

WIFI Information:  
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Password: NYT!me\$1851

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on the event here:





**INVESTOR DAY 2024**

MAY 16, 2024

45 Rockefeller Plaza, 34<sup>th</sup> Floor  
New York, NY 10111  
(212) 832-5280 | [www.ruanecunniff.com](http://www.ruanecunniff.com)

# AGENDA

Welcome

Performance

Portfolio

Organization

Company Presentations

Q&A

# DISCLOSURES

*Please consider the investment objectives, risks and charges and expenses of Sequoia Fund, Inc. (the "Fund") carefully before investing. The Fund's prospectus and summary prospectus contain this and other information about the Fund and are available at [www.sequoiafund.com](http://www.sequoiafund.com) or by calling 1-800-686-6884. Please read the prospectus and summary prospectus carefully before investing. Shares of the Fund are offered through the Fund's distributor, Foreside Financial Services, LLC, member FINRA. Foreside Financial Services, LLC is not affiliated with Ruane Cunniff LP.*

*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.*

*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. Sequoia's 1-year, 5-year and 10-year average annual total returns through May 15, 2024 were 34.61%, 10.88% and 8.03%, 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 SS&C GIDS, Inc. at (800) 686-6884.*

*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 capitalization-weighted index of the common stocks of 500 major U.S. corporations. The S&P 500 Equal Weight Index is the equal-weight version of the widely-used S&P 500. These indices do not incur expenses. It is not possible to invest directly in these Indices.*

# DISCLOSURES (CONTINUED)

*Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):*

|  |                |
|--|----------------|
| <i>Management Fees</i>                             | <i>1.00%</i>   |
| <i>Other Expenses</i>                              | <i>0.11%</i>   |
| <i>Total Annual Fund Operating Expenses</i>        | <i>1.11%</i>   |
| <i>Expense Reimbursement by Investment Advisor</i> | <i>(0.11)%</i> |
| <i>Net Annual Fund Operating Expenses</i>          | <i>1.00%</i>   |

*\*It is the intention of Ruane Cunniff LP (the "Adviser") to ensure the Fund does not pay in excess of 1.00% in Net Annual Fund Operating Expenses. This expense reimbursement obligation is a provision of the Adviser's investment advisory contract with the Fund and the reimbursement obligation will be in effect only so long as that investment advisory contract is in effect. For the year ended December 31, 2023, the Fund's annual operating expenses and investment advisory fee, net of the reimbursement, were 1.00% and 0.89%, respectively.*

# DISCLOSURES (CONTINUED)

*Average Annual Total Returns, where noted, reflect the compound annual return of Sequoia Fund net of all fees over the specified time period.*

*Total stock return figures, where noted, are taken from Bloomberg and reflect the calculation of total return for a security over a specified period of time assuming dividends are reinvested. It does not represent the performance results of the security in the Fund and does not reflect the deduction of fees and expenses that investors in the Fund are subject to. Total stock return does not reflect any purchases or sales that may have occurred in the Fund during the specified period and is not intended to imply that the performance of the security in the Fund will be comparable.*

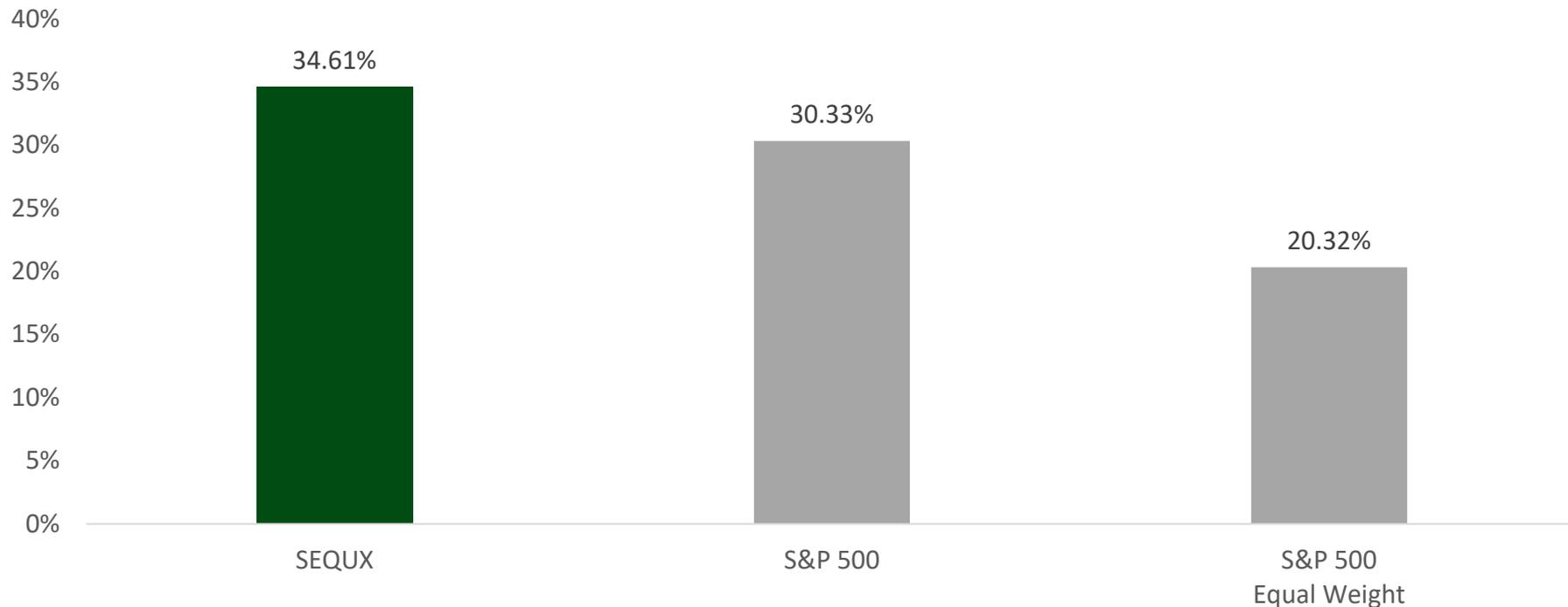
*Portfolio Concentration is calculated as a percentage of fiscal year-end total net assets. Prior to 1978, Sequoia Fund's fiscal year-end was May 31. The 2024 data point is as of May 15.*

*Portfolio turnover is computed by taking the lesser of purchases and sales (excluding all securities of maturities of less than one year) and dividing by average monthly net assets. Averages are through 2023.*

*Average annual cash through 2016 is an average of quarter-end cash balances. Beginning in 2017, annual average cash is based on daily cash balances. Includes cash and cash equivalents.*

