloyds Banking Group PLC (United Kingdom)		
4.50%, 11/4/24	19,575,000	19,343,741
4.65%, 3/24/26	11,100,000	10,917,991
Royal Bank of Scotland Group PLC (United Kingdom)		
6.125%, 12/15/22	43,156,000	45,404,273
6.00%, 12/19/23	8,825,000	9,257,411
Unum Group		
7.19%, 2/1/28	8,305,000	9,526,288
7.25%, 3/15/28	2,030,000	2,408,273
6.75%, 12/15/28	11,368,000	13,130,630
Wells Fargo & Co.		
2.15%, 12/6/19	19,500,000	19,286,948
4.10%, 6/3/26	3,376,000	3,307,037
4.30%, 7/22/27	21,995,000	21,667,710
USD LIBOR 3-Month +0.65%, 2.964%, 12/6/19	11,575,000	11,652,367
		537,066,132
INDUSTRIALS: 6.0%		
AT&T, Inc.		
5.35%, 9/1/40	27,575,000	26,894,215
4.75%, 5/15/46	7,000,000	6,248,212
5.65%, 2/15/47	5,175,000	5,207,418
4.50%, 3/9/48	24,560,000	21,080,733
Bayer AG (Germany)		
3.875%, 12/15/23(c)	6,175,000	6,172,947
4.25%, 12/15/25(c)	6,600,000	6,637,963
4.375%, 12/15/28(c)	18,700,000	18,727,740
BHP Billiton, Ltd. (Australia)		
6.75%, 10/19/75(b)(c)(g)	7,525,000	8,160,863
Burlington Northern Santa Fe LLC(e)		
5.72%, 1/15/24	3,127,484	3,330,911
5.342%, 4/1/24	6,179,946	6,434,989
5.629%, 4/1/24	9,789,896	10,460,474
Cemex SAB de CV (Mexico)		
6.00%, 4/1/24(c)	10,575,000	10,720,406
5.70%, 1/11/25(c)	22,475,000	22,216,538
6.125%, 5/5/25(c)	8,100,000	8,233,650
Charter Communications, Inc.		
8.75%, 2/14/19	7,840,000	8,101,661
8.25%, 4/1/19	21,815,000	22,627,462
4.125%, 2/15/21	2,260,000	2,271,363
4.908%, 7/23/25	11,600,000	11,711,284
4.20%, 3/15/28	5,000,000	4,679,064
6.55%, 5/1/37	11,000,000	11,662,846
6.75%, 6/15/39	6,160,000	6,563,178
6.484%, 10/23/45	31,570,000	33,253,516
5.375%, 5/1/47	4,100,000	3,720,526
Comcast Corp.		
3.999%, 11/1/49	3,772,000	3,331,344
Cox Enterprises, Inc.		
3.25%, 12/15/22(c)	$ 6,240,000	$ 6,059,353
2.95%, 6/30/23(c)	37,166,000	35,198,191
3.85%, 2/1/25(c)	24,125,000	23,626,055
CRH PLC (Ireland)		
3.875%, 5/18/25(c)	17,100,000	16,860,844
CVS Health Corp.		
3.70%, 3/9/23	13,650,000	13,511,042
4.10%, 3/25/25	4,275,000	4,251,574
4.30%, 3/25/28	9,425,000	9,293,236
4.78%, 3/25/38	5,125,000	5,065,851
Dell Technologies, Inc.		
5.45%, 6/15/23(c)	14,966,000	15,651,967
Dillard's, Inc.		
7.875%, 1/1/23	8,660,000	9,636,231
7.75%, 7/15/26	50,000	56,276
7.75%, 5/15/27	540,000	607,179
7.00%, 12/1/28	15,135,000	16,385,364
DowDuPont, Inc.		
7.375%, 11/1/29	17,000,000	21,186,323
9.40%, 5/15/39	5,677,000	8,742,176
Ford Motor Credit Co. LLC(e)		
2.681%, 1/9/20	13,000,000	12,877,673
5.75%, 2/1/21	12,700,000	13,335,381
5.875%, 8/2/21	12,945,000	13,722,173
4.25%, 9/20/22	4,243,000	4,277,199
Imperial Brands PLC (United Kingdom)		
3.75%, 7/21/22(c)	10,475,000	10,394,014
4.25%, 7/21/25(c)	44,175,000	43,959,688
Kinder Morgan, Inc.		
4.30%, 6/1/25	11,050,000	10,992,220
5.50%, 3/1/44	25,893,000	25,700,023
5.40%, 9/1/44	20,119,000	19,515,030
Macy's, Inc.		
6.70%, 7/15/34	5,890,000	6,137,551
Naspers, Ltd. (South Africa)		
6.00%, 7/18/20(c)	16,900,000	17,628,221
5.50%, 7/21/25(c)	20,075,000	20,647,138
4.85%, 7/6/27(c)	14,200,000	13,898,704
RELX PLC (United Kingdom)		
3.125%, 10/15/22	17,458,000	17,122,905
Telecom Italia SPA (Italy)		
7.175%, 6/18/19	27,527,000	28,310,143
5.303%, 5/30/24(c)	10,225,000	10,084,406
7.20%, 7/18/36	11,596,000	12,012,296
7.721%, 6/4/38	7,062,000	7,591,650
TransCanada Corp. (Canada)		
5.625%, 5/20/75(b)(g)	20,570,000	20,055,750
5.875%, 8/15/76(b)(g)	4,500,000	4,455,000
5.30%, 3/15/77(b)(g)	20,885,000	19,747,081
Twenty-First Century Fox, Inc.		
6.15%, 3/1/37	15,000,000	17,583,090
6.65%, 11/15/37	4,638,000	5,753,485
Ultrapar Participacoes SA (Brazil)		
5.25%, 10/6/26(c)	12,050,000	11,170,350
Union Pacific Corp.		
6.176%, 1/2/31	7,733,557	8,476,559
Verizon Communications, Inc.		
4.272%, 1/15/36	11,847,000	10,922,063
4.522%, 9/15/48	7,000,000	6,376,787
5.012%, 4/15/49	49,149,000	47,825,625
Xerox Corp.		
4.50%, 5/15/21	13,311,000	13,483,949
Zoetis, Inc.		
3.25%, 2/1/23	2,150,000	2,116,153
4.50%, 11/13/25	17,545,000	18,149,954
		928,903,226

