DODGE & COX FUNDS®

March 31, 2012

Ticker Symbol

Income Fund

DODIX

Objectives

- The Fund seeks a high and stable rate of current income, consistent with long-term preservation of capital. A secondary objective is to take advantage of opportunities to realize capital appreciation.

Strategy

- The Fund invests in a diversified portfolio consisting primarily of high-quality bonds and other fixed income securities, including U.S. government obligations, mortgage- and asset-backed securities, corporate and municipal bonds, collateralized mortgage obligations (CMOs), and others rated A or better by S&P, Moody's, or Fitch. To a lesser extent, the Fund may also invest in fixed income securities rated Baa/BBB or lower.
- The proportions held in the various fixed income securities will be revised in light of Dodge & Cox's appraisal of the economy, the relative yields of securities in the various market sectors, the investment prospects for issuers, and other factors. In selecting securities, Dodge & Cox considers many factors, including yield-to-maturity, quality, liquidity, call risk, current yield, and capital appreciation potential.

Risks

- The Fund invests in individual bonds whose yields and market values fluctuate, so that your investment may be worth more or less than its original cost. Bond investments are subject to interest rate risk, credit risk, and prepayment risk, all of which could have adverse effects on the value of the Fund. Please read the prospectus for specific details regarding the Fund's risk profile.

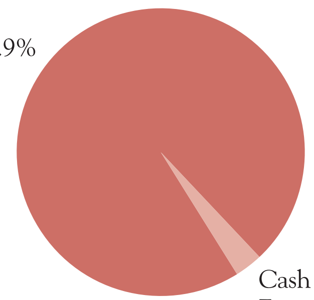
GENERAL INFORMATION

Net Asset Value Per Share	$13.56
Total Net Assets (billions)	$25.1
30-Day SEC Yield[(a)]	3.33%
Expense Ratio	0.43%
2011 Portfolio Turnover Rate	27%
Fund Inception	1989

No sales charges or distribution fees

Investment Manager: Dodge & Cox, San Francisco. Managed by the Fixed Income Investment Policy Committee, whose ten members' average tenure at Dodge & Cox is 16 years.

ASSET ALLOCATION



PORTFOLIO CHARACTERISTICS

	Fund	BCAG
Number of Fixed Income Securities	**690**	7,929
Effective Maturity (years)[(b)]	**7.2**	7.1
Effective Duration (years)[(c)]	**3.9**	5.0

FIVE LARGEST CORPORATE ISSUERS (%)[(d)]

	Fund
Bank of America Corp.	**3.0**
Citigroup, Inc.	**2.4**
HCA, Inc.	**2.2**
Time Warner, Inc.	**1.8**
Xerox Corp.	**1.7**

SECTOR DIVERSIFICATION (%)

	Fund	BCAG
U.S. Treasury[(b)]	**3.2**	35.1
Government-Related	**8.2**	11.0
Mortgage-Related	**37.2**	31.3
Corporate	**48.3**	20.4
Asset-Backed/Commercial Mortgage-Backed[(f)]	**0.0**	2.2
Cash Equivalents	**3.1**	0.0

CREDIT QUALITY (%)[(e)]

	Fund	BCAG
U.S. Government & U.S. Agency/MBS[(b)]	**41.5**	71.9
Aaa	**0.0**	4.0
Aa	**4.8**	3.9
A	**16.4**	10.8
Baa	**24.3**	9.4
Ba	**5.2**	0.0
B	**4.7**	0.0
Caa	**0.0**	0.0
Ca	**0.0**	0.0
C	**0.0**	0.0
Cash Equivalents	**3.1**	0.0

MATURITY DIVERSIFICATION (%)

	Fund	BCAG
0-1 Years to Maturity	**7.2**	0.0
1-5	**50.7**	52.6
5-10[(b)]	**26.7**	35.0
10-15	**0.5**	1.4
15-20	**3.9**	1.8
20-25	**5.5**	2.0
25 and Over	**5.5**	7.2

(a) 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.

(b) Data as presented excludes the effect of the Fund's short position in 10-year Treasury futures contracts (notional value = 6.9% of the Fund's net assets). If the Fund's exposure to Treasury futures contracts had been included, the effective maturity would be 0.5 years lower.

(c) Data as presented includes the effect of Treasury futures contracts.

(d) 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.

(e) The Fund's credit quality distribution is calculated using ratings from Moody's Investor Services. If no Moody's rating is available, the lower of the Standard & Poor's or Fitch rating is used. The BCAG's credit quality ratings are from Barclays Capital and reference Moody's, Standard & Poor's, and Fitch ratings. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

(f) Commercial mortgage-backed securities are a component of the BCAG but not currently held by the Fund.

