

SEQUOIA FUND, INC.

ANNUAL REPORT

December 31, 1999

SEQUOIA FUND, INC.

ILLUSTRATION OF AN ASSUMED INVESTMENT OF \$ 10,000

With Income Dividends Reinvested and Capital Gains

Distributions Accepted in Shares

The table below covers the period from July 15, 1970 (the date Fund shares were first offered to the public) to December 31, 1999. This period was one of widely fluctuating common stock prices. The results shown should not be considered as a representation of the dividend income or capital gain or loss which may be realized from an investment made in the Fund today.

PERIOD ENDED:	Value of Initial \$10,000 Investment	Value of Cumulative Capital Contributions	Value of Cumulative Reinvested Dividends	Total Value of Shares
July 15, 1970	\$10,000	\$--	\$--	\$10,000
May 31, 1971	11,750	--	184	11,934
May 31, 1972	12,350	706	451	13,507
May 31, 1973	9,540	1,118	584	11,242
May 31, 1974	7,530	1,696	787	10,013
May 31, 1975	9,490	2,137	1,698	13,325
May 31, 1976	12,030	2,709	2,654	17,393
May 31, 1977	15,400	3,468	3,958	22,826
Dec. 31, 1977	18,420	4,617	5,020	28,057
Dec. 31, 1978	22,270	5,872	6,629	34,771
Dec. 31, 1979	24,300	6,481	8,180	38,961
Dec. 31, 1980	25,040	8,848	10,006	43,894
Dec. 31, 1981	27,170	13,140	13,019	53,329
Dec. 31, 1982	31,960	18,450	19,510	69,920
Dec. 31, 1983	37,110	24,919	26,986	89,015

Dec. 31, 1984	39,260	33,627	32,594	105,481
Dec. 31, 1985	44,010	49,611	41,354	134,975
Dec. 31, 1986	39,290	71,954	41,783	153,027
Dec. 31, 1987	38,430	76,911	49,020	164,361
Dec. 31, 1988	38,810	87,760	55,946	182,516
Dec. 31, 1989	46,860	112,979	73,614	233,453
Dec. 31, 1990	41,940	110,013	72,633	224,586
Dec. 31, 1991	53,310	160,835	100,281	314,426
Dec. 31, 1992	56,660	174,775	112,428	343,863
Dec. 31, 1993	54,840	213,397	112,682	380,919
Dec. 31, 1994	55,590	220,943	117,100	393,633
Dec. 31, 1995	78,130	311,266	167,129	556,525
Dec. 31, 1996	88,440	397,099	191,967	677,506
Dec. 31, 1997	125,630	570,917	273,653	970,200
Dec. 31, 1998	160,700	798,314	353,183	1,312,197
Dec. 31, 1999	127,270	680,866	286,989	1,095,125

The total amount of capital gains distributions accepted in shares was \$328,919, the total amount of dividends reinvested was \$91,708.

No adjustment has been made for any taxes payable by shareholders on capital gain distributions and dividends reinvested in shares.

To the Shareholders of Sequoia Fund, Inc.

Dear Shareholder:

Sequoia Fund's results for the fourth quarter and full year 1999 are shown below with comparable results for the leading market indexes:

<u>1999</u>	<u>Sequoia Fund</u>	<u>Dow Jones Industrials</u>	<u>Standard & Poor's 500</u>
Fourth Quarter	+ 1.3%	+11.7%	+14.9%
Year	-16.5	27.3	21.0

As we stated in our third quarter report, 1999 has been a serious disappointment for Sequoia Fund shareholders, including ourselves. The market value of Sequoia shares declined 16.5% during the year. To date in 2000 as we write you, the momentum has continued and Sequoia is down an additional 9%. This means that Sequoia has retreated to a share value roughly equivalent to early 1998 when, after a three year run during which our stocks compounded at a 35% annual rate, we warned that Sequoia's performance was borrowing from the future. We didn't know how right we were.

In light of our recent results, we have had to take a good hard look at ourselves and our investment approach and ask, "Should we be doing something differently?"

Our longstanding approach to investing has been based on a few core principles. First, we try to own common stocks of high quality companies with good earnings growth prospects. We look for superior returns on invested capital, and we look for the returns to be sustainable well into the future. It's the last part of this requirement that is particularly tricky to assess.