# PERFORMANCE

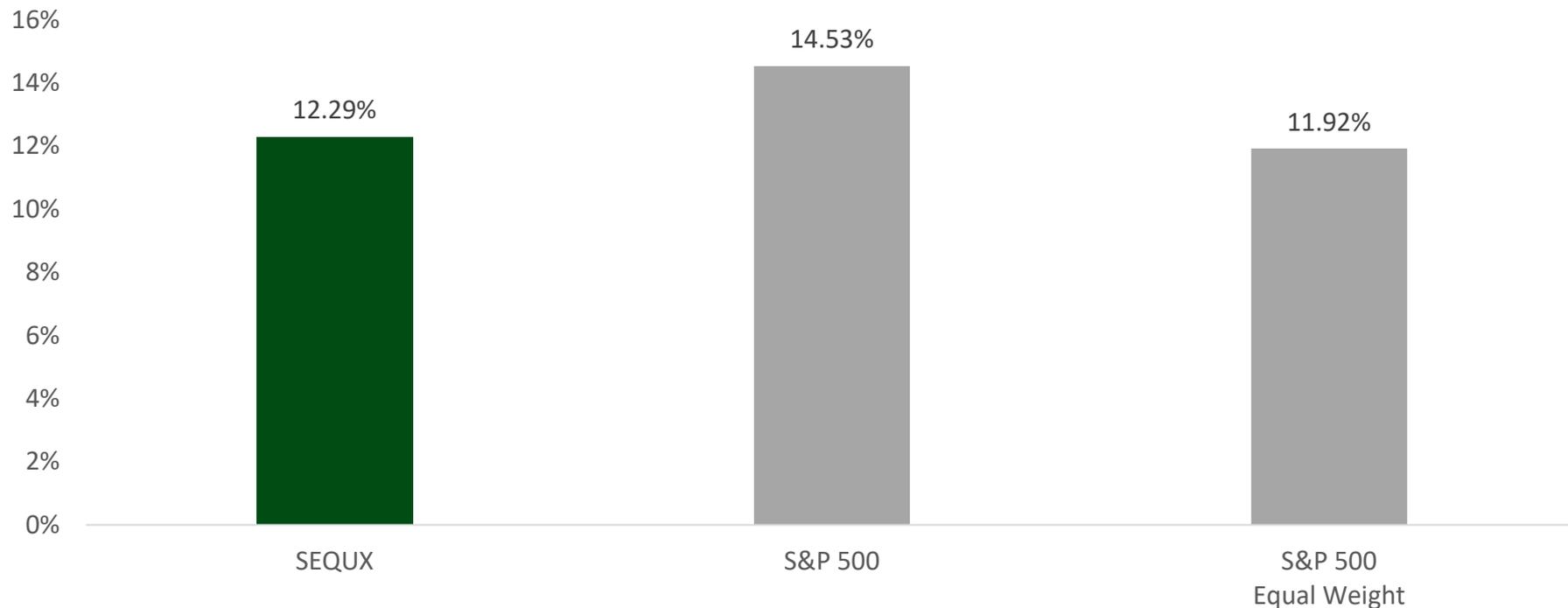
Last 12 Months to May 15, 2024



*See Disclosures on slides i-iii. Past performance does not guarantee future results.*

# PERFORMANCE

June 30, 2016<sup>†</sup> to May 15, 2024 (Annualized)

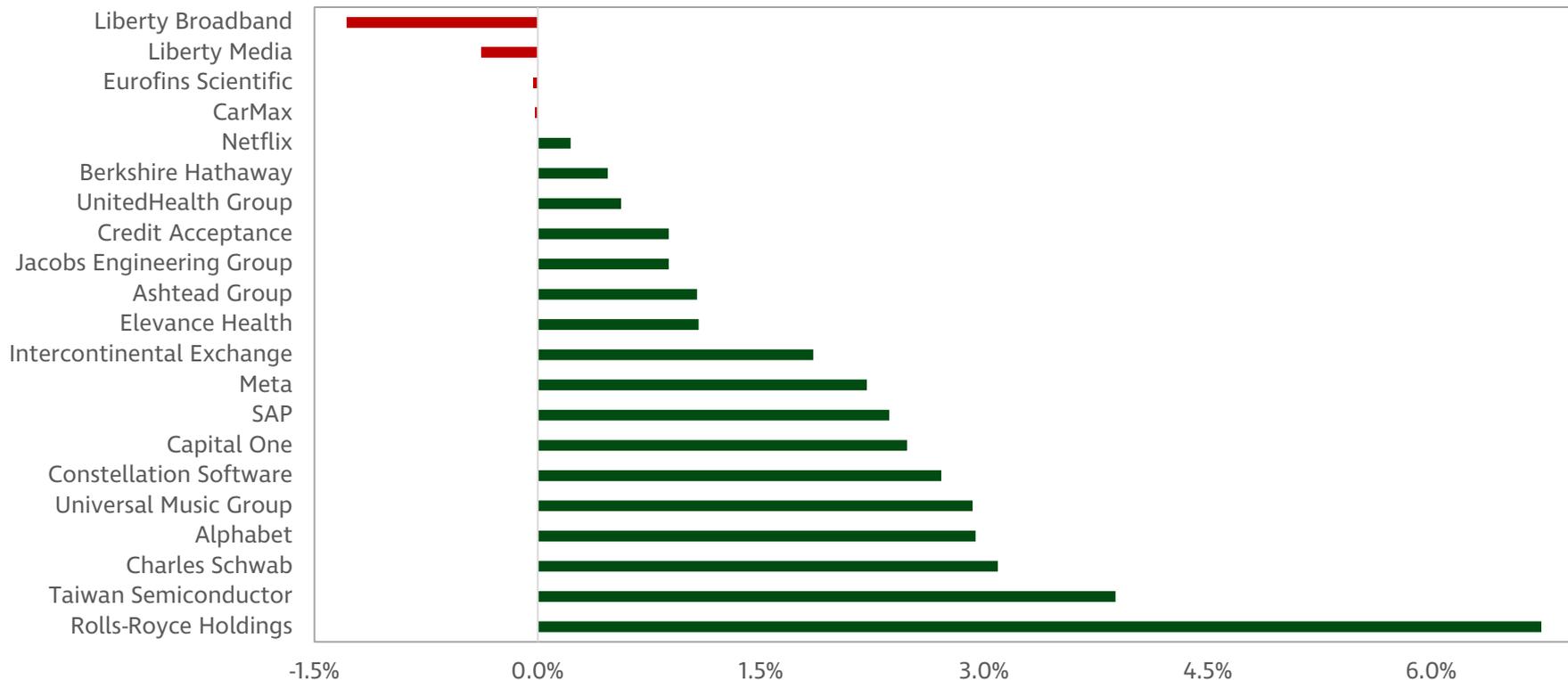


*See Disclosures on slides i-iii. Past performance does not guarantee future results.*

*<sup>†</sup>Performance measured from June 30, 2016, the start of the first full quarter the Investment Committee began managing the Fund.*

# PERFORMANCE: CONTRIBUTION

Last 12 Months to May 15, 2024



# PORTFOLIO ADDS AND EXITS

Last 12 Months to May 15, 2024

| New Purchases | Δ Portfolio Weight |
|---------------|--------------------|
| Ashtead       | 3.2%               |

| Full Sales | Δ Portfolio Weight |
|------------|--------------------|
| Netflix    | -2.7%              |

# PORTFOLIO: TOP 10 HOLDINGS

As of May 15, 2024

| Investment                            | Portfolio Weight | Years Invested |
|---------------------------------------|------------------|----------------|
| Rolls-Royce Holdings PLC              | 7.7%             | 16.8           |
| Intercontinental Exchange, Inc.       | 7.0%             | 3.8            |
| Alphabet, Inc.                        | 6.9%             | 13.9           |
| Charles Schwab Corp.                  | 6.8%             | 8.0            |
| Constellation Software, Inc.          | 6.4%             | 9.8            |
| Taiwan Semiconductor Mfg.             | 6.0%             | 4.6            |
| Liberty Media Corp. – Formula One     | 5.6%             | 7.5            |
| UnitedHealth Group, Inc.              | 5.6%             | 4.5            |
| Universal Music Group NV              | 5.4%             | 2.6            |
| Elevance Health, Inc.                 | 5.2%             | 3.2            |
| <b>Total / Average Holding Period</b> | <b>62.6%</b>     | <b>7.5</b>     |