DEBT SECURITIES (continued)

	PAR VALUE	VALUE
UTILITIES: 0.4%		
Dominion Energy, Inc.		
4.104%, 4/1/21	$ 5,300,000	$ 5,373,935
5.75%, 10/1/54[(b)(g)]	22,950,000	23,913,900
Enel SPA (Italy)		
6.80%, 9/15/37[(c)]	13,700,000	16,363,330
6.00%, 10/7/39[(c)]	13,352,000	14,829,167
		60,480,332
		1,526,449,690
TOTAL DEBT SECURITIES (Cost $4,024,122,463)		**$ 4,051,976,292**

EQUITY INDEX PUT OPTIONS PURCHASED: 0.6%

	CONTRACTS	VALUE
Counterparty: Barclays		
S&P 500 Index, 3/15/19 at $2,675 Notional Amount $13,591,850	5,000	$ 584,402
S&P 500 Index, 6/21/19 at $2,775 Notional Amount $475,714,750	175,000	30,817,502
Counterparty: Goldman Sachs		
S&P 500 Index, 12/21/18 at $2,550 Notional Amount $407,755,500	150,000	9,142,489
S&P 500 Index, 3/15/19 at $2,700 Notional Amount $407,755,500	150,000	18,630,001
Counterparty: JPMorgan		
S&P 500 Index, 12/21/18 at $2,375 Notional Amount $135,918,500	50,000	1,732,572
S&P 500 Index, 12/21/18 at $2,475 Notional Amount $271,837,000	100,000	4,770,092
S&P 500 Index, 12/21/18 at $2,575 Notional Amount $339,796,250	125,000	8,243,760
S&P 500 Index, 6/21/19 at $2,750 Notional Amount $407,755,500	150,000	24,974,999
TOTAL EQUITY INDEX PUT OPTIONS PURCHASED (Cost $140,034,140)		**$ 98,895,817**