Second, we try to buy these companies at prices we believe underestimate their real value. This criterion dramatically narrows the field of potential candidates, as great companies are usually already recognized by the market.

Third, when we find the first two elements together, we want to own a lot of the stock. And finally, we hope to hold these investments for many years as long as the fundamentals remain sound and earnings prospects remain favorable. We will generally hold an investment even if it faces some short-term challenges, or if its "sector" falls out of favor, or if it gets a bit ahead of itself. We will sell some or all of a position if we feel its valuation has reached levels which appear excessive relative to likely earnings prospects. These simple principles have served us well over the past 30 years, although we had a tendency to leave a fair amount of money on the table. As a result, in recent years we adopted a tolerance for holding stocks at higher valuation levels than in the past. This evolution contributed to our outsized results in 1997 and 1998, but also was a factor in our unusually poor results in 1999.

Between our important positions in Progressive Corporation and the Geico and General Re subsidiaries of Berkshire Hathaway, the Fund had a big investment in the auto insurance and general property/casualty reinsurance businesses going into 1999. The decline in market values of Progressive and Berkshire accounted for about 80% of the decline in the Fund's net asset

value during the year. While we were well aware of cyclical profit pressures in auto insurance and had low expectations for near term reinsurance results, we underestimated the severity of the cycle and perhaps overestimated the ability of our companies' earnings to withstand the effects of the various industry pressures. However, we also believe that the market remains excessively fixated on Progressive's and Berkshire's next few quarters, ignoring both companies' superb track records and excellent long term opportunities.

A number of our shareholders have written us in frustration with our lack of direct technology investments. We are all mind-numbingly aware that technology stocks comprise the current & and virtually only -- area of market excitement today and have accounted for almost all the gains in the market indexes in 1999 and 2000 to date. Some shareholders have accused us of "smugness" in our staunch agnosticism in this area. Quite the contrary! Rather, we find it extremely daunting to analyze businesses characterized by rapid technological change with their resultant shorter periods of predictable competitive advantage. And generally these companies trade at very high valuations which implicitly assume that dramatic growth and very high profit levels will continue uninterrupted in almost flawless perpetuity, in sharp contrast to almost all economic history. That requires a sense of certainty that we simply cannot muster.

Investors abandon valuation considerations in investing from time to time. You might be interested to read the following commentary by Benjamin Graham in reviewing stock market behavior leading up to 1929: "The notion that the desirability of a common stock was entirely independent of its price seems incredibly absurd. Yet the new era theory led directly to this thesis..Instead of judging the market price by established standards of value, the new era based its standards of value upon the market price. Hence all upper limits disappeared, not only upon the price at which a stock could sell, but even upon the price at which it would deserve to sell..The results of such a doctrine could not fail to be tragic." (Emphasis ours.) These comments were written 66 years ago in Security Analysis, 1934 edition. Ironically enough in view of today's market conditions, the title of the chapter is "The New-Era Theory".

More recently, a highly respected figure in the investment community, Bob Kirby, caustically summarized much of what is going on currently in the stock market with two rules for investing in today's "new era": "Rule 1) Any stock that has tripled during the past 12 months is a serious purchase candidate; and Rule 2) Any stock that has been flat for the past month or two or - God forbid - has gone down, is immediately sold." Needless to say, our investment approach is not in sync with current conditions, but we will not abandon proven standards just to be with the crowd.

So where is Sequoia today? Our portfolio consists of a relatively small number of very fine, high growth companies. These companies have significant competitive advantages in their markets, high returns on capital, abundant reinvestment opportunities, management teams with talent and integrity and outstanding track records. Some of them are experiencing what we believe to be short term business difficulties, others are hitting on all cylinders.

We have never had any success in forecasting either Sequoia's or the stock market's short term performance. However, our sense of valuation has proven to be a good barometer over longer periods of time. We feel quite strongly that our combined portfolio holdings will generate compound annual earnings growth well into the double-digits as far out as we can see. We believe that the current prices of our holdings, in the aggregate, significantly undervalue these prospects. In 1998 we warned that our exceptional gains in recent years were borrowing from future performance. With our underperformance in 1999 and thus far in 2000, we believe we have more than repaid this debt. The combination of attractive current valuations and strong earnings prospects for our portfolio companies should produce very satisfactory results over the next five years.