# PORTFOLIO CHARACTERISTICS TODAY†

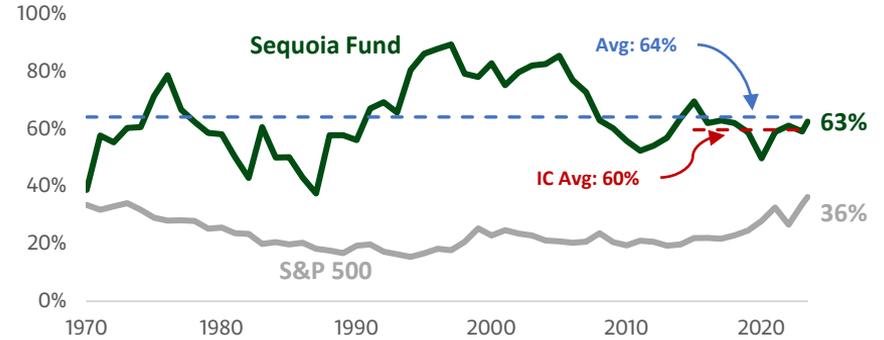
## Portfolio Valuation\*

**19.7x**  
SEQUOIA FUND

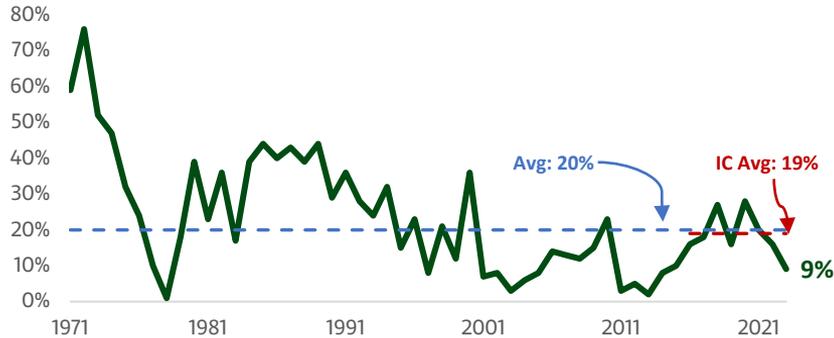
**21.8x**  
S&P 500

\*Non-GAAP. Price-to-earnings ratios are based on internal earnings estimates updated based on the most recently released quarter-end results when possible and closing prices as of 5/15/2024.

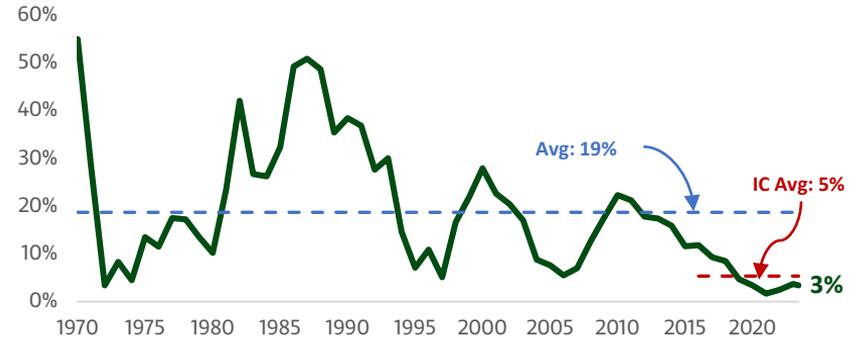
## Portfolio Concentration – Weight of Top 10



## Portfolio Turnover



## Cash Allocation



†See Disclosures on slides i-iii.

# FIRM UPDATE

|                                 |                     |
|---------------------------------|---------------------|
| <b>ASSETS UNDER MANAGEMENT*</b> | <b>\$16 BILLION</b> |
| <b>TEAM MEMBERS</b>             | <b>60</b>           |
| INVESTMENT PROFESSIONALS        | 27                  |
| NEW INVESTMENT HIRES            | 2                   |
| BUSINESS PROFESSIONALS          | 33                  |