*Average Annual Total Return**

For periods ended March 31, 2012	1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Income Fund	6.43%	10.20%	6.66%	6.12%	7.03%
BCAG Index	7.73	6.85	6.26	5.80	6.59

www.dodgeandcox.com

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 www.dodgeandcox.com or call 800-621-3979 for current performance figures.

The Dodge & Cox Income Fund had a total return of 3.0% for the first quarter of 2012, compared to a total return of 0.3% for the Barclays Capital U.S. Aggregate Bond Index (BCAG). At quarter end, the Fund had net assets of $25.1 billion with a cash position of 3.1%.

MARKET COMMENTARY

An improving U.S. economy, continued support from U.S. and European central banks, and a reduction in various financial market uncertainties created a wide divergence in returns among the various segments of the U.S. bond market. Greatly improved investor sentiment drove a strong rally for the "riskier" sectors such as corporate bonds (up 2.1%[1]), while price declines associated with rising U.S. Treasury rates resulted in negative Treasury returns (down 1.3% for the quarter). Outside the United States, private investors reached an agreement with European leaders on restructuring terms for Greek debt to avert a disorderly default, and the second installment of the European Long-Term Refinancing Operation (LTRO) increased financial sector liquidity. Nevertheless, Eurozone leaders have yet to arrive at comprehensive solutions that will assure the future of the Eurozone and stimulate economic growth for the region. In the United States, service and manufacturing sector activity has increased alongside consumer spending and confidence measures, and labor market conditions improved. While still elevated, the 8.2% unemployment rate is at a three-year low. Climbing energy prices (particularly for oil) have contributed to a recent rise in inflation and inflation expectations. The Federal Reserve reiterated a commitment to maintain low rates through 2014 as conditions warrant; however, its (optimistic) post-meeting statement released in March diminished the prospect of further monetary stimulus unless U.S. growth slows meaningfully or inflation falls below its target.

With a 2.1% quarterly return, U.S. investment-grade corporate bonds outperformed Treasuries by nearly four percentage points as improved economic news, solid fundamentals, and compelling valuations fostered strong demand. Financials generated the highest quarterly return (up 5.1%, versus up 0.8% for Industrials); funding strains eased globally, and the results of the Federal Reserve's bank stress tests revealed healthy institutions that could survive even an extremely adverse economic scenario, most without the need to raise additional capital. Corporate issuance was heavy as issuers took advantage of low absolute yields to raise funds at attractive levels. Agency-guaranteed[2] mortgage-backed securities (MBS) generated a 0.6% quarterly return and outperformed shorter-duration[3] Treasuries by one percentage point. Valuations were largely unaffected by the uptick in prepayments, which was expected following the implementation of the expanded Home Affordable Refinance Program ("HARP 2.0").

FIRST QUARTER PERFORMANCE REVIEW

The Fund outperformed the BCAG by 2.7 percentage points during the quarter.

KEY CONTRIBUTORS TO RELATIVE RESULTS

- The Fund's significant overweight to corporate bonds (48%[4] versus 20% for the BCAG) benefited relative returns given the strong outperformance of the Corporate sector. In addition, the Fund's overweight to financials (roughly three times the BCAG weighting) was a positive factor.
- Many of the poor performers of 2011 rebounded strongly, including AIG, Bank of America, HSBC, SLM Corp., Sprint, and Telecom Italia.
- The Fund's shorter relative duration (roughly 78% of the BCAG's duration) and underweight of U.S. Treasuries (1% versus 35% for the BCAG) meaningfully added to relative returns as Treasury rates increased and the Treasury sector underperformed.
- The Fund's Agency MBS (41% versus 32% for the BCAG) performed well versus comparable-duration alternatives.
- The Fund's nominal yield advantage was a positive factor.

KEY DETRACTORS FROM RELATIVE RESULTS

- While there were no clear detractors from the Fund's relative performance, several of the Fund's corporate holdings generated negative total returns for the period (e.g., Canadian Pacific Railway, Norfolk Southern, Union Pacific, and Unum Group). Most of these returns were in line with or better than the performance of comparable-duration securities in the respective sectors, but they did detract from the Fund's absolute total return.

[1] Sector returns as calculated and reported by Barclays Capital.
[2] The U.S. Government does not guarantee the Fund's shares, yield, or net asset value. The guarantee does not eliminate market risk.
[3] Duration is the measure of a bond's (or bond portfolio's) price sensitivity to changes in interest rates.
[4] Weights used in the Performance Review denote positioning at the beginning of the quarter.
*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 interest income but, unlike Fund returns, do not reflect fees or expenses. The Barclays Capital U.S. Aggregate Bond Index (BCAG) is a widely recognized, unmanaged index of U.S. dollar-denominated investment-grade fixed income securities.

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