

### Objectives

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

### Strategy

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

### Risks

- The Fund is subject to market risk, meaning holdings in the Fund may decline in value for extended periods due to the financial prospects of individual companies or due to general market and economic conditions. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. Please read the prospectus for specific details regarding the Fund's risk profile.

### General Information

Net Asset Value Per Share	\$47.38
Total Net Assets (billions)	\$43.7
Expense Ratio	0.63%
Portfolio Turnover Rate (1/1/21 to 6/30/21, unannualized)	10%
30-Day SEC Yield <sup>(a)</sup>	1.55%
Active Share <sup>(b)</sup>	91%
Number of Companies	70
Fund Inception	2001
<i>No sales charges or distribution fees</i>	

**Investment Manager:** Dodge & Cox, San Francisco. Managed by the International Equity Investment Committee, whose seven members' average tenure at Dodge & Cox is 22 years.

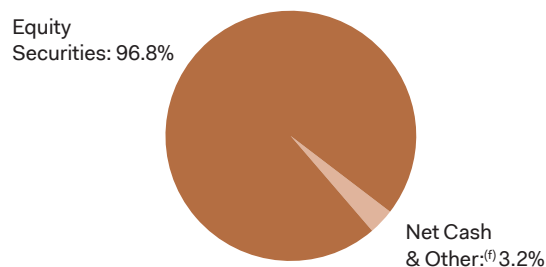
### Portfolio Characteristics

	Fund	MSCI EAFE
Median Market Capitalization (billions)	\$42	\$14
Weighted Average Market Capitalization (billions)	\$81	\$77
Price-to-Earnings Ratio <sup>(c)</sup>	11.0x	15.3x
Countries Represented	21	21
Emerging Markets (Brazil, China, India, Mexico, Peru, Russia, South Africa, South Korea) <sup>(d)(g)</sup>	18.6%	0.0%

### Ten Largest Equity Holdings (% Market Value)<sup>(d)(e)</sup>

	Fund
GlaxoSmithKline PLC (United Kingdom)	3.7
Sanofi (France)	3.7
ICICI Bank, Ltd. (India)	3.3
Roche Holding AG (Switzerland)	3.1
UBS Group AG (Switzerland)	3.0
BNP Paribas SA (France)	3.0
Novartis AG (Switzerland)	3.0
Samsung Electronics Co., Ltd. (South Korea)	2.8
Banco Santander SA (Spain)	2.8
Honda Motor Co., Ltd. (Japan)	2.5

### Asset Allocation



### Region Diversification (% Market Value)<sup>(d)(g)</sup>

	Fund	MSCI EAFE
Europe (excluding United Kingdom)	37.3	49.5
United Kingdom	17.3	14.4
Asia Pacific (excluding Japan)	14.1	11.3
Japan	12.0	24.2
Canada	5.5	0.0
United States	5.5	0.0
Latin America	4.5	0.0
Africa	0.6	0.0
Middle East	0.0	0.6

### Sector Diversification (% Market Value)<sup>(d)</sup>

	Fund	MSCI EAFE
Financials	27.6	17.2
Health Care	15.9	12.6
Consumer Discretionary	9.9	12.7
Materials	9.1	7.3
Energy	7.6	3.5
Industrials	7.0	15.8
Information Technology	7.0	9.6
Communication Services	6.3	4.8
Consumer Staples	4.1	10.2
Real Estate	2.0	2.9
Utilities	0.5	3.3

<sup>(a)</sup>Total issuer exposure, including notional value of total return swaps, is 2.8% for Prosus NV (Netherlands). Portfolio totals may not sum to 100%.

<sup>(f)</sup>Total sector exposure, including the notional exposure of equity total return swaps, is Consumer Discretionary at 11.2% and Communication Services at 5.2%. Portfolio totals may not sum to 100%.

<sup>(a)</sup> 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.

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

<sup>(c)</sup> Price-to-earnings (P/E) ratios are calculated using 12-month forward earnings estimates from third-party sources as of the reporting period. Estimates reflect a consensus of sell-side analyst estimates, which may lag as market conditions change.

<sup>(d)</sup> Excludes derivatives.

<sup>(e)</sup> 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.

<sup>(f)</sup> Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.