*\*Ruane Cunniff LP and related parties. Estimated as of 5/15/2024.*



**Ruane  
Cunniff**

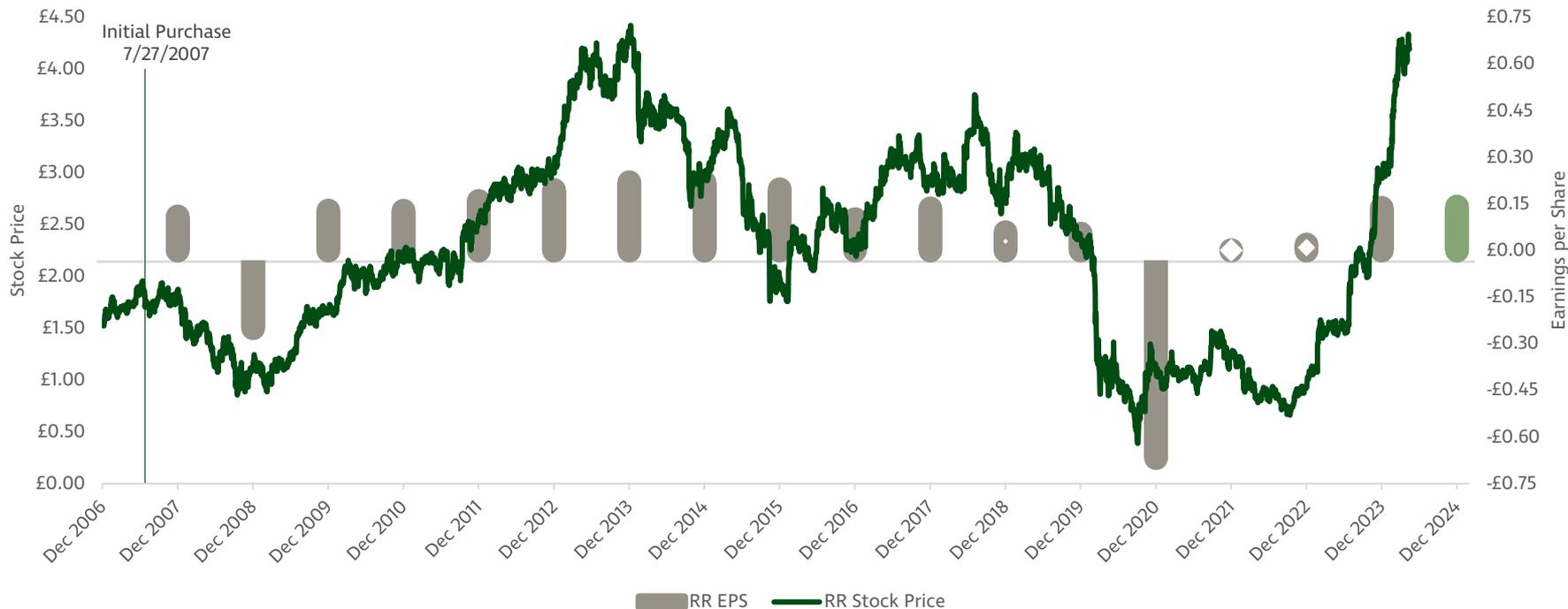


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**ARMAN GOKGOL-KLINE**

# ROLLS-ROYCE HOLDINGS

## SEQUOIA FUND INVESTMENT



**Curr Portfolio Wgt:** 7.7%

**RR Stock TR (Ann.):** 4.3%

**S&P 500 TR (Ann.):** 10.2%

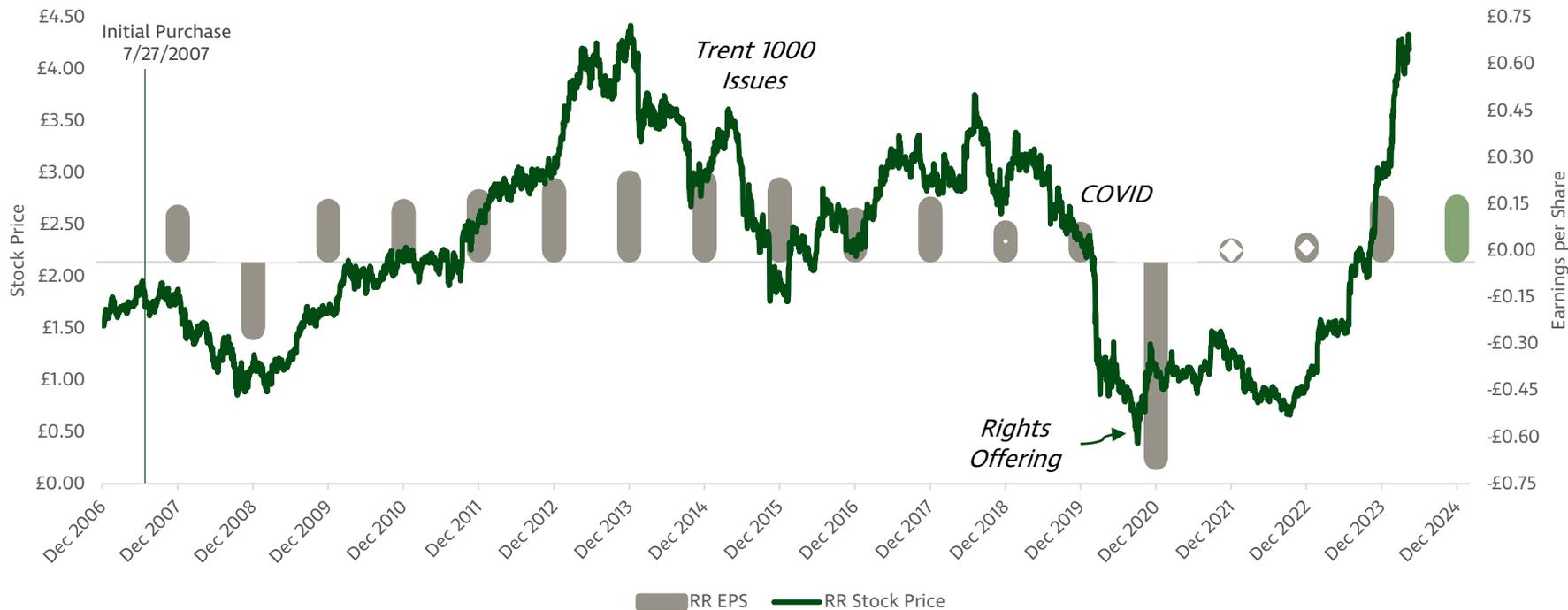
# KEY QUESTIONS



1. Given the bumpy road over the past 10 years, how do we remain comfortable owning Rolls-Royce?
2. Tufan Erginbilgic has done a good job of getting Rolls-Royce back on track. Do you worry about key-man risk?

# ROLLS-ROYCE HOLDINGS

## SEQUOIA FUND INVESTMENT



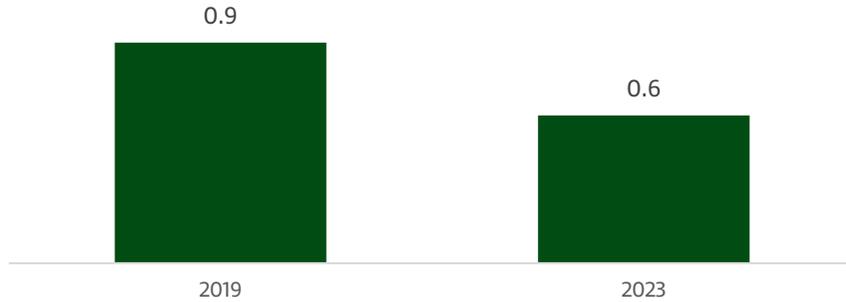
Curr Portfolio Wgt: 7.7%

RR Stock TR (Ann.): 4.3%

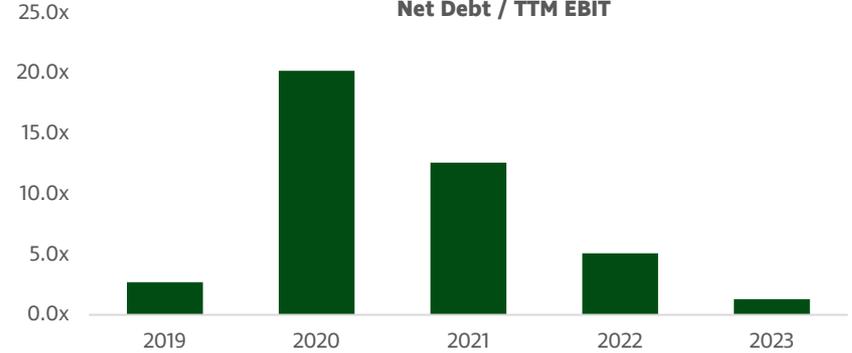
S&P 500 TR (Ann.): 10.2%

# BUSINESS FUNDAMENTALS VASTLY IMPROVED

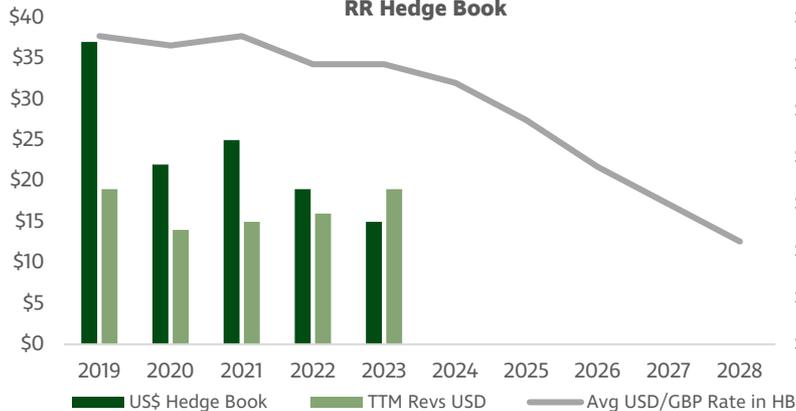
Total Cash Costs / Gross Margin



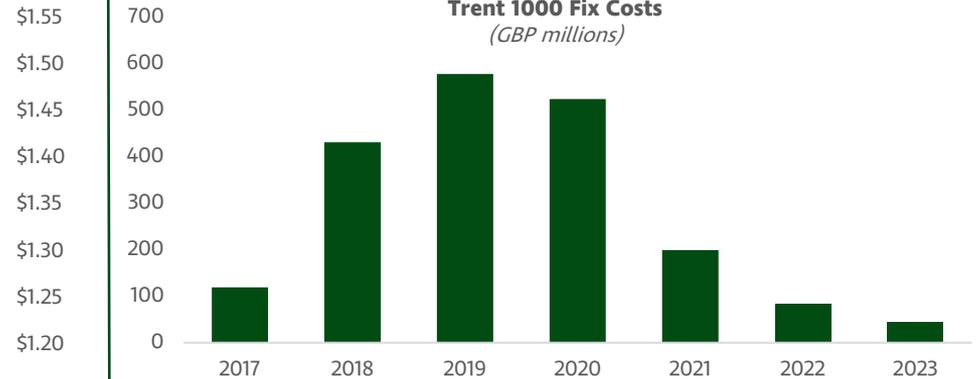
Net Debt / TTM EBIT



RR Hedge Book



Trent 1000 Fix Costs  
(GBP millions)



# KEY QUESTIONS



1. Given the bumpy road over the past 10 years, how do we remain comfortable owning Rolls-Royce?
2. Tufan Erginbilgic has done a good job of getting Rolls-Royce back on track. Do you worry about key-man risk?

