

PROSPECTUS



May 1, 2009

Sequoia Fund, Inc.

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TABLE OF CONTENTS

	PAGE
RISK/RETURN SUMMARY	3
FEES AND EXPENSES OF THE FUND	5
DESCRIPTION OF THE FUND	6
Investment Objective and Strategies	6
Risk Considerations for the Fund	6
Portfolio Holdings	7
MANAGEMENT OF THE FUND	7
Investment Adviser	7
Portfolio Managers	7
PURCHASE AND SALE OF SHARES	7
How the Fund Values its Shares	7
How to Buy Shares	8
How to Redeem Shares	10
Frequent Purchases and Redemptions of Shares	12
Transactions Through Financial Service Organizations ..	12
DIVIDENDS, DISTRIBUTIONS AND TAXES	12
GENERAL INFORMATION	13
FINANCIAL HIGHLIGHTS	14

RISK/RETURN SUMMARY

The following is a summary of certain key information about Sequoia Fund, Inc. (the “Fund”). You will find additional information about the Fund, including a description of the principal risks of an investment in the Fund, after this summary.

Objective: The Fund’s investment objective is long-term growth of capital.

Principal Investment Strategy: The Fund invests primarily in common stocks. The Fund invests in the securities of a limited number of companies, including foreign companies, that it believes have attractive long-term economic prospects relative to their market price. The Fund usually invests cash reserves in U.S. Government securities.

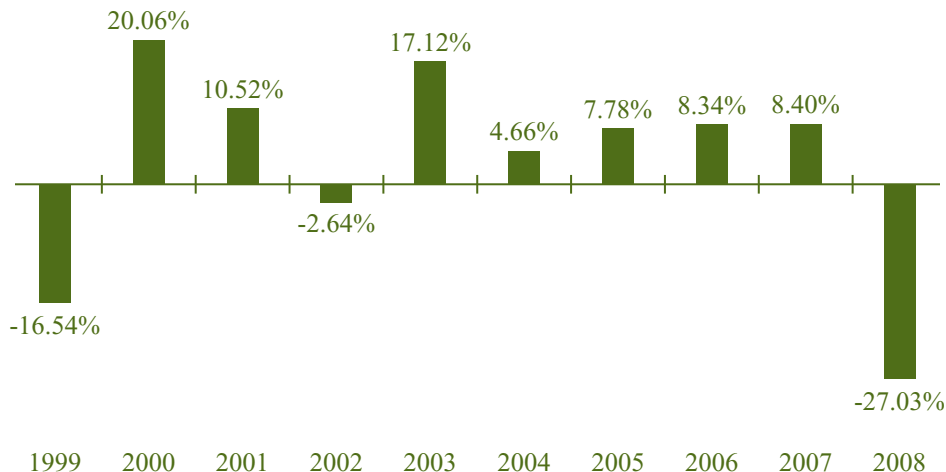
Principal Risks: The principal risks of investing in the Fund are:

- *Market Risk.* This is the risk that the value of the Fund’s investments will fluctuate as the stock markets fluctuate and that prices overall will decline, perhaps severely, over short-term or long-term periods. You may lose money by investing in the Fund.
- *Focused Portfolio Risk.* The Fund is “non-diversified,” meaning that it invests its assets in a smaller number of companies than many other funds. As a result, your investment in the Fund has the risk that changes in the value of a single security may have a significant effect, either negative or positive, on the Fund’s net asset value.
- *Foreign (Non-U.S.) Risk.* This is the risk that the value of the Fund’s investments in securities of foreign issuers will be affected adversely by foreign economic, social and political conditions and developments or by the application of foreign legal, regulatory, accounting and auditing standards or foreign taxation policies or by currency fluctuations and controls. The prices of foreign securities may move in a different direction or be more volatile than the prices of U.S. securities.
- *Currency Risk.* This is the risk that the value of the Fund’s investments in securities of foreign issuers, measured in U.S. Dollars, will increase or decrease as a result of changes in currency exchange rates. The Fund may determine not to hedge its foreign currency exposure. Unhedged currency exposure may result in gains or losses as a result of a change in the relationship between the U.S. Dollar and the respective foreign currency.
- *Risks of Investing in a Managed Fund.* The investment decisions of the investment adviser may cause the Fund to underperform other investments or benchmark indices.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Bar Chart and Performance Information

The bar chart and the table shown below provide an indication of the historical risk of an investment in the Fund by showing changes in the Fund's performance from year to year over a 10-year period and by showing how the Fund's average annual returns for one, five, and ten years compare to the Standard & Poor's 500 Index ("S&P 500 Index"), a broad-based securities market index. The Fund's past performance, of course, does not necessarily indicate how it will perform in the future.



