

QUARTERLY REPORT

For the Period Ended March 31, 2005

To the Shareholders of Sequoia Fund, Inc.:

Dear Shareholder:

Sequoia Fund's results for the first quarter of 2005 are as shown below with the usual comparable data for the leading market indexes:

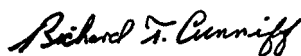
March 31, 2005	Sequoia <u>Fund</u>	Dow Jones <u>Industrials</u>	Standard & <u>Poor's 500</u>
First Quarter	-1.00%	-1.59%	-2.13%
1 Year	-2.25%	3.99%	6.63%
5 Years (Annualized)	9.42%	1.31%	-3.18%
10 Years (Annualized)	14.69%	11.93%	10.76%

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.

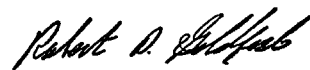
We are enclosing our Privacy Notice describing our policies relating to personal client information as required by the Gramm-Leach-Bliley Act.

In our December report, we alerted our tax-paying shareholders that the current year's estimated capital gains distributions would be approximately \$10 per share. Based on subsequent activity, we can now state that the capital gains distributions will be approximately \$9.55 per share. Of this amount, a distribution of \$3.26 per share will be distributed in June and the balance in December. However, the actual capital gains distribution in December may vary from this figure depending on market conditions during the rest of the year. We will do our best to keep you informed of any material changes in this amount.

Sincerely,



Richard T. Cunniff
Vice Chairman



Robert D. Goldfarb
President



David M. Poppe
Executive Vice President



William J. Ruane
Chairman

May 16, 2005

SEQUOIA FUND, INC.
STATEMENT OF INVESTMENTS
MARCH 31, 2005 (UNAUDITED)

COMMON STOCKS (88.54%)

<u>Shares</u>		<u>Value (a)</u>
	AUTO AND HOME SUPPLY STORES (1.20%)	
896,379	O'Reilly Automotive, Inc. (c)	\$ 44,397,652
	BANK HOLDING COMPANIES (0.44%)	
367,000	Fifth Third Bancorp	15,773,660
9,915	Mercantile Bankshares Corporation	504,277
		<u>16,277,937</u>
	BUILDING MATERIALS (3.24%)	
2,173,766	Fastenal Company	120,230,997
	COMPUTER PROGRAMMING SERVICES (1.40%)	
2,202,561	GTECH Holdings Corp.	51,826,260
	CHEMICAL DIAGNOSTIC SUBSTANCES (2.36%)	
1,612,446	Idexx Laboratories Inc. (c)	87,330,075
	DIVERSIFIED COMPANIES (35.45%)	
15,095	Berkshire Hathaway Inc. Class A (c)	1,313,265,000
125	Berkshire Hathaway Inc. Class B (c)	357,000
		<u>1,313,622,000</u>
	ELECTRONIC COMPUTER MANUFACTURING (1.81%)	
2,521,544	International Game Technology	67,224,363
	FREIGHT TRANSPORTATION (2.75%)	
1,904,393	Expeditors International, Inc.	101,980,245
	HOME FURNISHINGS (1.60%)	
1,853,950	Ethan Allen Interiors, Inc. (b)	59,326,400
	INSURANCE AGENTS & BROKERS (1.89%)	
1,523,295	Brown & Brown Inc.	70,208,667
	CASUALTY INSURANCE (13.86%)	
5,599,902	Progressive Corporation	513,847,008
	MEDICAL & HOSPITAL EQUIPMENT (0.17%)	
126,650	Patterson Companies Inc. (c)	6,326,168
	MOTORCYCLES MANUFACTURING (0.49%)	
314,343	Harley Davidson, Inc.	18,156,452
	PROCESS CONTROL INSTRUMENTS (0.58%)	
405,118	Danaher Corporation	21,637,352
	RETAILING (13.45%)	
41,976	Costco Wholesale Corporation	1,854,500
97,202	Petsmart, Inc.	2,794,557
1,228,856	Tiffany & Company	42,420,109
12,035,500	TJX Companies, Inc.	296,434,365
1,109,315	Wal-Mart Stores, Inc.	55,587,775
2,235,775	Walgreen Company	99,313,126
		<u>498,404,432</u>

<u>Shares</u>		<u>Value (a)</u>
	TEXTILE - CARPETS (7.85%)	
3,453,181	Mohawk Industries Inc. (b)(c)	\$ 291,103,158
	TOTAL COMMON STOCKS	<u>\$3,281,899,166</u>
PREFERRED STOCKS (1.66%)		
	AUTOMOTIVE MANUFACTURING (1.66%)	
84,949	Porsche AG – Preferred (Germany)	61,652,586
	TOTAL PREFERRED STOCKS	<u>\$ 61,652,586</u>
Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS (10.35%)	
\$384,500,000	U.S. Treasury Bills due 04/07/05 through 05/12/05	\$ 383,701,172
	TOTAL U.S. GOVERNMENT OBLIGATIONS	<u>\$ 383,701,172</u>
SUMMARY		
Common Stocks	88.54%	\$3,281,899,166
Preferred Stocks	1.66%	61,652,586
U.S. Government Obligations	10.35%	383,701,172
Net Liabilities	(0.55%)	<u>(21,141,178)</u>
Net Assets		<u>\$3,706,111,746</u>
Number of Shares Outstanding		<u>24,267,442</u>
Net Asset Value Per Share		<u>\$152.72</u>

(a) Securities traded on a national securities exchange or on a foreign 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 in accordance with NASDAQ Official Closing Price 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.

Purchases and sales of foreign portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities are acquired or sold. Income and expenses are translated into U.S. dollars at the rates of exchange prevailing when accrued.

- (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.

Other Information

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC’s web site at <http://www.sec.gov>. The Fund’s Form N-Q may also be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. For information regarding the operation of the SEC’s Public Reference Room, call 1-800-SEC-0330. For a complete list of the Fund’s portfolio holdings, view the most recent quarterly, semiannual or annual report on Sequoia Fund’s web site at http://www.sequoiafund.com/fund_reports.htm.

You may obtain a description of the Fund’s proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Visit Sequoia Fund’s web site at www.sequoiafund.com and use the “Shareholder Information” link to obtain all proxy information. This information may also be obtained from the Securities and Exchange Commission’s web site at www.sec.gov.

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DIRECTORS

William J. Ruane
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Vinod Ahooja
Roger Lowenstein
Francis P. Matthews
C. William Neuhauser
Sharon Osberg
Robert L. Swiggett

OFFICERS

William J. Ruane — Chairman of the Board
Richard T. Cunniff — Vice Chairman
Robert D. Goldfarb — President
David M. Poppe — Executive Vice President
Joseph Quinones, Jr. — Vice President, Secretary, Treasurer & Chief Compliance Officer

INVESTMENT ADVISER

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