# Alphabet

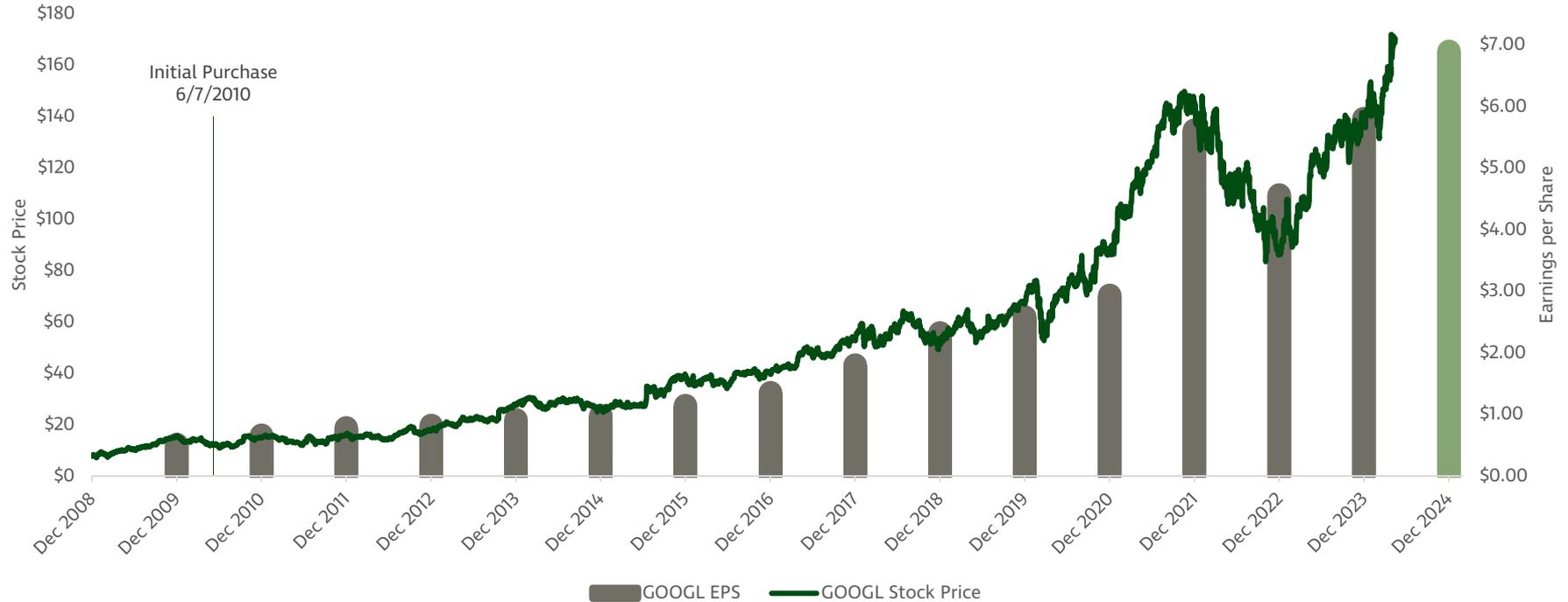
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**WILL PAN & LAYTON OSGOOD**

# ALPHABET

## SEQUOIA FUND INVESTMENT

Alphabet



**Curr Portfolio Wgt:** 6.9%

**GOOGL Stock TR (Ann.):** 21.0%

**S&P 500 TR (Ann.):** 14.5%

# KEY QUESTIONS

Alphabet

1. Is Generative AI a threat to Alphabet's dominance?
2. Does Alphabet's business possess the fitness to navigate this paradigm shift?

# GENERATIVE AI IS A POWERFUL TOOL



You

Act like a coach  
of the 5 best  
junior in high school  
1400 SAT score  
a member of the  
with local connections  
acceptance

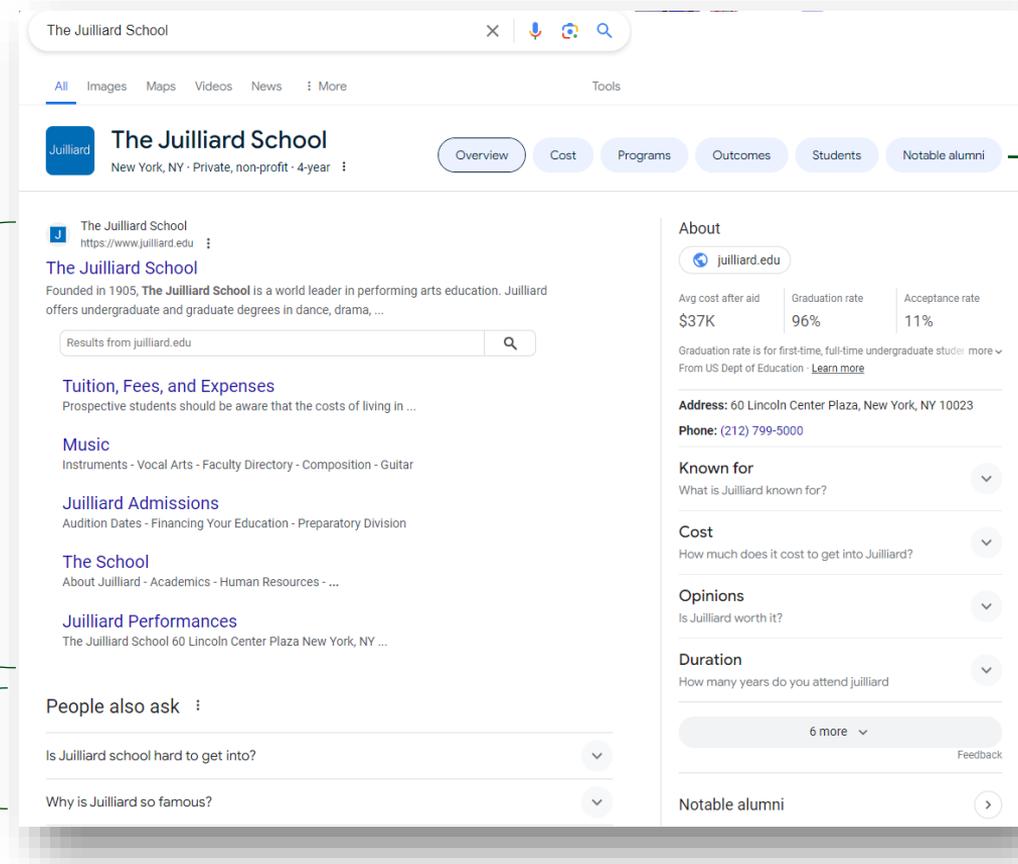


**ChatGPT**

Sure, here's a list of five excellent schools that would be great options for your daughter based on her academic achievements and extracurricular involvement:

| School Name               | Location         | Enrollment Size | Tuition Costs (per year)                      | Acceptance Rate | Application Deadline |
|---------------------------|------------------|-----------------|---|-----------------|----------------------|
| Juilliard School          | New York, NY     | 800             | \$47,370                                      | 7%              | December 1           |
| Curtis Institute of Music | Philadelphia, PA | 175             | Full Scholarship                              | 4%              | October 1            |
| Yale University           | New Haven, CT    | 13,000          | \$57,700                                      | 6%              | January 2            |
| Northwestern University   | Evanston, IL     | 22,000          | \$56,691                                      | 8%              | January 1            |
| University of Michigan    | Ann Arbor, MI    | 48,000          | \$15,948 (in-state) / \$52,266 (out-of-state) | 23%             | February 1           |