During the period shown in the bar chart, the highest return for a quarter was 13.62% (quarter ending 9/2000) and the lowest return for a quarter was -19.96% (quarter ending 12/2008).

Performance Table

	1 Year	5 Years	10 Years
Sequoia Fund			
Return Before Taxes	-27.03%	-0.67%	2.01%
Return After Taxes on Distributions Only ¹	-27.71%	-1.83%	0.76%
Return After Taxes on Distributions and Redemption of Fund Shares ¹	-16.47%	-0.26%	1.52%
S&P 500 Index²			
(reflects no deduction for fees, expenses or taxes)	-37.00%	-2.19%	-1.38%

¹ After-tax returns are estimates, which are calculated using the highest historical individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an individual investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

² The S&P 500 Index is composed of 500 widely held common stocks.

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) *and Example*

Annual Fund Operating Expenses	
Management Fees	1.00%
Other Expenses	0.04%
Total Annual Fund Operating Expenses	1.04%
Expense Reimbursement*	0.04%
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.

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest \$10,000 in the Fund for the periods indicated and then redeem all your shares at the end of those periods. It also assumes that your investment has a 5% return each year and that the Fund's operating expenses stay the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year*	3 Years	5 Years	10 Years
\$102	\$327	\$570	\$1,267

* The Board of Directors must approve Ruane, Cunniff & Goldfarb's investment advisory agreement each year. These examples assume that Ruane, Cunniff & Goldfarb's agreement to reimburse operating expenses is not extended beyond the first year.

DESCRIPTION OF THE FUND

This section of the Prospectus provides a more complete description of the Fund's investment objective and principal strategies and risks. There can, of course, be no assurance that the Fund will achieve its investment objective.

Investment Objective and Strategies

The Fund's investment objective is long-term growth of capital. In pursuing this objective the Fund focuses principally on common stocks that it believes are undervalued at the time of purchase and have the potential for growth. A guiding principle is the consideration of common stocks as units of ownership of a business and the purchase of them when the price appears low in relation to the value of the total enterprise. No weight is given to technical stock market studies. The balance sheet and earnings history and prospects of each investment are extensively studied to appraise fundamental value.

While the Fund normally invests in U.S. companies, it also may invest in foreign securities. The Fund is not required to be fully invested in common stocks.

Risk Considerations for the Fund

Market Risk - The value of the Fund's investments may change, and possibly decrease, perhaps severely, in response to fluctuations in the stock markets generally.

Focused Portfolio Risk - The Fund is "non-diversified" and invests in the securities of a limited number of issuers. As a result, changes in the market value of a single issuer could cause greater fluctuations in the value of the Fund's shares than would occur in a more diversified fund.

Foreign (Non-U.S.) Risk - This is the risk that the value of the Fund's investments in securities of foreign issuers will be affected adversely by foreign economic, social and political conditions and developments or by the application of foreign legal, regulatory, accounting and auditing standards or taxation policies or by currency fluctuations and controls. The risks to the Fund and, therefore, to your investment in the Fund of investing in foreign securities include expropriation, settlement difficulties, market illiquidity and higher transaction costs. The prices of foreign securities may move in a

different direction than the prices of U.S. securities. In addition, the prices of foreign securities may be more volatile than the prices of U.S. securities.

Currency Risk - This refers to the risk that securities which trade or are denominated in currencies other than the U.S. Dollar may be affected by fluctuations in currency exchange rates. An increase in the strength of the U.S. Dollar relative to a foreign currency will generally cause the U.S. Dollar value of an investment denominated in that currency to decline. Currency risk may be hedged or unhedged. Unhedged currency exposure may result in gains or losses as a result of change in the relationship between the U.S. Dollar and the respective foreign currency.

Risks of a Managed Fund - Performance of individual securities can vary widely. The investment decisions of the Fund's investment adviser may cause the Fund to underperform benchmark indices. The Fund may also underperform other mutual funds with similar investment strategies. The Fund's investment adviser may be incorrect in an assessment of a particular industry or company, or the investment adviser may not buy chosen securities at the lowest possible prices or sell securities at the highest possible prices. As with any mutual fund investment, there can be no guarantee that the Fund will achieve its investment goals.