SHORT-TERM INVESTMENTS: 3.1%

	PAR VALUE/ SHARES	VALUE
REPURCHASE AGREEMENT: 2.7%		
Fixed Income Clearing Corporation[(d)] 1.20%, dated 6/29/18, due 7/2/18, maturity value $409,348,931	$409,308,000	$ 409,308,000
MONEY MARKET FUND: 0.4%		
State Street Institutional U.S. Government Money Market Fund	62,957,318	62,957,318
TOTAL SHORT-TERM INVESTMENTS (Cost $472,265,318)		**$ 472,265,318**
TOTAL INVESTMENTS IN SECURITIES (Cost $11,827,838,376)	101.4%	**$15,631,802,082**
OTHER ASSETS LESS LIABILITIES	(1.4%)	(221,171,337)
NET ASSETS	100.0%	$15,410,630,745

(a) Non-income producing

(b) Hybrid security

(c) 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. These securities have been deemed liquid by Dodge & Cox, investment manager, pursuant to procedures approved by the Fund's Board of Trustees.

(d) Repurchase agreement is collateralized by U.S. Treasury Notes 2.125%-2.625%, 6/15/21-8/15/21. Total collateral value is $417,496,972.

(e) Subsidiary (see below)

(f) 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.

(g) 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.

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

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

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

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

FUTURES CONTRACTS

Description	Number of Contracts	Expiration Date	Notional Amount	Value / Unrealized Appreciation (Depreciation)
Ultra Long-Term U.S. Treasury Bond— Short Position	368	9/19/18	$(58,719,000)	$(1,304,240)

STATEMENT OF ASSETS AND LIABILITIES
(unaudited)

	June 30, 2018
ASSETS:	
Investments in securities, at value (cost $11,827,838,376)	$15,631,802,082
Deposits with broker for futures contracts	1,749,000
Receivable for variation margin for futures contracts	26,997
Receivable for investments sold	193,589,075
Receivable for Fund shares sold	4,699,305
Dividends and interest receivable	51,567,955
Prepaid expenses and other assets	31,567
	15,883,465,981
LIABILITIES:	
Cash received as collateral for options purchased	101,490,000
Payable for investments purchased	13,372,245
Payable for Fund shares redeemed	350,813,233
Management fees payable	6,530,200
Accrued expenses	629,558
	472,835,236
NET ASSETS	$15,410,630,745
NET ASSETS CONSIST OF:	
Paid in capital	$11,079,900,408
Undistributed net investment income	1,732,979
Undistributed net realized gain	526,337,892
Net unrealized appreciation	3,802,659,466
	$15,410,630,745
Fund shares outstanding (par value $0.01 each, unlimited shares authorized)	147,111,644
Net asset value per share	$ 104.75

STATEMENT OF OPERATIONS
(unaudited)

	Six Months Ended June 30, 2018
INVESTMENT INCOME:	
Dividends (net of foreign taxes of $4,001,601)	$ 114,154,250
Interest	98,047,898
	212,202,148
EXPENSES:	
Management fees	40,100,626
Custody and fund accounting fees	118,347
Transfer agent fees	769,089
Professional services	83,628
Shareholder reports	193,154
Registration fees	121,365
Trustees' fees	162,083
ADR depositary service fees	870,548
Miscellaneous	112,994
	42,531,834
NET INVESTMENT INCOME	169,670,314
REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain	
Investments in securities	597,157,601
Futures contracts	9,594,349
Net change in unrealized appreciation/depreciation	
Investments in securities	(771,325,579)
Futures contracts	(1,610,904)
Net realized and unrealized loss	(166,184,533)
NET CHANGE IN NET ASSETS FROM OPERATIONS	$ 3,485,781

STATEMENT OF CHANGES IN NET ASSETS
(unaudited)

	Six Months Ended June 30, 2018	Year Ended December 31, 2017
OPERATIONS:		
Net investment income	$ 169,670,314	$ 337,024,067
Net realized gain (loss)	606,751,950	858,113,109
Net change in unrealized appreciation/ depreciation	(772,936,483)	694,677,141
	3,485,781	1,889,814,317
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(170,207,925)	(338,037,335)
Net realized gain	(168,863,143)	(994,897,721)
Total distributions	(339,071,068)	(1,332,935,056)
FUND SHARE TRANSACTIONS:		
Proceeds from sale of shares	620,126,191	1,562,877,163
Reinvestment of distributions	320,295,877	1,265,331,879
Cost of shares redeemed	(1,581,170,811)	(2,379,686,448)
Net change from Fund share transactions	(640,748,743)	448,522,594
Total change in net assets	(976,334,030)	1,005,401,855
NET ASSETS:		
Beginning of period	16,386,964,775	15,381,562,920
End of period (including undistributed net investment income of $1,732,979 and $2,270,590, respectively)	$15,410,630,745	$16,386,964,775
SHARE INFORMATION:		
Shares sold	5,782,330	14,655,810
Distributions reinvested	3,074,442	11,918,105
Shares redeemed	(14,896,810)	(22,251,076)
Net change in shares outstanding	(6,040,038)	4,322,839