# GOOGLE SEARCH PROVIDES ANSWERS TOO



Standard Links

Suggested Questions

Tabbed Browsing

Dynamic Knowledge Box

# GOOGLE MONETIZES SEARCH

What is the best sunscreen? ✕ 🔍

[All](#) [Shopping](#) [Images](#) [Forums](#) [Videos](#) [More](#)

**Sponsored** :

|   |  |   |   |   |   |  |   |
|---|--|---|---|---|---|--|---|
|  <p>30% OFF</p> <p>Pheltyl Day Lotion SPF 15...</p> <p><b>\$128.00</b></p> <p>Erno Laszlo</p> <p>\$89.60 with c...</p> <p>3 fl oz · SPF 15 · Day · Pheltyl</p> |  <p>PLAY Everyday Lotion SPF 50...</p> <p><b>\$68.00</b></p> <p>Supergoop!</p> <p>★★★★★ (6k+)</p> <p>"Doesn't leave residue" · "Easy T...</p> |  <p>Sunscreen Spray SPF 50,...</p> <p><b>\$8.99</b></p> <p>Sun Bum</p> <p>★★★★★ (156)</p> <p>6 ounce · Spray · SPF 50 · Cruelty...</p> |  <p>30% OFF</p> <p>Firmarine Moisturizer...</p> <p><b>\$128.00</b></p> <p>Erno Laszlo</p> <p>\$89.60 with c...</p> <p>"Feels nice on skin" · "Absorbs...</p> |  <p>Unseen Sunscreen SP...</p> <p><b>\$48.00</b></p> <p>Supergoop!</p> <p>★★★★★ (9k+)</p> <p>"Doesn't leave residue" · "Good...</p> |  <p>Plumscreen Broad...</p> <p><b>\$78.00</b></p> <p>Le Prunier</p> <p>★★★★★ (764)</p> <p>"Good texture" · "Doesn't leave...</p> |  <p>Bio-Shield SPF 40 - 360*...</p> <p><b>\$126.50</b></p> <p>Young Goose</p> <p>🛒 Get by 5/23</p> <p>Lotion · SPF 40</p> |  <p>La Mer The Broad...</p> <p><b>\$115.00</b></p> <p>La Mer</p> <p>★★★★★ (696)</p> <p>"Good sun protection" · ...</p> |
|---|--|---|---|---|---|--|---|

The American Academy of Dermatology Association recommends your sunscreen be **SPF 30 or higher**. It also recommends you look for sunscreen that has broad-spectrum protection (it protects against UVA and UVB rays) and make sure it's water-resistant. 4 days ago



**Sunscreen** :

Sunscreen, also known as sunblock or sun cream, is a photoprotective topical product for the skin that helps protect against sunburn and prevent skin cancer. Sunscreens come as lotions, sprays, gels, foams, sticks, powders and other topical products. [Wikipedia](#)

**Sunscreen Book**

|   |   |   |  |
|---|---|---|--|
|  <p>Wear</p> |  <p>Clinical</p> |  <p>Simple</p> |  <p>Sun</p> |
|---|---|---|--|

Ad Carousel

Featured Snippet

Suggested Questions

Knowledge Box

Traditional Results

# GOOGLE INTEGRATING AI IN SEARCH

AI Helping  
To Refine the  
Question

Google What is the best sunscreen? X Voice Assistant Search

All Shopping Images Forums Videos More Tools

AI Overview Learn more

When choosing a sunscreen, you can consider how you plan on using it most.

For Face For Dark Skin For Sensitive Skin Spray For Oil

Here are some popular options. You can compare their consistency, SPF, and finish.

Overview Consistency Skin Type SPF Packaging Finish



Good for sensitive skin

Banana Boat Light As Air...

4.6 ★ (165)

Amazon.com, + more

\$18.98 \$20

This lotion provides broad-spectrum UVA/UVB protection with SPF 50, and is water-resistant. Reviews say it's lightweight, absorbs well, and is good for sensitive skin.



Good for oily skin

EltaMD UV Clear Broad...

This lightweight, oil-free sunscreen is ideal for sensitive or acne-prone skin, with niacinamide to soothe and calm.

18 Best Natural and Organic Sunscreens of 2024

The Best Sunscreen for Surfers: 13 Best Options for 2024

goodh...

ericeir...

