

QUARTERLY REPORT

For the Period Ended September 30, 2007

To the Shareholders of Sequoia Fund, Inc.:

Dear Shareholder:

Sequoia Fund's results for the third quarter of 2007 are shown below with comparable results for the leading market indexes:

September 30, 2007	Sequoia <u>Fund</u>	Dow Jones <u>Industrials</u>	Standard & <u>Poor's 500</u>
3 months	1.82%	4.19%	2.03%
9 months	7.75%	13.31%	9.13%
1 Year	11.42%	21.69%	16.44%
5 Years (Annualized)	9.43%	15.44%	15.46%
10 Years (Annualized)	9.52%	7.85%	6.57%

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown.

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. Year to date performance as of the most recent month end can be obtained by calling DST Systems, Inc. at (800) 686-6884.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

The Fund does not impose any sales charges, exchange fees or redemption fees.

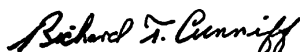
Annual Fund Operating Expenses (expenses that are deducted from Fund assets)

Management Fees	1.00%
Other Expenses	0.03%
Total Annual Fund Operating Expenses	1.03%
Expense Reimbursement*	0.03%
Net Expenses	1.00%

* Reflects Ruane, Cunniff & Goldfarb Inc.'s ("Ruane, Cunniff & Goldfarb") contractual reimbursement of a portion of the Fund's operating expenses. This reimbursement is a provision of Ruane, Cunniff & Goldfarb's investment advisory agreement with the Fund and the reimbursement will be in effect only so long as that investment advisory agreement is in effect.

Sequoia's capital gain distribution will be approximately \$21.23 per share, of which approximately \$21.16 will be long-term. The Fund will also distribute a \$0.42 per share ordinary dividend. The record date will be December 7th and the payment date will be December 10th.

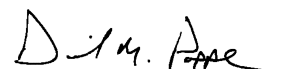
Sincerely,



Richard T. Cunniff
Vice Chairman



Robert D. Goldfarb
President



David M. Poppe
Executive Vice President

SEQUOIA FUND, INC.

STATEMENT OF INVESTMENTS

SEPTEMBER 30, 2007 (UNAUDITED)

COMMON STOCKS (95.20%)

<u>Shares</u>		<u>Value (a)</u>
	AEROSPACE/DEFENSE (2.07%)	
7,126,000	Rolls-Royce Group plc (United Kingdom)	\$ 76,169,814
	AUTO PARTS (1.55%)	
1,699,697	O'Reilly Automotive Inc. (b)	56,786,877
	AUTOMOTIVE MANUFACTURING (5.50%)	
95,028	Porsche AG (Germany) (c)	201,844,889
	BUILDING PRODUCTS (5.50%)	
1,510,900	Martin Marietta Materials Inc.	201,780,695
	CASUALTY INSURANCE (4.97%)	
9,395,000	Progressive Corporation	182,356,950
	DIVERSIFIED COMPANIES (25.93%)	
8,032	Berkshire Hathaway Inc. Class A (b)	951,872,320
21	Berkshire Hathaway Inc. Class B (b)	82,992
		<u>951,955,312</u>
	FINANCE (1.52%)	
376,378	MasterCard Inc.	55,692,653
	FOOD-RETAIL (1.21%)	
907,000	Whole Foods Market Inc.	44,406,720
	FREIGHT TRANSPORTATION (5.74%)	
2,997,624	Expeditors International Inc.	141,787,615
4,000,000	Knight Transportation Inc.	68,840,000
		<u>210,627,615</u>
	INDUSTRIAL & CONSTRUCTION SUPPLIES (4.95%)	
4,003,023	Fastenal Company	181,777,274
	INSURANCE BROKERS (2.07%)	
2,888,441	Brown & Brown Inc.	75,965,998
	DIVERSIFIED MANUFACTURING (0.87%)	
384,088	Danaher Corporation	31,767,918
	RETAILING (21.51%)	
4,999,694	Bed Bath & Beyond Inc. (b)	170,589,559
39,797	Costco Wholesale Corporation	2,442,341
1,840,388	Lowe's Companies, Inc.	51,567,672
2,212,730	Target Corporation	140,663,246
7,629,153	TJX Companies, Inc.	221,779,478
2,119,715	Walgreen Company	100,135,337
2,359,006	Wal-Mart Stores, Inc.	102,970,612
		<u>790,148,245</u>
	TEXTILE - CARPETS (7.25%)	
3,273,926	Mohawk Industries Inc. (b)	266,170,184
	VETERINARY DIAGNOSTICS (4.56%)	
1,528,744	Idexx Laboratories Inc. (b)	167,535,055
	TOTAL COMMON STOCKS	<u>\$ 3,494,986,199</u>

<u>Principal Amount</u>	<u>Value (a)</u>
U.S. GOVERNMENT OBLIGATIONS (4.28%)	
\$158,000,000 U.S. Treasury Bills due 11/15/07 through 11/23/07	\$ 157,217,442
TOTAL U.S. GOVERNMENT OBLIGATIONS	<u>\$ 157,217,442</u>
SUMMARY	
Common Stocks	95.20% \$3,494,986,199
U.S. Government Obligations	4.28% 157,217,442
Net Cash & Receivables	0.52% 19,053,203
Net Assets	<u>\$3,671,256,844</u>
Number of Shares Outstanding	<u>23,096,093</u>
Net Asset Value Per Share	<u>\$158.96</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 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.

Securities traded on a foreign exchange are valued at the last reported sales price on the principal exchange on which the security is primarily traded. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on that day.

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) Non-income producing.

(c) The Fund is invested in preference shares of Porsche AG which possess the same economic interest as Porsche common stock but have no voting rights.

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.

SEQUOIA FUND, INC.
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DIRECTORS

Richard T. Cunniff
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David M. Poppe
Vinod Ahojja
Roger Lowenstein
Francis P. Matthews
C. William Neuhauser
Sharon Osberg
Robert L. Swiggett, Chairman of the Board

OFFICERS

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
Michael Valenti — Assistant Secretary

INVESTMENT ADVISER

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LEGAL COUNSEL

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New York, New York 10004

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