Dodge & Cox Funds®

Stock Fund

TO OUR SHAREHOLDERS

The Dodge & Cox Stock Fund had a total return of 1.0% for the six months ended June 30, 2018, compared to a return of 2.6% for the S&P 500 Index.

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.

Dodge & Cox's approach is value oriented, and the Fund has performed well compared to the U.S. value investment universe—outperforming the Russell 1000 Value Index by 12 percentage points over the past three and a half years. However, the broad-based S&P 500, which was boosted by growth stocks, outperformed the Fund by four percentage points over this same period.[c]

INVESTMENT 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, such as Walmart.[d] In recent years, Walmart—the largest retailer in the world—has faced additional competition from large online retailers, such as Amazon. In 2015, Walmart announced a transformation plan that focused on increasing investment in labor, technology, and sales growth; the company successfully executed on these initiatives and improved its same store sales. In addition, Walmart restructured and expanded its ecommerce division by entering into a partnership with JD.com (China's largest retailer), purchasing Jet.com, and naming Jet founder Marc Lore as head of Walmart's ecommerce. Under Lore's leadership, U.S. online sales growth year over year increased from 29% at the end of fiscal 2016 to at least 50% in each of the first three quarters of fiscal 2017.

On the heels of these positive developments, Walmart's share price performed strongly, and we sold the position in early 2018. We continue to find selected opportunities in industries such as Media and Banks.

Media

Within Consumer Discretionary, Media is an important overweight position: 11%[e] of the Fund compared to 2% of the S&P 500 on June 30. The media landscape is evolving due to new direct-to-consumer 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, forced wholesale access, price regulation on broadband) pose risks to the Fund's media investments. Nevertheless, we recently added to Comcast, Time Warner (before it was acquired by AT&T), and Charter Communications after weighing each company's long-term fundamentals against its attractive valuation.

Comcast

Comcast—the largest U.S. cable provider—has been held in the Fund since 2002; over the years, we have actively added to and trimmed from the position based on relative valuation. In the first half of 2018, Comcast's share price declined 17% amid concerns about its $31 billion cash offer to acquire UK-based pay-television company Sky PLC and its $65 billion all-cash bid for a majority of Twenty-First Century Fox's assets.

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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 total return of 58.0% compared to 26.1% for the Russell 1000 Value Index from December 31, 2014 through June 30, 2018.

c The Dodge & Cox Stock Fund had a total return of 38.4% compared to 26.1% for the Russell 1000 Value Index and 42.0% for the S&P 500 from December 31, 2014 through June 30, 2018.

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

e Unless otherwise specified, all weightings and characteristics are as of June 30, 2018.

Given these developments, our equity and fixed income teams worked together to evaluate Comcast's risk/return profiles for a range of potential M&A outcomes. We spoke with company management about their overall M&A strategy and reconfirmed our longstanding view that they are skilled at allocating capital to create shareholder value. We believe the Sky acquisition is strategically sound because it would expand Comcast's international presence and provide greater scale to amortize content costs. In July, Comcast dropped its bid for Fox and continued its pursuit of Sky.

In our opinion, the market has overly penalized Comcast's share price as a result of concerns about bidding wars and subscriber growth. Trading at a multi-decade low valuation versus the S&P 500, Comcast was our largest addition in the Media industry during the first six months of 2018. The company has a de-facto local monopoly on broadband internet services in many parts of the United States and, despite talk of "cord cutting," has the potential to grow through increased broadband penetration and pricing power in residential and business services. We believe NBC Universal (owned by Comcast) can increase its operating profit through affiliate fee increases at NBC and continued investment in its theme parks. In addition, owner-operator Brian Roberts has created significant shareholder value and leads a strong management team. Comcast, the Fund's second-largest holding, was a 3.8% position 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 Fund's largest holding (a 3.9% position).

IN CLOSING

Despite concerns about tariffs and trade wars, we remain optimistic about the long-term outlook for the U.S. economy and the portfolio, which trades at a discount to the overall market (13.9 times forward earnings compared to 17.1 times for the S&P 500).

As a result of individual security selection, the Fund remains tilted toward more economically sensitive companies: as of June 30, Financials comprised 26% of the portfolio, Information Technology accounted for 16%, Consumer Discretionary was 15%, and Energy represented 9%. 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

DODGE & COX FUNDS®

June 30, 2018

Stock Fund

Ticker Symbol
DODGX

Objectives
- The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

Strategy
- The Fund invests primarily in a diversified portfolio of equity securities. In selecting investments, the Fund typically invests in companies that, in Dodge & Cox's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities.