Other Investment Information - Ordinarily, the Fund's portfolio will be invested primarily in common stocks. However, the Fund is not required to be fully invested in common stocks and, in fact, usually maintains certain cash reserves. Depending upon market conditions, cash reserves may be a significant percentage of the Fund's net assets. The Fund usually invests its cash reserves principally in U.S. Government securities.

Portfolio Turnover Rate - The portfolio turnover rate for the Fund is included in the Financial Highlights section. Normally, the Fund purchases and holds securities for sufficient periods to realize long-term capital appreciation and to qualify for long-term capital gain tax treatment. This means that the Fund's portfolio turnover rate is usually lower than that of many other funds. Portfolio turnover, however, will not be a limiting factor when management deems changes appropriate and the Fund's portfolio turnover in such cases may exceed 50%. A higher rate of portfolio turnover increases brokerage and other expenses and may affect the Fund's returns. A higher portfolio

turnover rate also may result in the realization of net short-term capital gains, which, when distributed, are taxable to the Fund's shareholders.

Portfolio Holdings

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information ("SAI").

MANAGEMENT OF THE FUND

Investment Adviser

The Fund's investment adviser is Ruane, Cunniff & Goldfarb, 767 Fifth Avenue, Suite 4701, New York, New York 10153. Ruane, Cunniff & Goldfarb is registered as an investment adviser with the Securities and Exchange Commission. Ruane, Cunniff & Goldfarb LLC, its wholly-owned subsidiary, is a registered broker-dealer and a member of the New York Stock Exchange, Inc. (the "Exchange").

Ruane, Cunniff & Goldfarb furnishes investment advisory services for the Fund. For these services, the Fund paid Ruane, Cunniff & Goldfarb 1% of the Fund's average daily net assets for the fiscal year ended December 31, 2008. This payment amounted to 0.96% of the Fund's average daily net assets for the fiscal year ended December 31, 2008, after subtracting certain Fund operating expenses that Ruane, Cunniff & Goldfarb reimbursed to the Fund.

A discussion regarding the basis for the Board of Directors approval of the Investment Advisory Contract is available in the Fund's annual report for the fiscal year ending December 31, 2008.

Portfolio Managers

The following individuals serve as portfolio managers for the Fund and are primarily responsible for the day-to-day management of the Fund's portfolio:

- Robert D. Goldfarb, President. Mr. Goldfarb is Chairman and CEO of Ruane, Cunniff & Goldfarb, with which he has been associated for more than 37 years.
- David M. Poppe, Executive Vice President. Mr. Poppe is President and Director of Ruane, Cunniff & Goldfarb, with which he has been associated for more than 10 years.

The Fund's SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Fund.

PURCHASE AND SALE OF SHARES

How the Fund Values Its Shares

The Fund calculates its net asset value ("NAV") at the close of the Exchange (normally 4:00 p.m., Eastern time) each day the Exchange is open for business. Generally this means any weekday exclusive of New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and Good Friday. To calculate NAV, the Fund's assets are valued and totaled, liabilities are subtracted, and the balance, called net assets, is divided by the number of shares outstanding. The Fund values its assets at their current market value determined on the basis of market quotations, or if such quotations are not readily available or are unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Fund's Board of Directors.

When it uses fair value pricing, the Fund may take into account various factors that it deems appropriate, including developments related to the specific security, price and trading comparisons of securities of comparable issuers, the liquidity of the market for the security and current valuations of appropriate surrogates such as ADRs or foreign futures indices. Fair value pricing involves subjective judgments. Accordingly, it is possible that the fair value price determined for a security will differ materially from the price that is realized upon the sale of that security.

The Fund expects to use fair value pricing for securities primarily traded on U.S. exchanges only under limited circumstances, such as the early closing of the exchange on which a security is traded or suspension of trading in the security. The Fund may use fair value pricing more frequently for securities primarily traded in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities at the close of the Exchange. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim.

Subject to its oversight, the Fund's Board of Directors has delegated responsibility for valuing the Fund's assets to Ruane, Cunniff & Goldfarb. Ruane, Cunniff & Goldfarb values the Fund's assets in accordance with the valuation policies and procedures approved by the Board.

Your order for purchase of shares is priced at the next NAV per share calculated after your order is received in good order by the Fund. If you purchase or redeem shares on a day when the Exchange is closed, the NAV will be determined as of the close of business on the next following day that the Exchange is open for trading. The Fund reserves the right to reject any order to purchase shares (including additional investments by existing shareholders).

