

DODGE &amp; COX

## Stock Fund

Ticker Symbol

DODGX

**Objective**

- 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 broadly diversified portfolio of common stocks. In selecting investments, the Fund 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.

**GENERAL INFORMATION**

Net Asset Value Per Share	\$92.24
Total Net Assets (billions)	\$39.9
Expense Ratio (1/1/09 to 6/30/09, annualized)	0.53%
Portfolio Turnover Rate (1/1/09 to 6/30/09, unannualized)	12%
30-Day SEC Yield <sup>(a)</sup>	1.11%
Fund Inception	1965

No sales charges or distribution fees

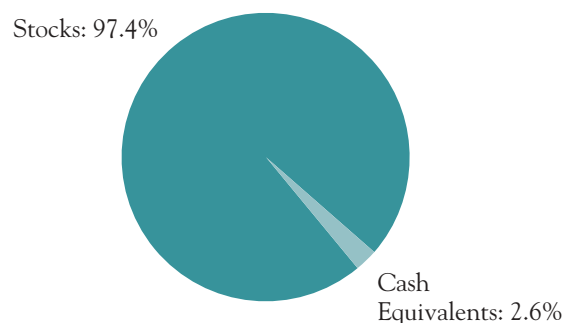
**Investment Manager:** Dodge & Cox, San Francisco. Managed by the Investment Policy Committee, whose nine members' average tenure at Dodge & Cox is 24 years.

**PORTFOLIO CHARACTERISTICS**

	Fund	S&P 500
Number of Stocks	83	500
Median Market Capitalization (billions)	\$17	\$8
Weighted Average Market Capitalization (billions)	\$56	\$77
Price-to-Earnings Ratio <sup>(b)</sup>	13.2x	21.4x
Foreign Stocks <sup>(c)</sup>	18.4%	0.0%

**TEN LARGEST HOLDINGS<sup>(d)</sup>**

	Fund
Hewlett-Packard Co.	4.8%
Schlumberger, Ltd.	3.5
Novartis AG (Switzerland)	3.3
Comcast Corp.	3.2
General Electric Co.	3.2
Wells Fargo & Co.	3.2
Motorola, Inc.	3.0
Capital One Financial Corp.	2.9
Merck & Co., Inc.	2.8
GlaxoSmithKline PLC (United Kingdom)	2.8

**ASSET ALLOCATION****SECTOR DIVERSIFICATION**

	Fund	S&P 500
Health Care	23.1%	13.1%
Information Technology	20.1	18.7
Consumer Discretionary	17.2	9.1
Financials	12.5	15.2
Energy	9.7	11.7
Industrials	8.3	10.3
Materials	2.9	3.5
Telecommunication Services	2.1	3.2
Consumer Staples	1.5	11.5
Utilities	0.0	3.7

<sup>(a)</sup> SEC yield is an annualization of the Fund's total net investment income per share for the 30-day period ended on the last day of the month.

<sup>(b)</sup> Price-to-earnings (P/E) ratios are calculated using 12-month forward earnings estimates.

<sup>(c)</sup> Foreign stocks are U.S. dollar-denominated.

<sup>(d)</sup> The Fund's portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell, or hold any particular security.

## Average Annual Total Return\*

For periods ended September 30, 2009	1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Stock Fund	-3.68%	-8.74%	0.82%	5.97%	10.36%
S&P 500 Index	-6.93	-5.43	1.02	-0.15	8.00

The Dodge & Cox Stock Fund had a total return of 19.9% for the third quarter of 2009, compared to 15.6% for the Standard & Poor's 500 Index (S&P 500). For the nine months ended September 30, 2009, the Fund had a total return of 25.6%, compared to 19.3% for the S&P 500. At quarter end, the Fund had net assets of \$39.9 billion with a cash position of 2.6%.

### MARKET COMMENTARY

In the third quarter of 2009, markets continued to recover as investor expectations rose. The S&P 500 rose 58% from its low on March 9, 2009, though remained 29% below its peak on October 9, 2007. Corporate profits exceeded expectations, due largely to cost-cutting measures. The Federal Reserve kept interest rates near zero, and liquidity concerns abated as the capital markets that had been frozen in 2008 continued to thaw. The early signs of economic stabilization are encouraging and we remain optimistic about the long-term outlook for stocks. However, we remind investors that short-term outcomes are difficult to predict.

