

- 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.

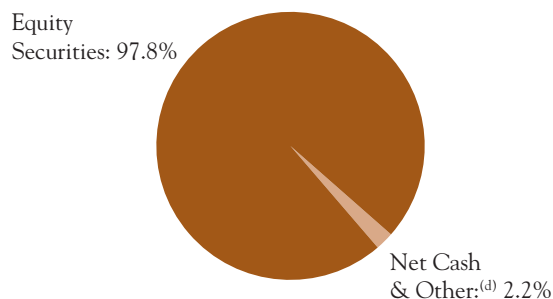
**GENERAL INFORMATION**

Net Asset Value Per Share	\$45.33
Total Net Assets (billions)	\$63.7
2016 Expense Ratio (per 5/1/17 Prospectus)	0.64%
2017 Expense Ratio	0.63%
2017 Portfolio Turnover Rate	17%
30-Day SEC Yield <sup>(a)</sup>	1.73%
Number of Companies	66
Fund Inception	2001

*No sales charges or distribution fees*

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

**ASSET ALLOCATION**



**PORTFOLIO CHARACTERISTICS**

	Fund	MSCI EAFE
Median Market Capitalization (billions)	\$35	\$11
Weighted Average Market Capitalization (billions)	\$72	\$57
Price-to-Earnings Ratio <sup>(b)</sup>	12.7x	13.8x
Countries Represented	25	21
Emerging Markets (Brazil, China, India, Mexico, Russia, South Africa, South Korea, Thailand, Turkey, United Arab Emirates)	24.6%	0.0%

**REGION DIVERSIFICATION (%)<sup>(c)</sup>**

	Fund	MSCI EAFE
Europe (excluding United Kingdom)	43.1	46.0
United Kingdom	15.0	17.2
Pacific (excluding Japan)	11.9	11.7
Japan	8.9	24.6
Latin America	7.8	0.0
Africa	4.4	0.0
United States	3.6	0.0
Canada	2.8	0.0
Middle East	0.3	0.5

**TEN LARGEST HOLDINGS (%)<sup>(c)</sup>**

	Fund	MSCI EAFE
Samsung Electronics Co., Ltd. (South Korea)	4.0	21.0
Sanofi (France)	3.2	10.2
Novartis AG (Switzerland)	3.1	12.6
Naspers, Ltd. (South Africa)	2.8	6.6
Roche Holding AG (Switzerland)	2.7	5.3
Itau Unibanco Holding SA (Brazil)	2.7	14.6
ICICI Bank, Ltd. (India)	2.6	8.0
Barclays PLC (United Kingdom)	2.6	3.8
Liberty Global PLC (United Kingdom)	2.4	3.3
BNP Paribas SA (France)	2.4	11.1

**SECTOR DIVERSIFICATION (%)**

	Fund	MSCI EAFE
Financials	29.6	21.0
Health Care	16.6	10.2
Consumer Discretionary	13.3	12.6
Information Technology	11.1	6.6
Energy	8.0	5.3
Industrials	7.6	14.6
Materials	5.7	8.0
Telecommunication Services	3.2	3.8
Utilities	1.3	3.3
Consumer Staples	0.8	11.1
Real Estate	0.6	3.5

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

<sup>(c)</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>(d)</sup> Net Cash & Other includes cash, short-term investments, derivatives, receivables, and payables.

<sup>(e)</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

March 31, 2018

	1 Year	3 Years	5 Years	10 Years
Dodge & Cox International Stock Fund	10.96%	3.76%	7.26%	4.13%
MSCI EAFE Index	14.80	5.55	6.50	2.74

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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.

The Dodge & Cox International Stock Fund had a total return of -2.1% for the first quarter of 2018, compared to -1.5% for the MSCI EAFE (Europe, Australasia, Far East) Index.

### INVESTMENT COMMENTARY

After exceptionally strong returns in 2017, global equity markets were volatile in the first quarter of 2018 and ended the period with a modest decline. The MSCI EAFE Index was down 4.3% in local currency. The U.S. dollar's depreciation against developed market currencies mitigated the Index's decline to only 1.5% in U.S. dollars. However, the Fund did not fully benefit from this currency impact because it had partially hedged its exposures to the euro and Swiss franc.

