

QUARTERLY REPORT

For the Period Ended March 31, 2002

Dear Shareholder:

Sequoia Fund's results for the first quarter of 2002 are as shown below with the usual comparable data for the leading market indexes:

To March 31, 2002	Sequoia <u>Fund</u>	Dow Jones <u>Industrials</u>	Standard & <u>Poor's 500</u>
3 Months	0.96%	4.32%	0.26%
1 Year	16.30%	7.17%	0.20%
5 Years (Annualized)	16.18%	11.44%	10.15%
10 Years (Annualized)	16.88%	14.85%	13.23%

The S&P 500 Index is an unmanaged, capitalization-weighted index of the common stocks of 500 major US corporations. The Dow Jones Industrial Average is an unmanaged, price-weighted index of 30 actively traded blue chip stocks. The performance data quoted represents past performance and assumes reinvestment of dividends. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

The annual meeting of Sequoia was held on April 19th in New York. *Outstanding Investor Digest* has prepared a summary of our comments at the meeting. We thought it would be useful to provide all of our stockholders with this review, which *Outstanding Investor Digest* kindly provided to us this year in the form of the enclosed reprint.

We are also enclosing our *Privacy Notice* describing our policies relating to personal client information as required by the Gramm-Leach-Bliley Act.

Sincerely,

Carley Cunniff
Executive Vice President

Richard T. Cunniff
Vice Chairman

Robert D. Goldfarb
President

William J. Ruane
Chairman

July 31, 2002

SEQUOIA FUND, INC.
STATEMENT OF INVESTMENTS
MARCH 31, 2002 (UNAUDITED)

COMMON STOCKS (77.4%)

<u>Shares</u>		<u>Value (a)</u>
	BANK HOLDING COMPANIES (14.0%)	
8,710,393	Fifth Third Bancorp	\$ 587,777,320
243,300	Mercantile Bankshares Corporation	10,525,158
		<u>598,302,478</u>
	BUILDING MATERIALS (3.5%)	
1,963,000	Fastenal Company (b)	<u>147,853,160</u>
	DIVERSIFIED COMPANIES (32.6%)	
19,661	Berkshire Hathaway Inc. Class A (c)	<u>1,397,897,100</u>
	HOME FURNISHINGS (2.1%)	
2,414,000	Ethan Allen Interiors, Inc. (b)	<u>91,876,840</u>
	INSURANCE (9.4%)	
2,430,500	Progressive Corporation	<u>404,969,910</u>
	LAUNDRY SERVICES (0.5%)	
414,400	Cintas Corporation	<u>20,661,984</u>
	MANUFACTURING (2.3%)	
2,109,900	Dover Corporation	86,505,900
240,500	Harley Davidson, Inc.	<u>13,258,765</u>
		<u>99,764,665</u>
	PROCESS CONTROL INSTRUMENTS (0.4%)	
263,700	Danaher Corporation	<u>18,727,974</u>
	PERSONAL CREDIT (2.0%)	
1,532,200	Household International Inc.	<u>87,028,960</u>
	RETAILING (7.4%)	
54,600	Costco Wholesale Corporation (c)	2,174,172
7,893,800	TJX Companies, Inc.	<u>315,830,938</u>
		<u>318,005,110</u>
	Miscellaneous Securities (3.2%)	<u>134,899,000</u>
	TOTAL COMMON STOCKS	<u><u>\$3,319,987,181</u></u>

<u>Principal Amount</u>	<u>Value (a)</u>
U.S. GOVERNMENT OBLIGATIONS (22.6%)	
\$969,000,000 U.S. Treasury Bills due 04/04/02 through 05/16/02	\$ 967,839,902
TOTAL U.S. GOVERNMENT OBLIGATIONS	<u>\$ 967,839,902</u>
SUMMARY	
Common Stocks	77.4% \$3,319,987,181
U.S. Government Obligations	22.6% 967,839,902
Net Cash & Receivable	0.0% 2,190,318
Net Assets	<u>\$4,290,017,401</u>
Number of Shares Outstanding	<u>32,626,151</u>
Net Asset Value Per Share	<u>\$131.49</u>

- (a) 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; securities traded in the over-the-counter market and listed securities 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 sixty 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) 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."
- (c) Non-income producing.

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
Vinod Ahooja
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.