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. Please read the prospectus for specific details regarding the Fund's risk profile.

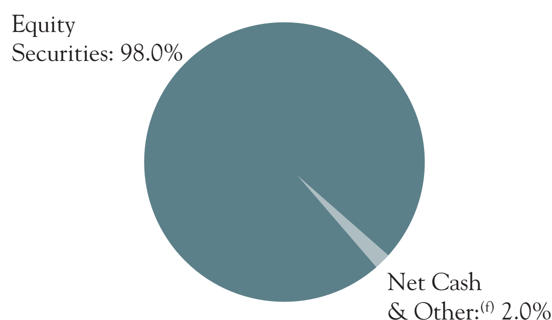
GENERAL INFORMATION

Net Asset Value Per Share	$201.86
Total Net Assets (billions)	$70.5
Expense Ratio	0.52%
Portfolio Turnover Rate (1/1/18 to 6/30/18, unannualized)	8%
30-Day SEC Yield[a]	1.29%
Active Share[b]	80%
Number of Companies	65
Fund Inception	1965

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.

ASSET ALLOCATION



PORTFOLIO CHARACTERISTICS

	Fund	S&P 500
Median Market Capitalization (billions)	**$45**	$21
Weighted Average Market Capitalization (billions)	**$144**	$217
Price-to-Earnings Ratio[c]	**13.9x**	17.1x
Foreign Securities not in the S&P 500[d]	**11.0%**	0.0%

SECTOR DIVERSIFICATION (%)

	Fund	S&P 500
Financials	**26.3**	13.8
Health Care	**22.6**	14.1
Information Technology	**16.4**	26.0
Consumer Discretionary	**14.6**	12.9
Energy	**9.2**	6.3
Industrials	**4.9**	9.5
Telecommunication Services	**2.8**	2.0
Materials	**1.0**	2.6
Consumer Staples	**0.2**	7.0
Utilities	**0.0**	2.9
Real Estate	**0.0**	2.9

TEN LARGEST HOLDINGS (%)[e]

	Fund
Wells Fargo & Co.	**3.9**
Comcast Corp.	**3.8**
Twenty-First Century Fox, Inc.	**3.6**
Capital One Financial Corp.	**3.5**
Charles Schwab Corp.	**3.4**
Microsoft Corp.	**3.3**
Bank of America Corp.	**3.2**
Alphabet, Inc.	**3.1**
Charter Communications, Inc.	**3.0**
Anadarko Petroleum Corp.	**2.9**

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

[b] Active share is a measure of how much an investment portfolio differs from its benchmark index, based on a scale of 0% (complete overlap with the index) to 100% (no overlap). Overlap for each security in the Fund is the lower of either its percentage weight in the Fund or its percentage weight in the relevant index. The Stock Fund's total overlap with the S&P 500 is the sum of each security's calculated overlap.

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

[d] Foreign securities 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.

Average Annual Total Return[1]

For periods ended June 30, 2018	1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund	11.87%	10.93%	12.81%	9.69%	9.16%
S&P 500 Index	14.37	11.93	13.42	10.17	6.46

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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 Stock Fund had a total return of 2.7% for the second quarter of 2018, compared to 3.4% for the S&P 500 Index. For the six months ended June 30, 2018, the Fund had a total return of 1.0%, compared to 2.6% for the S&P 500.

INVESTMENT COMMENTARY

During the first six months 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,[2] continuing a long-term trend. Since 2014, growth has bested value by 32 percentage points;[3] growth-oriented companies in sectors and industries associated with technology—most notably the "FAANG" stocks (Facebook, Amazon, Apple, Netflix, Google)—have led markets.

Dodge & Cox's approach is value oriented, and the Fund has performed well compared to the U.S. value investment universe—outperforming the Russell 1000 Value Index by 12 percentage points over the past three and a half years. However, the broad-based S&P 500, which was boosted by growth stocks, outperformed the Fund by four percentage points over this same period.[4]

We understand that there are periods when value is trumped by growth. But we believe the current divergence may narrow and even reverse. The valuation differential between value and growth is wider than usual, with growth stocks trading at historically large premiums. Returns to value-focused strategies have been influenced by valuation spreads, and we believe current conditions are favorable for value stocks to rebound.