<sup>(g)</sup> The Fund may classify a company in a different category than the MSCI EAFE. The Fund generally classifies a company based on its country of incorporation, but may designate a different country in certain circumstances.

## Average Annual Total Return<sup>1</sup>

For periods ended September 30, 2021	1 Year <sup>1</sup>	3 Years	5 Years	10 Years
Dodge & Cox International Stock Fund	35.19%	5.99%	7.39%	7.77%
MSCI EAFE Index	25.73	7.62	8.81	8.10

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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](http://dodgeandcox.com) or call 800-621-3979 for current month-end performance figures.

<sup>1</sup>Investors should note that the Fund's short-term performance is highly unusual and unlikely to be sustained.

The Dodge & Cox International Stock Fund had a total return of -3.3% for the third quarter of 2021, compared to -0.5% for the MSCI EAFE (Europe, Australasia, Far East) Index. For the nine months ended September 30, 2021, the Fund had a total return of 8.4%, compared to 8.3% for the MSCI EAFE.

### Investment Commentary

After appreciating for five consecutive quarters, international equity markets declined modestly in the third quarter of 2021. Despite this pullback, developed markets still posted a total return of 8% during the first nine months of 2021. Currently, three wide valuation disparities in the international equity market are creating compelling opportunities for active, value-oriented investment managers like Dodge & Cox.

First, the valuation gap between value and growth stocks<sup>2</sup> remains remarkably wide and is almost as large as its peak last January. The MSCI EAFE Value Index trades at 11.1 times forward earnings compared to 23.7 times for the MSCI EAFE Growth Index.<sup>3</sup> The Financials, Energy, and Materials sectors are demonstrably cheaper than the rest of the market and remain large overweight areas of the MSCI EAFE Value.

Second, the valuation spread between stocks that would benefit or suffer from higher interest rates is at a 20-year high, with those—notably Financials—that stand to benefit from rising interest rates trading at particularly low relative valuations. Companies that should benefit from rising rates are trading at an average of 12.0 times forward earnings, while those that would suffer from rising rates are trading at 21.8 times forward earnings. This exceptionally wide valuation spread reflects more certainty about the likelihood of rates remaining low for the foreseeable future than we believe is merited.

Third, international stocks are priced more attractively than U.S. stocks. The S&P 500 Index trades at 20.8 times forward earnings compared to 15.3 times for the MSCI EAFE and 12.6 times for the MSCI Emerging Markets Index. In emerging markets, China tumbled 17% year to date amid concerns about the Chinese government's increased regulations across multiple industries. So far, the government's attempts to pursue social equality goals have disproportionately affected education and internet companies. China internet stocks, as defined by the CSI Overseas China Internet Index, dropped 54% from their peak in February 2021 through September 30, significantly lagging both the MSCI ACWI ex USA Index (down 1%) and the NASDAQ 100 Index (up 8%).<sup>4</sup>

At Dodge & Cox, we eschew labels and look past headlines to assess whether the valuations appropriately reflect risk and opportunity or are too pessimistic or optimistic. We conduct thorough, in-depth due diligence and update our model assumptions to incorporate short-term and long-term financial impacts as the facts change. In addition, we incorporate the experience and judgment of a seasoned investment team to develop the insights and perspectives that enable us to build conviction.

We have found what we believe are highly attractive opportunities across the market, notably in areas that receive the most debate. On a bottom-up basis, the Fund remains overweight Financials and Energy based on low valuations that reflect overly pessimistic expectations for future earnings and return of capital to shareholders. The Fund is also overweight companies with research and development-driven earnings growth, such as in Health Care (15.9% of the Fund) and China Internet<sup>5</sup> (7.5% of the Fund).

In Health Care, during the first nine months of 2021, we added to the Fund's pharmaceutical holdings given their compelling valuations and strong innovation pipelines that should drive attractive earnings growth over the coming years. In addition, we started new positions in Olympus<sup>6</sup> (a global medical devices company that specializes in endoscopes) and Fresenius Medical Care (the world's largest vertically integrated provider of dialysis products and services) at attractive valuations relative to their respective franchise strength and market leading positions.