How to Buy Shares

You may purchase shares of the Fund directly by mail or by wire transfer or indirectly through participating financial intermediaries that have selling arrangements with the Fund. After you have established an account with the Fund directly and made your first purchase, you may make subsequent purchases by mail or telephone or through the Fund's automatic investment plan. The Fund accepts purchase orders for fractional shares. The Fund reserves the right to withdraw the offering of Fund shares at any time, without notice.

Important Note to New Taxable Investors: As of March 31, 2009, the net unrealized appreciation of the Fund's portfolio was approximately 13.2% of the Fund's NAV. If the Fund sells appreciated securities and distributes the profit, the distributed appreciation will be taxable to you either as capital gains or as ordinary income, depending upon how long the Fund held the appreciated securities. You should carefully consider the potential tax effects prior to making an investment in the Fund.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions, including the Fund, to obtain, verify and record information that identifies each person opening an account with the Fund. If you are opening an account with the Fund and do not provide the requested information, the Fund (or its transfer agent) may not be able to open an account for you. If the Fund (or its transfer agent) is unable to verify your identity, or believes that it has identified potentially

criminal activity, the Fund reserves the right to close your account or take such other action it deems reasonable or required by law.

Minimum Initial Investment Amounts

The minimum initial investment amounts required by the Fund are as follows:

Type of Account	Minimum Initial Investment+
Regular	\$5,000
IRA	\$2,500

+ The Fund does not impose minimum investment amounts with respect to subsequent investments.

Purchases By Mail

To make your initial purchase of Fund shares by mail, complete the appropriate account application, make a check payable to "Sequoia Fund, Inc.," and mail the completed account application and check to:

Sequoia Fund, Inc.
c/o DST Systems, Inc.
P.O. Box 219477
Kansas City, MO 64121-9477

If you are sending the check and account application via express delivery, registered or certified mail, please send to:

Sequoia Fund, Inc.
c/o DST Systems, Inc.
430 West 7th Street
Kansas City, MO 64105

Please note that an account cannot be opened without a completed and signed account application.

To make subsequent purchases by mail, make a check payable to "Sequoia Fund, Inc." and mail the check to the above-referenced address that corresponds to the method of delivery. Please include your account number on the check.

Purchases by Wire

To open an account with the Fund and make an initial purchase of Fund shares by wire, call 1-800-686-6884 for details. You must complete the appropriate account application prior to purchasing Fund shares by wire.

To make subsequent purchases by wire, wire your funds using the instructions set forth below. As indicated below, please include the Fund's name and your account number on the wiring instructions.

UMB Bank, N.A.
ABA #101000695
The Sequoia Fund, Inc.
DDA Acct. #9871691772
Ref: (Name and Account Number)

Wired funds must be received by the Fund prior to the close of the Exchange on any day in order to receive the Fund's NAV for that day. Heavy wire traffic over the Federal Reserve System may delay the arrival of purchase orders made by wire.

Additional Purchases by Telephone

You may not make initial purchases of Fund shares by telephone. You may, however, make additional purchases of Fund shares by telephone if you have elected such option on the account application and provided the Fund with the necessary information to complete such purchases. Call 1-800-686-6884 for details. Purchases of Fund shares by telephone will be completed via Automated Clearing House ("ACH"), and the amount of the purchase will be deducted from your bank account. Your account with the Fund will be credited with the additional shares on the trade date, but the dollar amount will not post until it clears the banking system.

Additional Purchases by the Automatic Investment Plan (Via Automated Clearing House)

You may not make initial purchases of Fund shares by ACH. You may, however, make additional purchases of Fund shares by ACH if you have elected the automatic investment plan option on the account application and provided the Fund with the necessary information to complete such purchases. Through the automatic investment plan, you can make fixed, periodic purchases of Fund shares by means of automatic money transfers (ACH transfers) from your bank account. Such purchases are accepted on the 1st day and 15th day of each month. Please allow up to 15 days to establish the automatic investment plan for your Fund account. The Fund may amend or terminate the terms and conditions of the automatic investment plan option at any time,

and will notify you at least 30 days in advance if it does so.