Emerging markets (up 1.4% in U.S. dollars and 0.7% in local currency) outperformed their developed market counterparts. Equity markets in Latin America were particularly strong, especially Brazil (up 12.6% in local currency). The Fund has substantial exposure to the developing world: 25% of assets are invested in companies domiciled in emerging market countries, including Brazil.

International equities continue to trade at a meaningful discount to U.S. equities. On March 31, the MSCI EAFE traded at 14 times forward estimated earnings and the MSCI Emerging Markets Index traded at 12 times, compared to 17 times for the S&P 500 Index.

As bottom-up investors with a long-term, value-oriented investment approach, we continuously weigh valuations against fundamentals, and during the quarter we trimmed holdings that had outperformed significantly and traded at higher valuations, especially the Fund's Chinese Internet-related companies. Meanwhile, we opportunistically added to selected holdings, notably in the Health Care and Financials sectors.

Internationally, pharmaceutical companies comprise the majority of the investable Health Care sector. Many of these companies have stable businesses with strong balance sheets and attractive growth potential resulting from new drug discoveries and expansion into emerging markets. At 15 times forward earnings, they are attractively valued. By contrast, Consumer Staples, a large underweight for the Fund, has some similar characteristics, yet trades at 18 times forward earnings. During the quarter, the Fund's largest addition within the Pharmaceuticals industry was Roche, a Swiss-domiciled company with strengths in oncology and diagnostics. Its drugs face increasing competition from biosimilars,<sup>2</sup> but we believe its low valuation of 13 times forward earnings does not reflect potential upside from its extensive pipeline of promising compounds as well as its industry-leading research and development budget.

Financials is the largest sector in the Fund, representing 30% of net assets as of March 31. This sector trades at an attractive valuation relative to the broader market, and we believe we have identified companies with improving fundamentals that are not fully reflected in their valuations. During the quarter, we added to multiple holdings within this sector. The largest addition was to Societe Generale, which is the third-largest retail bank in France and has a growing international retail banking business in Western and Eastern Europe. Over the past five years, the bank has substantially improved its balance sheet in terms of capital levels and liquidity. We think the company is on track to improve its return on equity and would also benefit from rising interest rates. However, its valuation at 60% of book value and nine times forward earnings does not appear to give sufficient credit to these potential improvements.

Our fundamental, active, value-oriented investment approach requires conviction and patience. Since short-term market movements are impossible to predict, and markets could continue to be volatile, we encourage shareholders to remain focused on the long term. Thank you for your continued confidence in Dodge & Cox.

### FIRST QUARTER PERFORMANCE REVIEW

The Fund underperformed the MSCI EAFE by 0.6 percentage points during the quarter.

### KEY DETRACTORS FROM RELATIVE RESULTS

- The Fund's stock selection in the Media industry (down 12% versus down 1% for the MSCI EAFE industry) significantly detracted from results. Altice (down 22%), Grupo Televisa (down 15%), Naspers (down 12%), and Liberty Global (down 10%) performed poorly.
- In Japan, the Fund's average underweight position (9% versus 24%) and underperformance (down 4% versus flat for the MSCI EAFE country) hurt relative results.
- Weak performance from the Fund's selected holdings in the Information Technology sector (down 4% versus flat for the MSCI EAFE sector) hindered performance. Micro Focus (down 58%) and Kyocera (down 14%) significantly detracted.
- Additional detractors included Magnit (down 27%) and ICICI Bank (down 13%).

### KEY CONTRIBUTORS TO RELATIVE RESULTS

- Within the Energy sector, the Fund's selected integrated oil holdings—Petrobras (up 33%) and Statoil (up 11%)—helped performance.
- The Fund's strong stock selection in the Financials sector contributed to returns. Itau Unibanco (up 25%), Unicredit (up 12%), and Barclays (up 6%) performed well.
- Additional contributors included Hewlett Packard Enterprise (up 22%) and GlaxoSmithKline (up 11%).

<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. 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> A biosimilar drug is an almost identical copy of an original drug that is manufactured by a different company.

MSCI EAFE is a service mark of MSCI Barra.

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.