After incorporating the changing regulatory environment and risk-reward outlook for the Fund's China Internet holdings, we reaffirmed our view that these are attractive long-term investments and recently added to Alibaba, Baidu, and JD.com. We recognize that we do not have a crystal ball when it comes to predicting the impact that the changing regulatory environment will ultimately have on the Fund's China Internet holdings. However, the following three factors gave us the confidence to increase the Fund's exposure to these holdings. First, some of the government's actions are similar to other data privacy and anti-monopoly policies around the world. Second, important government officials and publications have sought to clarify the government's agenda and stress the importance of private enterprise. Third, valuations remain attractive and embed more conservative assumptions of growth and profitability.

As always, we remain focused on the long term, and we encourage our shareholders to do so as well. Thank you for your continued confidence in Dodge & Cox.

### Third Quarter Performance Review

The Fund underperformed the MSCI EAFE by 2.9 percentage points during the quarter.

#### Key Detractors from Relative Results

- The Fund's China Internet<sup>5</sup> holdings in the Consumer Discretionary and Communication Services sectors detracted significantly from results.
- The Fund's pharmaceutical holdings in the Health Care sector (down 6% versus down 1% for the MSCI EAFE sector) also led to relative underperformance, especially Sanofi and Novartis.
- The Fund's average underweight in Information Technology (7% versus 10% for the MSCI EAFE sector) and its holdings within the sector (down 2% versus up 5%), especially Samsung Electronics, led to relative underperformance.
- Additional key detractors included Holcim, Grupo Televisa, Suncor Energy, and Itau Unibanco.

#### Key Contributors to Relative Results

- The Fund's average overweight in Financials (28% versus 17% for the MSCI EAFE sector) contributed to performance. ICICI Bank, Barclays, and Aegon were particularly strong performers.
- In the Materials sector, the Fund's relative outperformance (down 1% versus down 6% for the MSCI EAFE sector) contributed to results, especially Glencore.
- Additional key contributors included Equinor and Liberty Global.

### Year-to-Date Performance Review

The Fund outperformed the MSCI EAFE by 0.1 percentage points year to date.

#### Key Contributors to Relative Results

- The Fund's average overweight in Energy (8% versus 3% for the MSCI EAFE sector) and its holdings within the sector (up 39% versus up 24% for the EAFE sector), especially Ovintiv, Suncor Energy, Schlumberger, and Equinor, led to relative outperformance.
- In the Materials sector, the Fund's relative outperformance (up 21% versus up 4% for the MSCI EAFE sector) contributed to results, especially Glencore and Nutrien.
- The Fund's average overweight in Financials (28% versus 17% for the MSCI EAFE sector) contributed to results. In particular, ICICI Bank, BNP Paribas, Barclays, Banco Santander, Mitsubishi UFJ, and Aviva performed well.
- Additional key contributors included Johnson Controls International.

#### Key Detractors from Relative Results

- The Fund's China Internet<sup>5</sup> holdings in the Consumer Discretionary and Communication Services sectors detracted significantly from results.
- The Fund's holdings within the Information Technology sector (down 2% versus up 16%), especially Samsung Electronics, led to relative underperformance.
- The Fund's average overweight in the Health Care sector (16% versus 12% for the MSCI EAFE sector) combined with its holdings (up 2% versus up 5% for the MSCI EAFE sector), especially Novartis and Sanofi, led to relative underperformance.
- Additional key detractors included Credit Suisse, Itau Unibanco, Mitsubishi Electric, Credicorp, and Holcim.

<sup>1</sup> The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses. The MSCI EAFE (Europe, Australasia, Far East) Index is a broad based, unmanaged equity market index aggregated from 21 Developed Market country indices, excluding the United States and Canada. Results reflect dividends net of withholding taxes. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. All returns are stated in U.S. dollars, unless otherwise noted.

<sup>2</sup> Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.

<sup>3</sup> Unless otherwise specified, all weightings and characteristics are as of September 30, 2021.

<sup>4</sup> The NASDAQ 100 Index is a stock market index made up of equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock market. This Index includes many of the China Internet companies' counterparts in the United States.

<sup>5</sup> China Internet comprises Alibaba, Baidu, JD.com, Naspers, Prosus, and Tencent.

<sup>6</sup> The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

MSCI EAFE is a service mark of MSCI Barra. S&P 500<sup>®</sup> is a trademark of S&P Global Inc. For more information about these indices, visit [dodgeandcox.com](http://dodgeandcox.com)

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](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.