To cancel or modify the automatic investment plan with respect to your Fund account, please make your cancellation or modification request in writing and send the request to:

If by mail:

Sequoia Fund, Inc.
c/o DST Systems, Inc.
P.O. Box 219477
Kansas City, MO 64121-9477

If via express delivery, registered or certified mail:

Sequoia Fund, Inc.
c/o DST Systems, Inc.
430 West 7th Street
Kansas City, MO 64105

Please allow up to three days to cancel or modify the automatic investment plan for your Fund account.

Additional Purchase Information

Orders for the purchase of Fund shares will not be accepted unless they are in "good order." A purchase order is generally in "good order" if an acceptable form of payment accompanies the purchase order and the order includes:

- (i) Your account number;
- (ii) The number of shares to be purchased or the dollar value of the amount to be purchased;
- (iii) Any required signatures of all account owners exactly as they are registered on the account;
- (iv) Any required signature guarantees; and
- (v) Any supporting legal documentation that is required in the case of estates, trusts, corporations or partnerships, and for certain types of other accounts.

Checks must be payable in U.S. dollars and must be drawn on a U.S. bank. Third party checks (i.e., any check which is not made payable to the Fund, DST Systems, Inc. or a retirement account custodian), credit cards, money orders, travelers checks, bearer securities, cashiers checks and cash will not be accepted. You will be charged (minimum of \$2.50) for any check used for the purchase of Fund shares that is

returned unpaid. If you purchased Fund shares by check, you may not receive the proceeds of a subsequent redemption request until there is a reasonable belief that the check has cleared, which may take up to 15 calendar days after the purchase date.

The transfer agent has adopted reasonable procedures to protect against unauthorized transactions made by telephone. Assuming the transfer agent acts properly on telephone instructions and follows such procedures, neither the Fund nor the transfer agent will be responsible for any losses due to transactions authorized by telephone.

Individual Retirement Accounts

You also may purchase shares for an individual retirement account, or IRA, including a Roth IRA. IRA investments are available for regular contributions as well as for qualified rollover contributions of distributions received from certain employer-sponsored pension and profit-sharing plans and from other IRAs. All assets in the IRA are automatically invested in Fund shares, including all dividends and capital gain distributions paid on Fund shares held in the IRA. There is an annual fee of \$12.00 for an IRA account.

Keogh Plans

If you are self-employed, you may purchase Fund shares through a self-employment retirement plan (often referred to as a Keogh or HR-10 plan) covering yourself and your eligible employees.

How to Redeem Shares

You may redeem your shares (i.e., sell your shares to the Fund) on any day the Exchange is open. Your redemption price is the next NAV per share calculated after your order is received by the Fund. There is no redemption charge. Normally, payment for shares redeemed will be made within three days after receipt by the transfer agent of a written request in good order. The Fund has the right to take up to seven days to pay your redemption proceeds, and may postpone payment longer in the event of an emergency as determined by the Securities and Exchange Commission. If you purchased Fund shares by check you may not receive redemption proceeds until there is reasonable belief that the check has cleared, which may take up to 15 days after payment has been received. Wires for direct accounts are subject to a \$10.00 fee.

By Mail

- You may send a written request for redemption to:

Sequoia Fund, Inc.
c/o DST Systems Inc.
P. O. Box 219477
Kansas City, Missouri 64121-9477

- Your request must include your account number and the number of shares to be redeemed or the dollar value of the amount to be redeemed. **If your request involves a redemption amount of \$250,000 or more, please include your telephone number.**
- If you chose to have your shares issued in certificate form, your request must be accompanied by the outstanding certificates representing such shares together with a standard form of stock power signed by the registered owner or owners of such shares.
- If your shares are represented by stock certificates, the signature on the stock power must be guaranteed. A signature guarantee may be obtained from a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution. An acknowledgment by a notary public is not acceptable.

By Telephone

You may make an oral redemption request of \$25,000 or less, which does not require a signature guarantee, unless your address has changed within the 60 days prior to the request. All other redemption requests must have signature guarantees as described above. Certain shareholders, such as corporations, trusts and estates, may be required to submit additional documents.

Payment of Redemption Requests

- **Unless otherwise prohibited by law, the Fund may pay the redemption price to you in cash or in portfolio securities, or partly in cash and partly in portfolio securities.**
- **The Fund has adopted a policy under which the Fund may limit cash payments in connection with redemption requests to \$250,000 during any ninety (90) day period. As a result, the Fund may pay you in securities or partly in securities if the amount of Fund shares that you redeem is more**

than \$250,000.