See accompanying Notes to Financial Statements

NOTE 1—ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require the use of estimates and assumptions by management. Actual results may differ from those estimates. Significant accounting policies are as follows:

Security valuation The Fund's net assets are normally valued as of the scheduled close of trading on the New York Stock Exchange (NYSE), generally 4 p.m. Eastern Time, each day that the NYSE is open for business. Portfolio securities and other financial instruments for which market quotes are readily available are valued at market value. Listed securities, for example, are generally valued using the official quoted close price or the last sale on the exchange that is determined to be the primary market for the security.

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

If market quotations are not readily available or if normal valuation procedures produce valuations that are deemed unreliable or inappropriate under the circumstances existing at the time, the investment will be valued at fair value as determined in good faith by or under the direction of the Fund's Board of Trustees. The Board of Trustees has appointed Dodge & Cox, the Fund's investment manager, to make fair value determinations in accordance with the Dodge & Cox Funds Valuation Policies ("Valuation Policies"), subject to Board oversight. Dodge & Cox has established a Pricing Committee that is comprised of representatives from Treasury, Legal, Compliance, and Operations. The Pricing Committee is responsible for implementing the Valuation Policies, including determining the fair value of securities and other investments when necessary. The Pricing Committee considers relevant indications of value that are reasonably available to it in determining the fair value assigned to a particular security, such as the value of similar financial instruments, trading volumes, contractual restrictions on disposition, related corporate actions, and changes in economic conditions. In doing so, the Pricing Committee employs various methods for calibrating fair valuation approaches, including a regular review of key inputs and assumptions, back-testing, and review of any related market activity.

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

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

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

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

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

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

Foreign taxes The Fund may be subject to foreign taxes which may be imposed by certain countries in which the Fund invests. The Fund endeavors to record foreign taxes based on applicable foreign tax law. Withholding taxes are incurred on certain foreign dividends and are accrued at the time the associated dividend is recorded. The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund records a reclaim receivable based on, among other things, a jurisdiction's legal obligation to pay reclaims as well as payment history and market convention. In consideration of recent decisions rendered by European courts, the Fund has filed for additional reclaims related to prior years. A corresponding receivable is established when both the amount is known and significant contingencies or uncertainties regarding collectability are removed. These amounts, if any, are reported in "dividends and interest receivable" in the Statement of Assets and Liabilities.

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.

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

NOTE 2—VALUATION MEASUREMENTS

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

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

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

The following is a summary of the inputs used to value the Fund's holdings at June 30, 2018:

Classification[a]	LEVEL 1 (Quoted Prices)	LEVEL 2 (Other Significant Observable Inputs)
Securities		
Common Stocks[b]	$10,258,017,040	$ —
Preferred Stocks	—	750,647,615
Debt Securities		
U.S. Treasury	—	609,508,031
Government-Related	—	240,991,065
Securitized	—	1,675,027,506
Corporate	—	1,526,449,690
Equity Index Put Options Purchased	—	98,895,817
Short-term Investments		
Repurchase Agreement	—	409,308,000
Money Market Fund	62,957,318	—
Total Securities	$10,320,974,358	$ 5,310,827,724
Other Investments		
Futures Contracts		
Depreciation	$ (1,304,240)	—

[a] There were no transfers between Level 1 and Level 2 during the period. There were no Level 3 securities at June 30, 2018 and December 31, 2017, and there were no transfers to Level 3 during the period.

[b] All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Portfolio of Investments.

NOTE 3—DERIVATIVE INSTRUMENTS

The Fund entered into various transactions involving derivative instruments, including Treasury futures contracts and purchased equity index put options, in connection with its investment strategy. The Fund may use derivatives to minimize the impact of losses to one or more of its investments (as a "hedging technique") or to implement its investment strategy.

