



**Ruane,
Cunniff &
Goldfarb**

October 3, 2018

Dear Sequoia Shareholders and Clients:

For the third quarter of 2018, Sequoia Fund generated a total return of 4.01%¹, net of fees, versus a 7.71% return for the Standard & Poor's 500 Index. The Fund generated an 11.45% total return year-to-date through September 30, 2018 versus a 10.56% return for the Index.

There was limited activity in the portfolio this quarter. We trimmed the Fund's stakes in Amazon, Constellation Software, MasterCard, Rolls-Royce and TJX. We added slightly to our position in Facebook. At the end of the quarter, we initiated a new position for the Fund that we will disclose after our purchases are complete.

We are sad to report that David Poppe, our valued partner, has decided to retire from Ruane Cunniff at the end of this year. It is hard to overstate the contribution he has made to our Firm over nearly twenty years, first as an analyst, then as our President and later CEO, and more recently as a member of our Management and Investment Committees.

David is ready for the next phase of his life and we wish him happiness and success in the years ahead. We will miss his leadership, which helped guide us through difficult times, and his penetrating insight as a business analyst, which has contributed immensely to our investment process over the years. David and his family will remain our clients after he leaves, but much more importantly, they will remain great friends of our Firm and our team. We often say that we are as much a family as a firm, and the Poppes will always be part of our family.

With David's departure, the size of our Investment Committee will shrink from six people to five, and from five voting members to four. The size of the Firm's Management Committee will

¹ *The performance data for the Fund represents past performance and assumes reinvestment of dividends. Past performance does not guarantee future results. 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 Fund's 1-year, 5-year and 10-year average annual total returns through September 30, 2018 were 17.66%, 6.26% and 9.22%, respectively. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end can be obtained by calling DST Systems, Inc. at (800) 686-6884.*

increase from three to five people, with Arman, Trevor and Chase joining Greg and John. As a result, while this may not always be the case, for the foreseeable future, our Investment and Management Committees will look exactly the same.

We often note how Bill Ruane used to say that the title on his business card read “analyst” instead of “founder” or “CEO”. His point was to emphasize the fact that a commitment to fundamental company research is the core of who we are as a Firm, and we know Bill would have been proud of the way that David cultivated that ethos over the course of his career. Gathering the facts required to truly understand a business is painstaking and often unglamorous work. Few people relish it, fewer still have the talent to synthesize the facts they gather into useful insights, and fewer still have the emotional makeup required to turn useful insights into rational and ultimately remunerative judgments. David is the whole package, and we are thankful for the way in which both his leadership and his example have helped Ruane Cunniff remain a unique sanctuary for people who think about an investment as a long-term ownership interest in a business, who are humble about what can be known and what can’t, who treat others with kindness and respect, and who love to learn.

We are also grateful for the central role he has played in the process of generational transition and renewal we have undertaken over the past two years. Both our investment and business teams have never been deeper, stronger, more energized or more replete with opportunities for growth and development, and based on the quality, growth potential and valuation of the companies in our portfolio, we remain as confident as ever in the Fund’s potential to outperform over time.

None of these accomplishments would have been possible without David. He is proud of the fact that he leaves Ruane Cunniff in better form than he found it, and he is grateful to our clients and employees for their support, partnership and friendship over the years, just as we are so deeply grateful to him.

Sincerely,

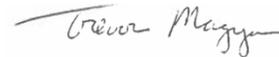
The Ruane, Cunniff & Goldfarb Investment Committee



Arman Gokgol-Kline



John B. Harris



Trevor Magyar



David M. Poppe



D. Chase Sheridan

Disclosures

Please consider the investment objectives, risks and charges and expenses of Sequoia Fund Inc. (the "Fund") carefully before investing. The Fund's prospectus contains this and other information about the Fund. You may obtain a copy of the prospectus at www.sequoiafund.com or by calling 1-800-686-6884. Please read the prospectus carefully before investing. Shares of the Fund are offered through the Fund's distributor, Ruane, Cunniff & Goldfarb LLC. Ruane, Cunniff & Goldfarb LLC is an affiliate of Ruane, Cunniff & Goldfarb LP and is a member of FINRA.

| Sequoia Fund, Inc. – September 30, 2018 | |
|--|-------|
| Top Ten Holdings* | |
| Alphabet, Inc. | 11.6% |
| Berkshire Hathaway, Inc. | 9.1% |
| CarMax, Inc. | 7.4% |
| MasterCard, Inc. | 5.8% |
| Constellation Software, Inc. | 4.7% |
| Amazon, Inc. | 4.5% |
| Credit Acceptance Corp | 4.1% |
| Rolls-Royce Holdings plc | 3.9% |
| Liberty Media Corp. | 3.8% |
| Jacobs Engineering Group | 3.7% |

* The Fund's holdings are subject to change and are not recommendations to buy or sell any security. The percentages are of total assets.

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. Shares of the Fund may be offered only to persons in the United States and by way of a prospectus. Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

| | |
|--------------------------------------|---------|
| Management Fees | 1.00% |
| Other Expenses | 0.07% |
| Total Annual Fund Operating Expenses | 1.07%** |

** Does not reflect Ruane, Cunniff & Goldfarb LP'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. For the year ended December 31, 2017, the Fund's annual operating expenses and investment advisory fee, net of such reimbursement, were 1.00% and 0.93%, respectively.

The Fund is non-diversified, meaning that it invests its assets in a smaller number of companies than many other funds. As a result, an 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 per share. The S&P 500 Index is an unmanaged index of 500 stocks, which is representative of the U.S. stock market in general. The Index does not incur expenses and is not available for investment.