- It is highly likely that the Fund will pay you in securities or partly in securities if you make a redemption (or series of redemptions) in the amount of \$250,000 or greater.
- When satisfying redemption requests with portfolio securities, the Fund will deliver portfolio securities to you regardless of whether you have a brokerage or bank account into which you can take delivery of the securities.
- If your redemption request involves more than \$250,000 (or if your redemption request together with other redemption requests during any ninety (90) day period equal in the aggregate \$250,000 or more) and you have a brokerage or bank account into which portfolio securities can be delivered, you must provide the Fund with information about the brokerage or bank account, including the name of the broker or bank, their Depository Trust Company (DTC) participant account number and your brokerage or bank account number, and your telephone number at the time of your redemption request.
- If your redemption request involves more than \$250,000 (or if your redemption request together with other redemption requests during any ninety (90) day period equal in the aggregate \$250,000 or more) and you do not have a brokerage or bank account into which the portfolio securities can be delivered, the Fund will determine the value of the portfolio securities to be delivered to you in redemption as of the date of redemption and:
 - If the portfolio securities are certificated, the Fund will send you by registered mail a certificate or certificates representing the securities promptly upon its receipt of the certificate or certificates from the issuer or issuers. The issuer or issuers of the portfolio securities may not send certificates representing the securities to the Fund for a period of days. You may be unable to sell certificated portfolio securities registered in your name until you have received the certificate evidencing the securities; or

- If the portfolio securities are not certificated, the Fund will send you a letter by registered mail confirming that the portfolio securities have been registered in your name by the transfer agent of the issuer.

- As noted above, the Fund may take up to seven days to satisfy a redemption request. To avoid delays in receiving portfolio securities, you should establish a brokerage or bank account into which the securities can be delivered and, as set forth above, provide the Fund with the brokerage or bank account information at the time of your redemption request.
- You should understand that you will incur brokerage and other costs in connection with the sale of any portfolio security that you receive in connection with a redemption request. You should also understand that, as a result of subsequent market volatility, the net proceeds from the ultimate sale of any securities that you receive upon a redemption may vary, either positively or negatively, and perhaps significantly, from the redemption value of your Fund shares. If provided with notice in advance of your chosen redemption date, the Fund's management will assist you to the extent possible to minimize this potential market exposure by providing you in advance with a list of the approximate number and value of the portfolio securities that you will receive.

Automatic Withdrawal Plan

- You may elect a Withdrawal Plan, at no cost, if you own or purchase shares of the Fund valued at \$10,000 or more. Call 1-800-686-6884 for details and to establish a plan.
- Under the Plan, you may designate fixed payment amounts that you will receive monthly or quarterly from a Withdrawal Plan Account consisting of shares of the Fund that you deposit.
- Any cash dividends and capital gains distributions on shares held in a Withdrawal Plan Account are automatically reinvested.
- Sufficient shares will be redeemed at NAV to provide the cash necessary for each withdrawal payment.

- Redemptions for the purpose of withdrawals are made on or about the 15th day of the month at that day's NAV, and checks are mailed promptly thereafter.
- If shares are registered in the name of a trustee or other fiduciary, payment will be made only to the fiduciary.
- As withdrawal payments may include a return of principal, they cannot be considered a guaranteed annuity or actual yield of income to the investor. Continued withdrawals in excess of income will reduce and possibly exhaust invested principal, especially in the event of a market decline. Consult your own financial advisers about whether the Withdrawal Plan is appropriate for you.

Frequent Purchases and Redemptions of Shares

The Fund historically has been less at risk for frequent purchases and redemptions of shares of the Fund by shareholders of the Fund ("market timing") than other mutual funds. In addition, the Fund historically has not experienced significant shareholder turnover. Nonetheless, because market timing activities can be detrimental to the Fund's performance, the Fund, as a policy, discourages market timing and has a policy of monitoring trading of the Fund's shares for frequent purchases and redemptions. Consequently, the Fund has implemented certain surveillance procedures designed to detect and deter market timing. Under these procedures, the Fund's Compliance Officer reviews shareholder transactions for potential market timing activity. The Fund's Compliance Officer also reviews reports issued by omnibus account holders that detail any potential market timing issues. If the Fund's Compliance Officer determines that certain transactions rise to the level of market timing, the accounts in which those transactions have taken place may be immediately "blocked" and future purchases or exchange activity will be restricted or eliminated for such account or accounts for such term as the Compliance Officer shall determine.