The Fund has entered into over-the-counter derivatives, such as put options (each, an "OTC Derivative"). Each OTC Derivative is subject to a negotiated master agreement (based on a form published by the International Swaps and Derivatives Association ("ISDA")) governing all OTC Derivatives between the Fund and the relevant dealer counterparty. The master agreements specify (i) events of default and other events permitting a party to terminate some or all of the OTC Derivatives thereunder and (ii) the process by which those OTC Derivatives will be valued for purposes of determining termination payments. If some or all of the OTC Derivatives under a master agreement are terminated because of an event of default or similar event, the values of all terminated OTC Derivatives 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 OTC Derivatives only with counterparties it believes to be of good credit quality, by exchanging collateral, and by monitoring the financial stability of those counterparties.

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

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

The Fund has maintained short Treasury futures contracts to assist with the management of the portfolio's interest rate exposure. During the six months ended June 30, 2018, these Treasury futures contracts had notional values up to 2% of net assets.

Equity index put options An equity index put option gives its holder the right (but not the obligation) to sell the future value of an equity stock index, such as the S&P 500 index, at a predetermined strike price. A put option has value at its expiration if the index price is lower than the strike price. The buyer of an equity index put option pays a premium amount to purchase the contract, but has no payment obligations thereafter. Cash collateral received from the counterparty is recorded in the Statement of Assets and Liabilities. Changes in the value of open equity index put options are recorded as unrealized appreciation or depreciation and realized gains or losses are recorded at the closing or expiration of the options in the Statement of Operations within investments in securities. For the six months ended June 30, 2018, the change in unrealized appreciation/depreciation and realized gain (loss) was ($41,138,323) and ($59,301,025), respectively.

The Fund purchased over-the-counter equity index put options to hedge against a general downturn in the equity markets. During the six months ended June 30, 2018, these equity index put options had values up to 1% of net assets.

Additional derivative information For financial reporting purposes, the Fund does not offset OTC Derivative assets and liabilities that are subject to a master netting arrangement in the Statement of Assets and Liabilities. OTC Derivatives are presented in the Statement of Assets and Liabilities as investments. Collateral held by the Fund for OTC Derivatives are reported gross and presented as "Cash received as collateral for options purchased" in the Statement of Assets and Liabilities.

The netting of assets and liabilities and the offsetting of collateral pledged or received are based on contractual netting/set-off provisions in the ISDA master agreement. The following table presents the Fund's net exposure for OTC Derivatives that are subject to enforceable master netting arrangements as of June 30, 2018. The net amount represents the receivable from (payable to) the counterparty in the event of a default.

Counterparty	Gross OTC Derivative Assets	Gross OTC Derivative Liabilities	Cash Collateral Pledged/ (Received)[a]	Net Amount
Barclays	$31,401,904	$ —	$(31,401,904)	$ —
JPMorgan	27,772,490	—	(27,772,490)	—
Goldman Sachs	39,721,423	—	(39,721,423)	—
Total	$98,895,817	$ —	$(98,895,817)	$ —

[a] Cash collateral received in excess of OTC Derivative assets/liabilities, if any, is not presented. Total cash collateral received is presented in the Statement of Assets and Liabilities.

NOTE 4—RELATED PARTY TRANSACTIONS

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

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

NOTE 5—INCOME TAX INFORMATION AND DISTRIBUTIONS TO SHAREHOLDERS

A provision for federal income taxes is not required since the Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute all of its taxable income to shareholders. Distributions are determined in accordance with income tax regulations, and such amounts may differ from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book to tax differences at year end to reflect tax character. Book to tax differences are primarily due to differing treatments of wash sales, net short-term realized gain (loss), certain dividends, derivatives, and Treasury Inflation-Protected Securities.

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

	Six Months Ended June 30, 2018	Year Ended December 31, 2017
Ordinary income	$ 170,207,925	$ 381,953,061
	($1.130 per share)	*($2.589 per share)*
Long-term capital gain	$ 168,863,143	$ 950,981,995
	($1.116 per share)	*($6.491 per share)*

The components of distributable earnings on a tax basis are reported as of the Fund's most recent year end. At December 31, 2017, the tax basis components of distributable earnings were as follows:

Undistributed ordinary income	$ 2,283,411
Undistributed long-term capital gain	168,781,846
Deferred loss[a]	(76,090,802)

At June 30, 2018, unrealized appreciation and depreciation for investments and derivatives based on cost for federal income tax purposes was as follows:

Tax cost	$11,830,324,642
Unrealized appreciation	4,117,701,155
Unrealized depreciation	(317,527,955)
Net unrealized appreciation	3,800,173,200

[a] Represents capital loss incurred between November 1, 2017 and December 31, 2017. As permitted by tax regulation, the Fund has elected to treat this loss as arising in 2018.