Tabbed  
Ad Browsing

Ad Carousel &  
Traditional  
Results

# ALPHABET'S ECOSYSTEM



**Search**



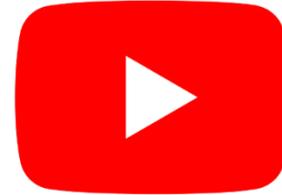
**Gmail**



**Android**



**Chrome**



**YouTube**



**Play Store**



**Drive**



**Calendar**



**Photos**



**Assistant**



**Lens**



**Maps**



**Ads**



**Home**



**Workspace**



**AdSense**



**Cloud**



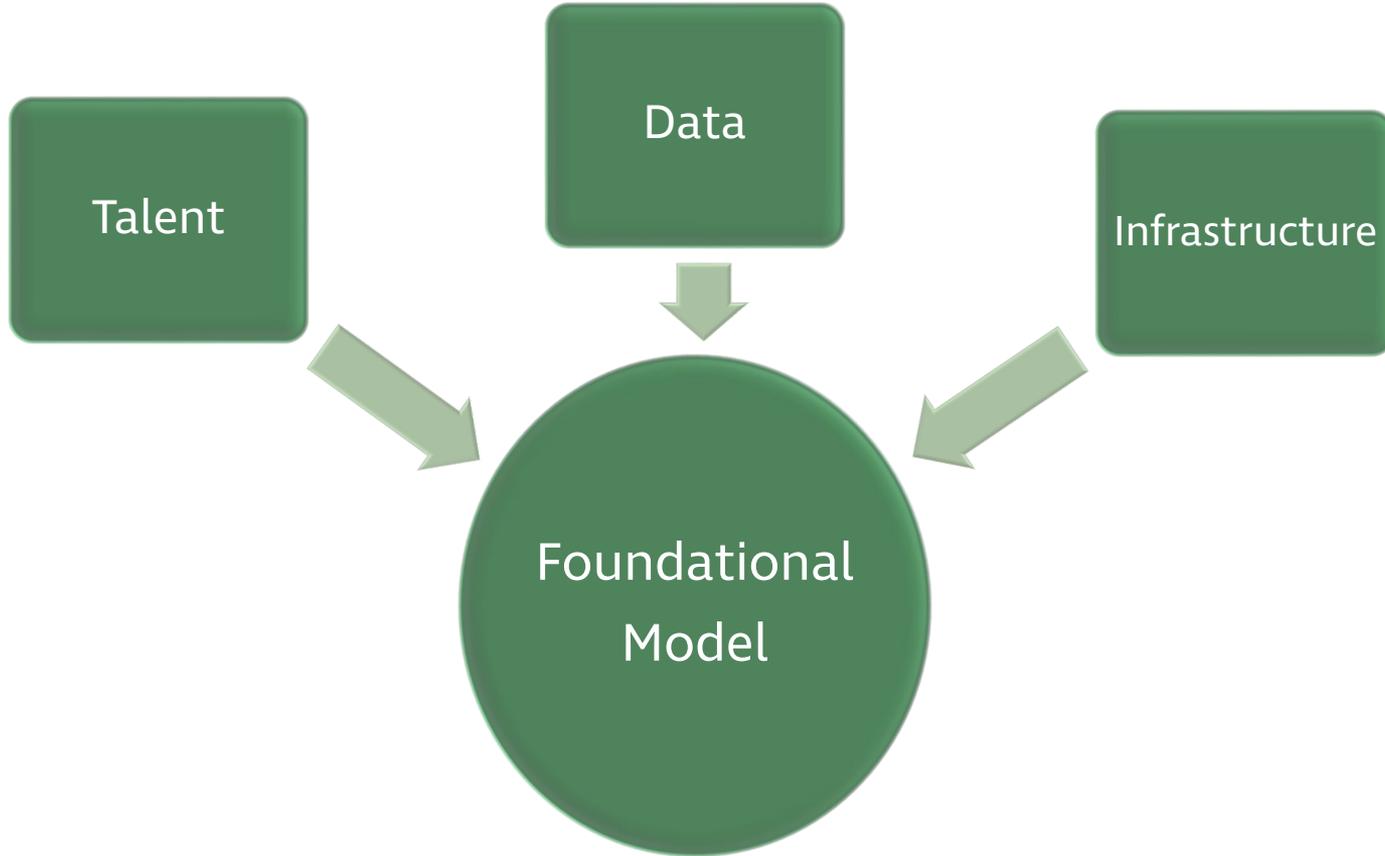
**Waze**

# KEY QUESTIONS

Alphabet

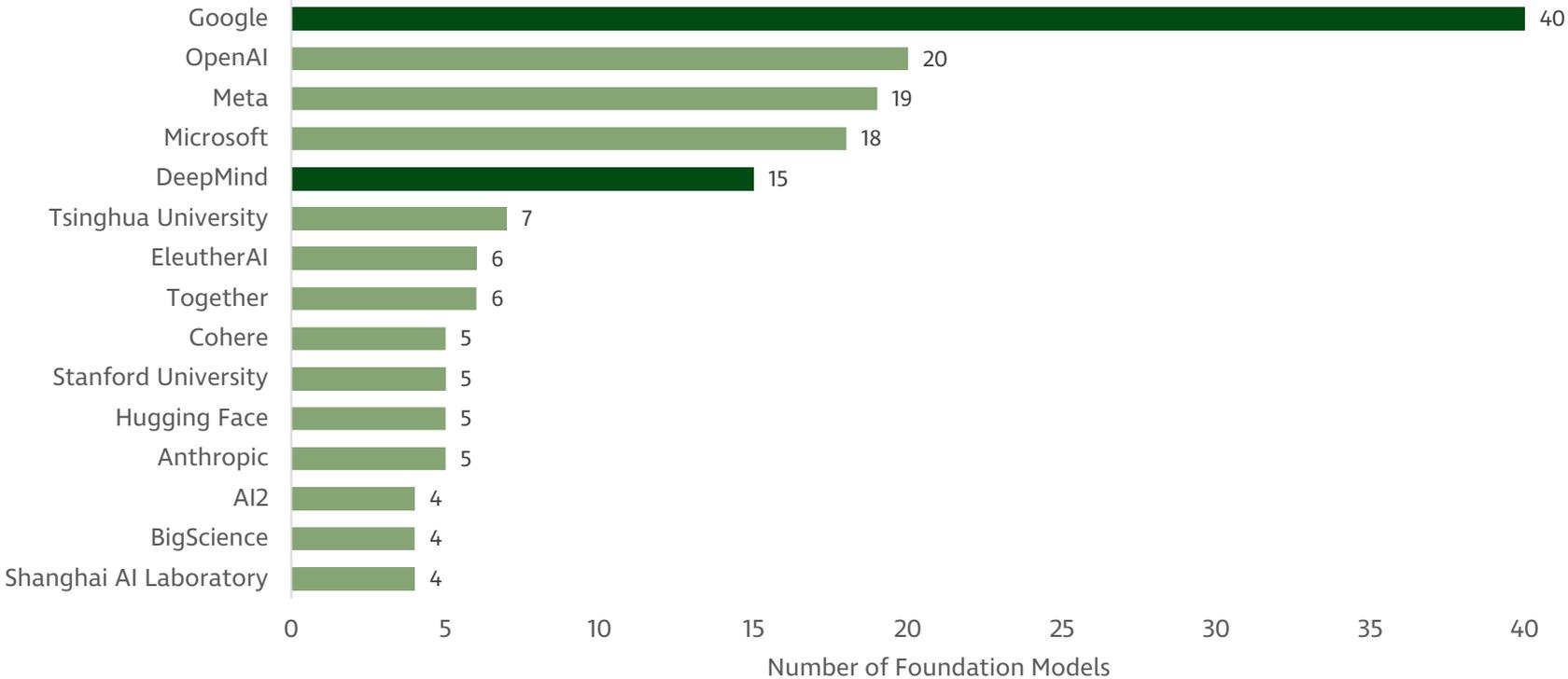
1. Is Generative AI a threat to Alphabet's dominance?
2. Does Alphabet's business possess the fitness to navigate this paradigm shift?

# INGREDIENTS FOR SCALE UP AI



# TALENT: NUMBER OF MODELS BY ORGANIZATION

## 2019-2023

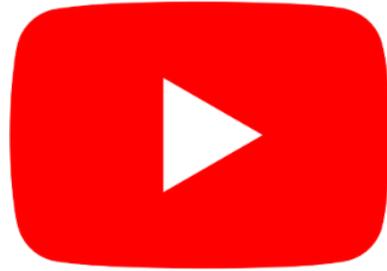


Source: Stanford University HAI 2024 AI Index Report

# DATA: ALPHABET'S ACCESS IS UNMATCHED



**Search**



**YouTube**



**Maps**

# INFRASTRUCTURE: MASSIVE COMPUTING CAPABILITY



# KEY QUESTIONS

Alphabet

1. Is Generative AI a threat to Alphabet's dominance?
2. Does Alphabet's business possess the fitness to navigate this paradigm shift?