Transactions Through Financial Services Organizations

Certain financial organizations such as broker-dealers, banks, and service providers have made arrangements with the Fund so that an investor may purchase or redeem shares through such organizations. In certain situations, the financial organizations may designate

another financial entity to receive purchase and redemption orders on the Fund's behalf. The Fund will be deemed to have received purchase or redemption instructions when a financial organization receives the instructions, provided that the instructions are in good order and have been transmitted in a timely manner. Client orders received prior to the close of the Exchange (currently 4:00 p.m., Eastern time), will be priced at the Fund's NAV next calculated following the close of regular trading on that day. If you are a client of a securities broker or other financial organization such organization may charge a separate transaction fee or a fee for administrative service in connection with investments in Fund shares and may impose different account minimums and other requirements. These fees and requirements would be in addition to those imposed by the Fund. If you are investing through a securities broker or other financial organization, please refer to the organization's program materials for any additional special provisions or conditions that may be different from those described in this Prospectus (for example, some or all of the services and privileges described may not be available to you). Securities brokers and other financial organizations have the responsibility for transmitting purchase orders and funds, and of crediting their clients' accounts following redemptions, in a timely manner in accordance with their client agreements and this Prospectus.

Publications other than those distributed by the Fund may contain comparisons of Fund performance to the performance of various indices and investments for which reliable data is widely available. These publications may also include averages, performance rankings, or other information prepared by Morningstar, Lipper, or other recognized organizations providing mutual fund statistics. The Fund is not responsible for the accuracy of any data published by third party organizations.

DIVIDENDS, DISTRIBUTIONS AND TAXES

Dividends and capital gains distributions, if any, declared by the Fund on its outstanding shares will, at the election of each shareholder, be paid in cash or in additional whole or fractional shares of the Fund. If paid in additional shares, the shares will have an aggregate NAV equal to the cash amount of the dividend or distribution. You may elect to receive dividends and distributions in cash or in shares at the time you order

shares. You may change your election at any time prior to the record date for a particular dividend or distribution by sending a written request to:

Sequoia Fund, Inc.
c/o DST Systems, Inc.
P. O. Box 219477
Kansas City, MO 64121-9477

There is no sales charge or other charge in connection with the reinvestment of dividends and capital gains distributions.

For federal income tax purposes, distributions of net income (including any short-term capital gains) by the Fund are taxable to you as ordinary income. Distributions of long-term capital gains are taxable to you as long-term capital gains. The Fund's distributions also may be subject to state and local taxes.

A portion of the Fund's distributions may be treated as "qualified dividend income," taxable to individuals, trusts, and estates at a maximum federal tax rate of 15% (5% for individuals, trusts, and estates in lower tax brackets). A distribution is treated as qualified dividend income to the extent that the Fund receives dividend income from taxable domestic corporations and certain qualified foreign corporations, provided that holding period and other requirements are met.

The Fund holds portfolio securities longer than most other funds typically hold securities. As a result, unrealized capital gains represent a substantial portion of the value of your investment in the Fund. **As of**

March 31, 2009, the net unrealized appreciation of the Fund's portfolio was approximately 13.2% of the Fund's NAV. If the Fund sells appreciated securities and distributes the profit, the distributed appreciation will be taxable to you either as capital gains or as ordinary income, depending upon how long the Fund held the appreciated securities. You should carefully consider these potential tax effects on your investment in the Fund.

Dividends and distributions are taxable to you whether you receive the amount in cash or reinvest the amount in additional shares of the Fund. In addition, the redemption of Fund shares is a taxable transaction for federal income tax purposes whether paid in cash or in kind. If you buy shares just before the Fund deducts a distribution from its NAV, you will pay the full price for the shares and then receive a portion of the price back as a taxable distribution.

Each year shortly after December 31, the Fund will send you tax information stating the amount and type of all its distributions for the year. You should consult your tax adviser about the federal, state and local tax consequences of an investment in the Fund in your particular situation.

GENERAL INFORMATION

You may obtain copies of the Fund's most recent prospectus, SAI, annual and semi-annual reports and account applications by visiting the Fund's website at <http://www.sequoiafund.com>.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance for the past five years. Certain information reflects financial results for a single share of the Fund. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). Information for the fiscal years ended 2008 and 2007 was audited by Briggs, Bunting & Dougherty, LLP, independent registered public accounting firm for the Fund, whose report, along with the Fund's financial statements, is included in the Fund's Annual Report, which is available upon request. Information for the fiscal years ended prior to 2007 was audited by the Fund's previous independent registered public accounting firm.