Sincerely,

Carley Cunniff
Executive Vice President

Richard T. Cunniff
Vice Chairman

Robert D. Goldfarb
President

William J. Ruane
Chairman

February 17, 2000

SEQUOIA FUND, INC.
Schedule of Investments
December 31, 1999

COMMON STOCKS (78.49%)

<u>Shares</u>		<u>Cost</u>	<u>Value (Note 1)</u>
	BANK HOLDING COMPANIES (14.72%)		
5,958,662	Fifth Third Bancorp	\$ 89,279,910	\$ 437,216,824
323,700	Mercantile Bankshares Corporation	3,339,925	10,338,169
1,145,900	National Commerce Bancorp	7,110,847	25,997,606
4,142,300	U. S. Bancorp	52,341,868	98,638,519
		152,072,550	572,191,118
	DIVERSIFIED COMPANIES (29.11%)		
20,175	Berkshire Hathaway Inc. Class A*	160,993,354	1,131,817,500
	INSURANCE (7.15%)		
3,800,900	Progressive Corporation-Ohio+	129,150,484	277,940,812
	MANUFACTURING - MOTORCYCLES (7.87%)		
4,777,500	Harley Davidson, Inc.	64,205,363	306,058,594
	PERSONAL CREDIT (1.69%)		
1,765,000	Household International Inc.	22,208,717	65,746,250
	SERVICES (15.29%)		
12,632,900	Freddie Mac	52,356,710	594,535,856
	Miscellaneous Securities (2.66%)	77,319,946	103,416,169
	TOTAL COMMON STOCKS	\$658,307,124	\$3,051,706,299

SEQUOIA FUND, INC.
Schedule of Investments
December 31, 1999
(continued)

Principal Amount		Cost	Value (Note 1)
U.S. GOVERNMENT OBLIGATIONS (21.51%)			
\$ 16,700,000	U.S. Treasury Bills due 2/10/00 through 2/17/00	\$ 16,602,315	\$16,602,315
259,000,000	U.S. Treasury Notes, 5 5/8% due 4/30/2000	259,563,663	259,000,000
152,000,000	U.S. Treasury Notes, 5 3/8% due 7/31/2000	152,555,707	151,620,000
236,000,000	U.S. Treasury Notes, 5 1/2% due 8/31/2001	235,386,594	233,381,875
176,000,000	U.S. Treasury Notes, 6 1/8% due 12/31/2001	175,917,613	175,642,500
	TOTAL U.S. GOVERNMENT OBLIGATIONS	<u>840,025,892</u>	<u>836,246,690</u>
	TOTAL INVESTMENTS (100%)++	<u>\$1,498,333,016</u>	<u>\$3,887,952,989</u>

++ The cost for federal income tax purposes is identical.

* Non-income producing.

+ Refer to Note 6.

SEQUOIA FUND, INC.
Statement of Assets and Liabilities
December 31, 1999

ASSETS:	
Investments in securities, at value (cost \$1,498,333,016) (Note 1)	\$3,887,952,989
Cash on deposit with custodian	151,513
Receivable for capital stock sold	745,819
Dividends and interest receivable	12,167,586
Other assets	42,354
Total assets	3,901,060,261
LIABILITIES:	
Payable for capital stock repurchased	756,260
Accrued investment advisory fee	3,316,830
Accrued other expenses	103,835
Total liabilities	4,176,925
Net assets applicable to 30,618,636 shares of capital stock outstanding (Note 4)	\$3,896,883,336
Net asset value, offering price and redemption price per share	\$127.27

The accompanying notes form an integral part of these Financial Statements.