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

NOTE 6—LOAN FACILITIES

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

All Funds in the Trust participate in a $500 million committed credit facility (Line of Credit) with State Street Bank and Trust Company, to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The maximum amount available to the Fund is $250 million. Each Fund pays an annual commitment fee on its pro-rata portion of the Line of Credit. For the six months ended June 30, 2018, the Fund's commitment fee amounted to $46,308 and is reflected as a Miscellaneous Expense in the Statement of Operations. Interest on borrowings is charged at the prevailing rate. There were no borrowings on the Line of Credit during the period.

NOTE 7—PURCHASES AND SALES OF INVESTMENTS

For the six months ended June 30, 2018, purchases and sales of securities, other than short-term securities and U.S. government securities, aggregated $1,217,687,610 and $1,724,288,872, respectively. For the six months ended June 30, 2018, purchases and sales of U.S. government securities aggregated $433,077,720 and $634,277,584, respectively.

NOTE 8—NEW ACCOUNTING GUIDANCE

In March 2017, the Financial Accounting Standards Board issued an update to amend the amortization period for certain purchased callable debt securities held at a premium. The amendments shorten the amortization period for premiums to the earliest call date, but do not require an accounting change for securities held at a discount. The amendments are effective for financial statements for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Fund's financial statements and disclosures.

NOTE 9—SUBSEQUENT EVENTS

Fund management has determined that no material events or transactions occurred subsequent to June 30, 2018, and through the date of the Fund's financial statements issuance, which require additional disclosure in the Fund's financial statements.

FINANCIAL HIGHLIGHTS (unaudited)

SELECTED DATA AND RATIOS (for a share outstanding throughout each period)	Six Months Ended June 30,	Year Ended December 31,				
	2018	2017	2016	2015	2014	2013
Net asset value, beginning of period	$107.00	$103.35	$94.42	$102.48	$98.30	$78.06
Income from investment operations:						
Net investment income	1.13	2.28	2.34	2.06	2.03	1.66
Net realized and unrealized gain (loss)	(1.13)	10.45	12.89	(4.99)	6.59	20.30
Total from investment operations	—	12.73	15.23	(2.93)	8.62	21.96
Distributions to shareholders from:						
Net investment income	(1.13)	(2.29)	(2.34)	(2.06)	(2.03)	(1.65)
Net realized gain	(1.12)	(6.79)	(3.96)	(3.07)	(2.41)	(0.07)
Total distributions	(2.25)	(9.08)	(6.30)	(5.13)	(4.44)	(1.72)
Net asset value, end of period	$104.75	$107.00	$103.35	$94.42	$102.48	$98.30
Total return	0.02%	12.59%	16.55%	(2.88)%	8.85%	28.37%
Ratios/supplemental data:						
Net assets, end of period (millions)	$15,411	$16,387	$15,382	$14,269	$15,465	$14,404
Ratio of expenses to average net assets	0.53%[a]	0.53%	0.53%	0.53%	0.53%	0.53%
Ratio of net investment income to average net assets	2.12%[a]	2.12%	2.41%	2.03%	2.00%	1.85%
Portfolio turnover rate	10%	19%	24%	20%	23%	25%

[a] Annualized

See accompanying Notes to Financial Statements

FUND HOLDINGS

The Fund provides a complete list of its holdings four times each fiscal year, as of the end of each quarter. The Fund files the lists with the SEC on Form N-CSR (second and fourth quarters) and Form N-Q (first and third quarters). Shareholders may view the Fund's Forms N-CSR and N-Q on the SEC's website at sec.gov. Forms N-CSR and N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling 800-SEC-0330. A list of the Fund's quarter-end holdings is also available at dodgeandcox.com on or about 15 days following each quarter end and remains available on the website until the list is updated in 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 ending June 30 is also available at dodgeandcox.com or 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.

TRUSTEES AND EXECUTIVE OFFICERS

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.

Balanced Fund

dodgeandcox.com

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

or write or call:

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