	Year Ended December 31,				
	2008	2007	2006	2005	2004
Per Share Operating Performance					
(for a share outstanding throughout each year):					
Net asset value, beginning of year	\$ 139.12	\$ 152.75	\$ 155.45	\$ 154.27	\$147.61
<i>Income from investment operations:</i>					
Net investment income (loss)	0.40	0.46	(0.70)	(0.75)	(0.58)
Net realized and unrealized gains (losses) on investments	(37.11)	13.48	13.60	12.57	7.45
Total from investment operations	(36.71)	13.94	12.90	11.82	6.87
<i>Less distributions:</i>					
Dividends from net investment income	(0.42)	(0.45)	(0.00)	(0.00)	(0.00)
Distributions from net realized gains	(6.72)	(27.12)	(15.60)	(10.64)	(0.21)
Total distributions	(7.14)	(27.57)	(15.60)	(10.64)	(0.21)
Net asset value, end of year	<u>\$ 95.27</u>	<u>\$ 139.12</u>	<u>\$ 152.75</u>	<u>\$ 155.45</u>	<u>\$154.27</u>
<i>Total return</i>	(27.03)%	8.40%	8.34%	7.78%	4.66%
<i>Ratios/Supplemental data:</i>					
Net assets, end of year (in millions)	\$2,486.2	\$3,513.5	\$3,599.8	\$3,573.3	\$3,772.4
Ratio to average net assets:					
Expenses*	1.0%	1.0%	1.0%	1.0%	1.0%
Net investment income (loss)	0.3%	0.3%	(0.5)%	(0.5)%	(0.4)%
Portfolio turnover rate	12%	13%	14%	8%	6%

*The ratios of expenses to average net assets were not affected by the expense reimbursement by the Fund's investment adviser.

For more information about the Fund, the following documents are available upon request:

Annual/Semi-Annual Reports to Shareholders

The Fund's annual and semi-annual reports to shareholders contain additional information on the Fund's investments. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. The Fund's current annual/semi-annual and quarterly reports are available on the Fund's website: <http://www.sequoiafund.com>.

Statement of Additional Information (SAI)

The Fund has an SAI, which contains more detailed information about the Fund's operations and investment policies and procedures, including the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings. The Fund's SAI is incorporated by reference into (and is legally part of) this Prospectus. The Fund's SAI is available on the Fund's website: <http://www.sequoiafund.com>.

You may request a free copy of the current annual/semi-annual report or the SAI or make shareholder inquiries, by contacting your broker or other financial intermediary, or by contacting the Fund:

By mail: Sequoia Fund, Inc.
767 Fifth Avenue
New York, N.Y. 10153

By phone: (800) 686-6884

Or you may view or obtain these documents from the Securities and Exchange Commission ("Commission"):

- Call the Commission at 1-202-551-8090 for information on the operation of the Public Reference Room.
- Reports and other information about the Fund are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov>.
- Copies of the documents may be obtained, after paying a duplicating fee, by electronic request to publicinfo@sec.gov, or by writing to the Commission's Public Reference Section, 100 F Street, N.E., Washington, DC 20549.

PRIVACY NOTICE
(This Notice is not part of the Prospectus)

To the Clients of Ruane, Cunniff & Goldfarb Inc., Ruane, Cunniff and Goldfarb LLC and Shareholders of Sequoia Fund, Inc.

Ruane, Cunniff & Goldfarb Inc., Ruane, Cunniff & Goldfarb LLC and Sequoia Fund, Inc. ("We") do not disclose nonpublic personal information about our clients (or former clients) or shareholders (or former shareholders) ("You") to third parties except as described below.

We collect information about you (such as your name, address, social security number, assets and income) from our discussions with you, from documents that you may deliver to us and in the course of providing advisory services to you. We may use this information to open an account for you, to process a transaction for your account or otherwise in furtherance of our business. In order to service your account and effect your transactions, we may provide your personal information to firms that assist us in servicing your account and have a need for such information, such as a broker. We may also disclose such information to service providers that agree to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. We do not otherwise provide nonpublic personal information about you to outside firms, organizations or individuals except to our attorneys, accountants and auditors and as permitted by law.

We restrict access to nonpublic personal information about you to our employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.

Sequoia Fund, Inc.



PROSPECTUS

May 1, 2009