SEQUOIA FUND, INC.
Statement of Operations
Year Ended December 31, 1999

INVESTMENT INCOME:	
Income:	
Dividends:	
Unaffiliated companies	20,010,750
Affiliated companies (Note 6)	1,020,643
Interest	49,835,874
Total income	<u>70,867,267</u>
Expenses:	
Investment advisory fee (Note 2)	45,280,173
Legal and auditing fees	80,263
Stockholder servicing agent fees	371,584
Custodian fees	80,000
Directors fees and expenses (Note 5)	187,184
Other	159,996
Total expenses	<u>46,159,200</u>
Less expenses reimbursed by Investment Adviser (Note 2)	729,000
Net expenses	45,430,200
Net investment income	<u>25,437,067</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Realized gain on investments:	
Unaffiliated companies	90,205,636
Affiliated companies (Note 6)	56,067,720

Net realized gain on investments	146,273,356
Net decrease in unrealized appreciation on:	
Investments	(969,232,109)
Net realized and unrealized gain (loss) on investments	(822,958,753)
Decrease in net assets from operations	\$ (797,521,686)

The accompanying notes form an integral part of these Financial Statements.

SEQUOIA FUND, INC.

Statements of Changes in Net Assets

	<u>Year Ended December 31,</u>	
	<u>1999</u>	<u>1998</u>
INCREASE (DECREASE) IN NET ASSETS:		
From operations:		
Net investment income	\$ 25,437,067	\$ 11,736,732
Net realized gains	146,273,356	431,381,943
Net (decrease)/increase in unrealized appreciation	(969,232,109)	859,089,190
Net (decrease)/increase in net assets from operations	<u>(797,521,686)</u>	<u>1,302,207,865</u>
Distributions to shareholders from:		
Net investment income	(26,006,104)	(10,988,302)
Net realized gains	(204,435,454)	(238,181,010)
Capital share transactions (Note 4)	<u>(77,044,856)</u>	<u>276,288,024</u>
Total (decrease)/increase	<u>(1,105,008,100)</u>	<u>1,329,326,577</u>
NET ASSETS:		
Beginning of year	5,001,891,436	3,672,564,859
End of year	\$3,896,883,336	\$5,001,891,436
NET ASSETS CONSIST OF:		
Capital (par value and paid in surplus)	\$1,506,881,082	\$1,483,849,808
Undistributed net investment income	179,393	748,430
Undistributed net realized gains	202,888	158,441,116
Unrealized appreciation	<u>2,389,619,973</u>	<u>3,358,852,082</u>
Total Net Assets	<u>\$3,896,883,336</u>	<u>\$5,001,891,436</u>

The accompanying notes form an integral part of these Financial Statements.

SEQUOIA FUND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1--SIGNIFICANT ACCOUNTING POLICIES:

Sequoia Fund Inc. is registered under the Investment Company Act of 1940, as amended, as a non-diversified, open-end management company. The investment objective of the Fund is growth of capital from investments primarily in common stocks and securities convertible into or exchangeable for common stock. The following is a summary of significant accounting policies, consistently followed by the Fund in the preparation of its financial statements.

- A. *Valuation of investments:* Investments are carried at market value or at fair value as determined by the Board of Directors. Securities traded on a national securities exchange are valued at the last reported sales price on the principal exchange on which the security is listed on the last business day of the period; securities traded in the over-the-counter market are valued at the last reported sales price on the NASDAQ National Market System on the last business day of the period; listed securities and securities traded in the over-the-counter market for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices; U.S. Treasury Bills with remaining maturities of 60 days or less are valued at their amortized cost. U.S. Treasury Bills that when purchased have a remaining maturity in excess of sixty days are stated at their discounted value based upon the mean between the bid and asked discount rates until the sixtieth day prior to maturity, at which point they are valued at amortized cost.
- B. *Accounting for investments:* Investment transactions are accounted for on the trade date and dividend income is recorded on the ex-dividend date. The net realized gain or loss on security transactions is determined for accounting and tax purposes on the specific identification basis.
- C. *Federal income taxes:* It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its stockholders. Therefore, no federal income tax provision is required.
- D. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- E. *General:* Dividends and distributions are recorded by the Fund on the ex-dividend date. Interest income is accrued as earned.

NOTE 2--INVESTMENT ADVISORY CONTRACTS AND PAYMENTS TO INTERESTED PERSONS:

The Fund retains Ruane, Cunniff & Co., Inc. as its investment adviser. Ruane, Cunniff & Co., Inc. (Investment Adviser) provides the Fund with investment advice, administrative services and facilities.