As a result of individual security selection, the portfolio remains tilted toward more economically sensitive companies: as of June 30, Financials comprised 26% of the portfolio, Information Technology accounted for 16%, Consumer Discretionary was 15%, and Energy represented 9%. Within Consumer Discretionary, Media is an important overweight position in the Fund, and we continue to find attractive long-term investment opportunities.

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 M&A transactions and potential regulatory incursions (e.g., unbundling, forcing wholesale access, price regulation on broadband) pose risks to the Fund's media investments. Nevertheless, we recently added to Comcast and Charter Communications—the largest and second-largest U.S. cable providers—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," both 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.

Despite concerns about tariffs and trade wars, we remain optimistic about the long-term outlook for the U.S. economy and the portfolio, which trades at a discount to the overall market (13.9 times forward earnings compared to 17.1 times for the S&P 500). 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 long-term investment success. We encourage our shareholders to take a similar view.

SECOND QUARTER PERFORMANCE REVIEW

The Fund underperformed the S&P 500 by 0.7 percentage points during the quarter.

KEY DETRACTORS FROM RELATIVE RESULTS

- Returns from holdings in the Information Technology sector (up 3% compared to up 7% for the S&P 500 sector) hurt results. Hewlett Packard Enterprise (down 16%) was a laggard.
- The Fund's average overweight position (28% versus 14%) in the Financials sector impeded results. Goldman Sachs (down 12%) performed poorly.
- The Fund's consumer discretionary holdings (up 5%) lagged the S&P 500 sector (up 8%). Charter Communications (down 6%) was particularly weak.
- Bristol-Myers Squibb (down 12%) and Novartis (down 7%) also detracted.

KEY CONTRIBUTORS TO RELATIVE RESULTS

- The Fund's average overweight position (9% versus 6%) and holdings in the Energy sector (up 17% compared to up 14% for the S&P 500 sector) aided performance. Anadarko Petroleum (up 22%), Apache (up 22%), and Baker Hughes/GE (up 20%) were key contributors.
- The Fund's underweight position (averaging less than 1% versus 7%) in the poorly performing Consumer Staples sector (down 2% for the S&P 500 sector) helped results. Molson Coors (up 14% from date of purchase) and the Fund's lack of holdings in the Tobacco industry (down 13% for the Index) were meaningful positives.
- A lower average weighting (5% versus 10%) than the Index in Industrials provided some shelter from the sector's weak returns (down 3% for the S&P 500 sector).
- Additional contributors included Twenty-First Century Fox (up 35% amid competing acquisition bids for the company) and Express Scripts (up 12%).

YEAR-TO-DATE PERFORMANCE REVIEW

The Fund underperformed the S&P 500 by 1.7 percentage points year to date.

KEY DETRACTORS FROM RELATIVE RESULTS

- Similar to full-year 2017, the strong performance of several large internet and technology stocks not held by the Fund (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.
- Within Consumer Discretionary (holdings up 2% compared to up 12% for the S&P 500 sector), media holdings DISH Network (down 30%), Comcast (down 17%), and Charter Communications (down 13%) performed poorly.
- The Fund's average overweight position (28% versus 15% for the S&P 500 sector) in the Financials sector detracted. Goldman Sachs (down 13%) and MetLife (down 12%) were weak.
- Cigna (down 16%) and Johnson Controls International (down 11%) also lagged.

KEY CONTRIBUTORS TO RELATIVE RESULTS

- In the Consumer Staples sector, the Fund's underweight position (average less than 1% versus 7% for the S&P 500 sector) helped results. The Fund's lack of holdings in the Tobacco and Household Products industries, down 20% and 12% in the Index, respectively, was a meaningful positive.
- A higher average weighting (8% versus 6%) and strong returns from holdings in the Energy sector (up 16% compared to up 7% for the S&P 500 sector) aided performance. Anadarko Petroleum (up 38%), National Oilwell Varco (up 21%), and Apache (up 12%) were key contributors.
- Twenty-First Century Fox (up 45%) and GlaxoSmithKline (up 17%) also contributed.

[1] The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses. The S&P 500 Index is a market capitalization-weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market.

[2] 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.

[3] 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.

[4] The Dodge & Cox Stock Fund had a cumulative total return of 38.4% compared to 26.1% for the Russell 1000 Value Index and 42.0% for the S&P 500 from December 31, 2014 through June 30, 2018.

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Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.