### THIRD QUARTER PERFORMANCE REVIEW

The Fund outperformed the S&P 500 by 4.3 percentage points during the third quarter.

#### KEY CONTRIBUTORS TO RELATIVE RESULTS

- Relative returns in the Consumer Discretionary sector (up 25% versus up 19% for the S&P 500 sector), combined with a higher average weighting (17% versus 9%), had a positive impact. Liberty Interactive (up 119%) and News Corp. (up 32%) were strong performers.
- Relative returns from holdings in the Information Technology sector (up 22% versus up 17% for the S&P 500 sector) contributed. Fund holdings eBay (up 38%), Motorola (up 30%), and Hewlett-Packard (up 22%) helped.
- Returns from holdings in the Industrials sector (up 36% versus up 22% for the S&P 500 sector) also contributed. General Electric (up 41%) and FedEx (up 35%) were particularly strong.
- Additional contributors included Capital One (up 64%), Dow Chemical (up 62%), and Novartis (up 24%).

#### KEY DETRACTORS FROM RELATIVE RESULTS

- Weak returns from holdings in the Telecommunication Services sector (down 11% versus up 6% for the S&P 500 sector) hurt results. Sprint Nextel was down 18% for the quarter, but remained up sharply year to date.
- Additional detractors included Sallie Mae (down 15%), WellPoint (down 7%), Bank of New York Mellon (down 1%), and Hitachi (down 1%).

### YEAR-TO-DATE PERFORMANCE REVIEW

The Fund outperformed the S&P 500 by 6.4 percentage points year to date.

You should carefully consider the Fund's investment objectives, management fees, risks, and expenses before investing. To obtain a Fund's prospectus which contains this and other important information visit [www.dodgeandcox.com](http://www.dodgeandcox.com) or call (800) 621-3979. Please carefully read the prospectus before investing.

[www.dodgeandcox.com](http://www.dodgeandcox.com)

#### KEY CONTRIBUTORS TO RELATIVE RESULTS

- Returns from holdings in the Energy sector (up 27% versus up 8% for the S&P 500 sector) contributed. Schlumberger (up 43%), Baker Hughes (up 35%), and Occidental Petroleum (up 33%) were strong.
- A higher average weighting in the Consumer Discretionary sector (18% versus 9% for the S&P 500 sector) had a positive effect. Liberty Interactive (up 252%), Sony (up 34%), News Corp. (up 34%), and Time Warner (up 33%) were strong performers.
- Returns from holdings in the Telecommunication Services sector (up 133% versus up 2% for the S&P 500 sector) also contributed. Sprint Nextel (up 116%) was the standout.
- Additional contributors included Credit Suisse (up 97%), Motorola (up 94%), Dow Chemical (up 78%), eBay (up 69%), and Citrix Systems (up 66%).

#### KEY DETRACTORS FROM RELATIVE RESULTS

- A lower average weighting in the Financials sector (10% versus 13% for the S&P 500 sector), combined with weak relative returns (up 10% versus up 22%), detracted. Citigroup (down 45% to date of sale) and Sallie Mae (down 2%) were weak.
- A much higher average weighting in the Health Care sector (27% versus 14% for the S&P 500 sector) hurt results, as the sector was relatively weak. UnitedHealth was down 6%.
- Additional detractors included Hitachi (down 22%), Wal-Mart (down 11%), Xerox (down 1%), and Comcast (up 1%).

#### ADDITIONAL REPORTING

For further review of the Fund's performance and long-term investment strategy, please visit [www.dodgeandcox.com](http://www.dodgeandcox.com) and download the Fund's Third Quarter Report, which will be available in November.

October 2009

\*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. The Standard & Poor's 500 Index (S&P 500) is a widely recognized, unmanaged index of common stock prices. Index returns include dividends and/or interest income and, unlike Fund returns, do not reflect fees or expenses.

**Past performance does 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. Mutual fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's web site at [www.dodgeandcox.com](http://www.dodgeandcox.com) or call 800-621-3979 for current performance figures.**

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