Under the terms of the Advisory Agreement, the Investment Adviser receives a management fee equal to 1% per annum of the Fund's average daily net asset values. This percentage will not increase or decrease in relation to increases or decreases in the net asset value of the Fund. Under the Advisory Agreement, the Investment Adviser is obligated to reimburse the Fund for the amount, if any, by which the operating expenses of the Fund (including the management fee) in any year exceed the sum of 1-1/2% of the average daily net asset values of the Fund during such year up to a maximum of \$30,000,000, plus 1% of the average daily net asset values in excess of \$30,000,000. The expenses incurred by the Fund exceeded the percentage limitation during the year ended December 31, 1999 and the Investment Adviser reimbursed the Fund \$729,000. For the year ended December 31, 1999, there were no amounts accrued to interested persons, including officers and directors, other than advisory fees of \$45,280,173 and brokerage commissions of \$131,970 to Ruane, Cunniff & Co., Inc. Certain officers of the Fund are also officers of the Investment Adviser and the Fund's distributor. Ruane, Cunniff & Co., Inc., the Fund's distributor, received no compensation from the Fund on the sale of the Fund's capital shares during the year ended December 31, 1999.

NOTE 3--PORTFOLIO TRANSACTIONS:

The aggregate cost of purchases and the proceeds from the sales of securities, excluding U.S. government obligations, for the year ended December 31, 1999 were \$79,494,572 and \$188,079,320, respectively. Included in proceeds of sales is \$118,049,125 representing the value of securities disposed of in payment of redemptions in-kind resulting in realized gains of \$100,076,130. As a result of the redemptions in-kind net realized gains differ for financial statement and tax purposes. These realized gains have been reclassified from undistributed realized gains to paid in surplus in the accompanying financial statements.

At December 31, 1999 the aggregate gross unrealized appreciation and depreciation of securities were \$2,393,399,175 and \$3,779,202, respectively.

NOTE 4--CAPITAL STOCK:

At December 31, 1999 there were 100,000,000 shares of \$.10 par value capital stock authorized. Transactions in capital stock were as follows:

	<u>1999</u>		<u>1998</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	1,202,565	\$ 176,388,982	2,164,908	\$ 319,175,918
Shares issued to stockholders on reinvestment of:				
Net investment income	145,003	18,304,561	54,399	7,959,038
Net realized gain on investments	1,296,655	184,338,802	1,470,593	215,201,334
	<u>2,644,223</u>	<u>379,032,345</u>	<u>3,689,900</u>	<u>542,336,290</u>
Shares repurchased	3,151,477	456,077,201	1,796,644	266,048,266
Net (Decrease)/Increase	<u>(507,254)</u>	<u>\$ (77,044,856)</u>	<u>1,893,256</u>	<u>\$ 276,288,024</u>

NOTE 5--DIRECTORS FEES AND EXPENSES:

Directors who are not deemed "interested persons" receive fees of \$6,000 per quarter and \$2,500 for each meeting attended, and are reimbursed for travel and other out-of-pocket disbursements incurred in connection with attending directors meetings. The total of such fees and expenses paid by the Fund to these directors for the year ended December 31, 1999 was \$187,184.

NOTE 6--AFFILIATED COMPANIES:

Investment in portfolio companies 5% or more of whose outstanding voting securities are held by the Fund are defined in the Investment Company Act of 1940 as "affiliated companies." The total value and cost of investments in affiliates at December 31, 1999 aggregated \$277,940,812 and \$129,150,484, respectively. The summary of transactions for each affiliate during the period of their affiliation for the year ended December 31, 1999 is provided below:

<u>Affiliate</u>	<u>Purchases</u>		<u>Sales</u>		<u>Realized</u>	<u>Dividend</u>
	<u>Shares</u>	<u>Cost</u>	<u>Shares</u>	<u>Cost</u>	<u>Gain</u>	<u>Income</u>
Progressive Corp - Ohio	--	--	551,600	\$19,431,378	<u>\$56,067,720</u>	<u>\$1,020,643</u>

NOTE 7--FINANCIAL HIGHLIGHTS:

	<u>Year Ended December 31,</u>				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Per Share Operating Performance (for a share outstanding throughout each year)					
Net asset value, beginning of year	<u>\$160.70</u>	<u>\$125.63</u>	<u>\$88.44</u>	<u>\$78.13</u>	<u>\$55.59</u>
Income from investment operations:					
Net investment income	0.84	0.39	0.08	0.38	0.31
Net realized and unrealized gains (losses) on investments	(26.83)	43.07	38.10	16.41	22.62
Total from investment operations	(25.99)	43.46	38.18	16.79	22.93
Less distributions:					
Dividends from net investment income	(0.85)	(0.37)	(0.08)	(0.38)	(0.31)
Distributions from net realized gains	(6.59)	(8.02)	(0.91)	(6.10)	(0.08)
Total distributions	(7.44)	(8.39)	(0.99)	(6.48)	(0.39)
Net asset value, end of year	<u>\$127.27</u>	<u>\$160.70</u>	<u>\$125.63</u>	<u>\$88.44</u>	<u>\$78.13</u>
Total Return	-16.5%	35.3%	43.2%	21.7%	41.4%
Ratios/Supplemental data					
Net assets, end of year (in millions)	\$3,896.9	\$5,001.9	\$3,672.6	\$2,581.0	\$2,185.5
Ratio to average net assets:					
Expenses	1.0%	1.0%	1.0%	1.0%	1.0%
Net investment income	0.6%	0.3%	0.1%	0.4%	0.5%
Portfolio turnover rate	12%	21%	8%	23%	15%

Report of Independent Accountants

To the Board of Directors and Shareholders of
Sequoia Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Sequoia Fund, Inc. (the "Fund") at December 31, 1999, and the results of its operations, the changes in its net assets and the financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 1999 by correspondence with the custodian, provides a reasonable basis for the opinion expressed above. The financial statements of the Fund for the year ended December 31, 1998, including the financial highlights for each of the four years in the period then ended, were audited by other independent accountants whose report dated January 15, 1999 expressed an unqualified opinion on those financial statements.

PricewaterhouseCoopers LLP

New York, New York

January 14, 2000

CHANGE IN INDEPENDENT ACCOUNTANTS

On August 13, 1999, McGladrey & Pullen, LLP ("McGladrey") resigned as independent accountants of the Fund pursuant to an agreement by PricewaterhouseCoopers LLP ("PwC") to acquire McGladrey's investment company practice. The McGladrey partners and professionals serving the Fund at the time of the acquisition joined PwC.

The reports of McGladrey on the financial statements of the Fund during the past two fiscal years contained no adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with its audits for the two most recent fiscal years and through August 13, 1999, there were no disagreements with McGladrey on any matter of accounting principle or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of McGladrey, would have caused it to make reference to the subject matter of disagreement in connection with its report.

On September 13, 1999 the Fund, with the approval of its Board of Directors and its Audit Committee, engaged PwC as its independent accountants.

SEQUOIA FUND, INC.

767 Fifth Avenue, Suite 4701

New York, New York 10153-4798

Website: www.sequoiafund.com

DIRECTORS

William J. Ruane
Richard T. Cunniff
Robert D. Goldfarb
Carol L. Cunniff
John M. Harding
Roger Lowenstein
Francis P. Matthews
C. William Neuhauser
Robert L. Swiggett

OFFICERS

William J. Ruane	Chairman of the Board
Richard T. Cunniff	Vice Chairman
Robert D. Goldfarb	President
Carol L. Cunniff	Executive Vice President
Joseph Quinones, Jr.	Vice President, Secretary & Treasurer

INVESTMENT ADVISER & DISTRIBUTOR

Ruane, Cunniff & Co., Inc.

767 Fifth Avenue, Suite 4701

New York, New York 10153-4798

CUSTODIAN

The Bank of New York

MF Custody Administration Department

100 Church Street, 10th Floor

New York, New York 10286

REGISTRAR AND SHAREHOLDER

SERVICING AGENT

DST Systems, Inc.

P.O. Box 219477

Kansas City, Missouri 64121

LEGAL COUNSEL

Seward & Kissel

One Battery Park Plaza

New York, New York 10004

This report has been prepared for the information of shareholders of Sequoia Fund, Inc.