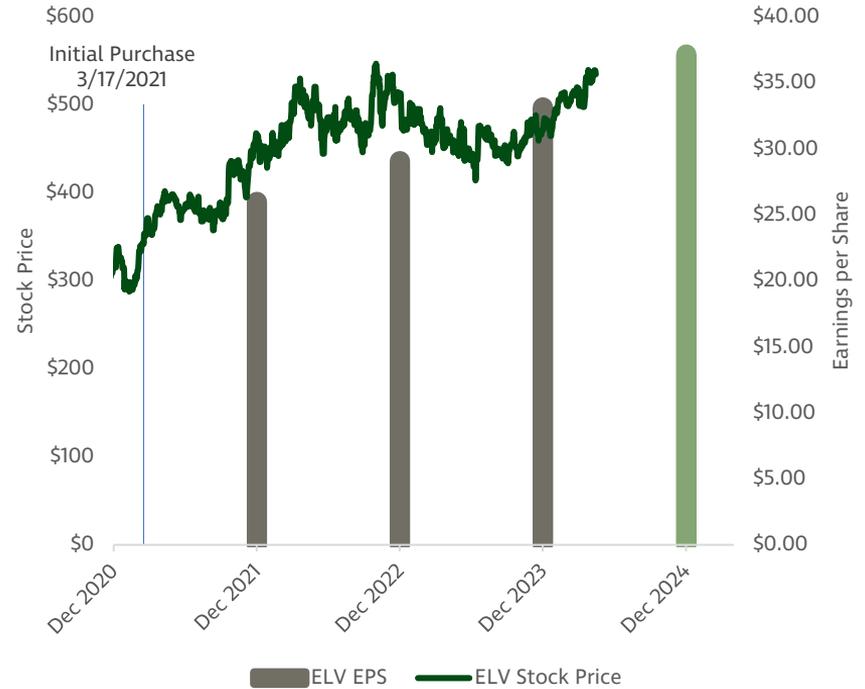
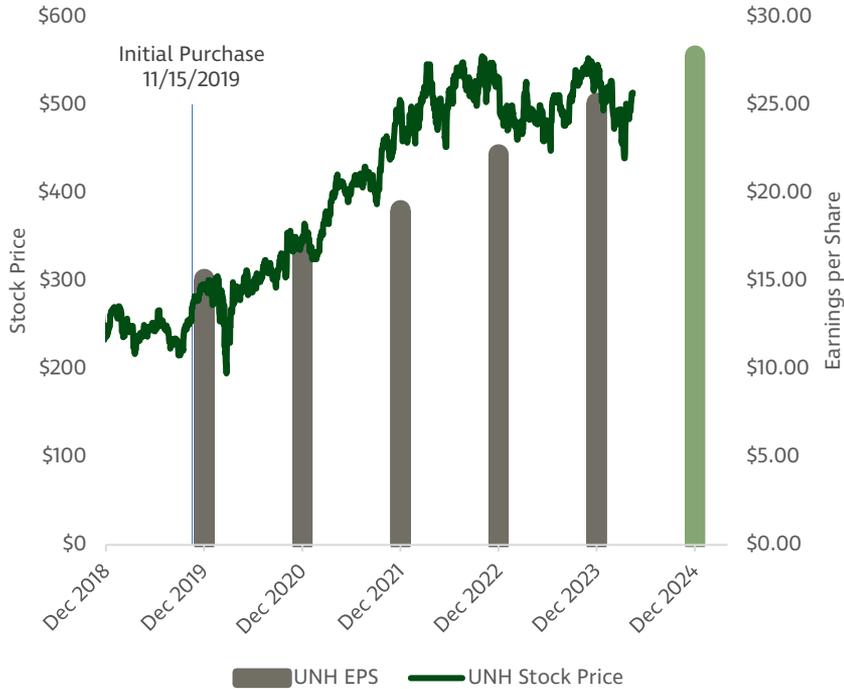
UnitedHealth Group<sup>SM</sup>



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**MATT COOPER & WILL REID**

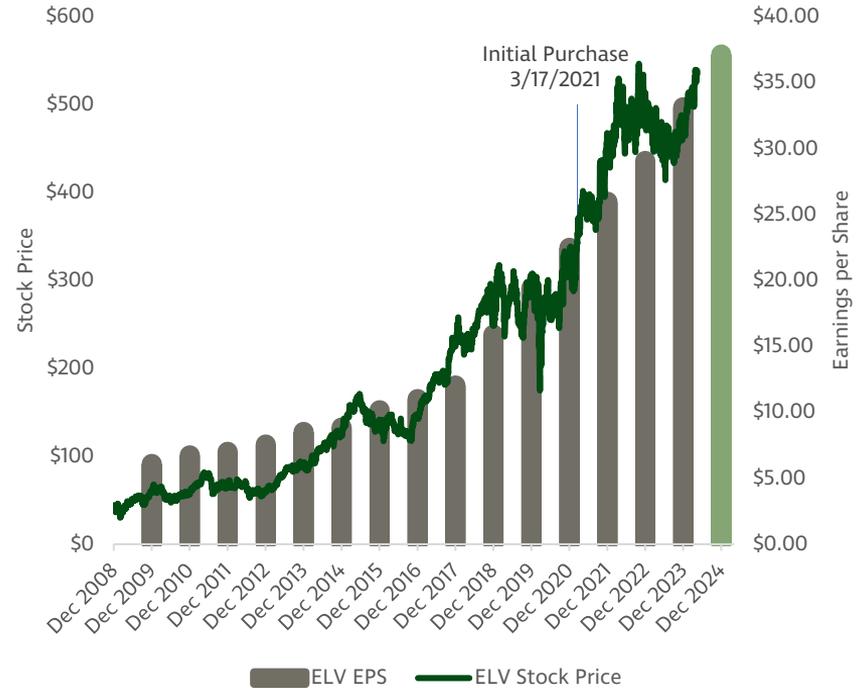
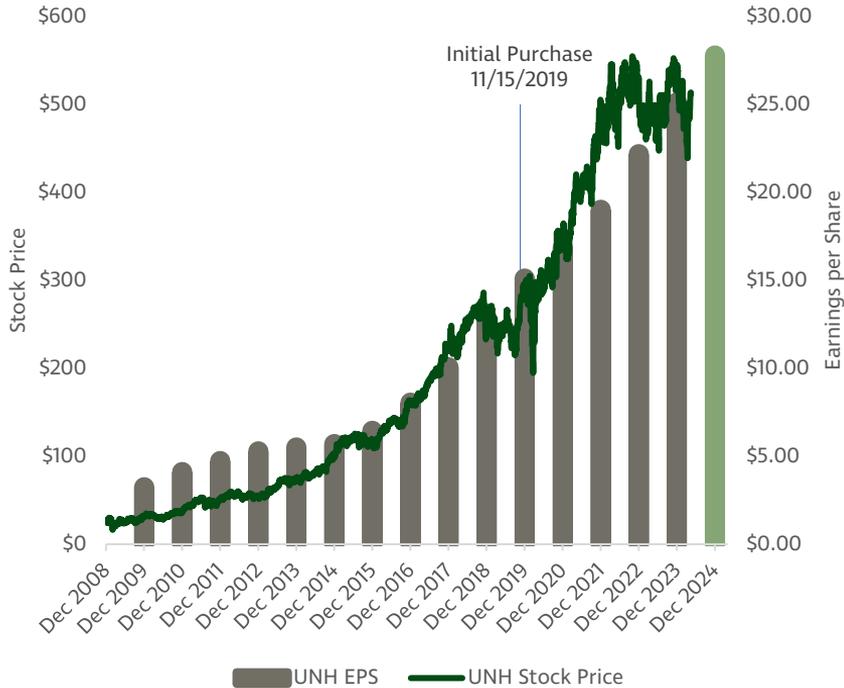
# UNITEDHEALTH AND ELEVANCE SEQUOIA FUND INVESTMENTS



**Curr Wgt:** 5.6%    **UNH stock TR (Ann.):** 17.3%    **SPX TR:** 14.4%

**Curr Wgt:** 5.2%    **ELV stock TR (Ann.):** 16.8%    **SPX TR:** 11.3%

# UNITEDHEALTH AND ELEVANCE SEQUOIA FUND INVESTMENTS



**Curr Wgt:** 5.6%    **UNH stock TR (Ann.):** 17.3%    **SPX TR:** 14.4%

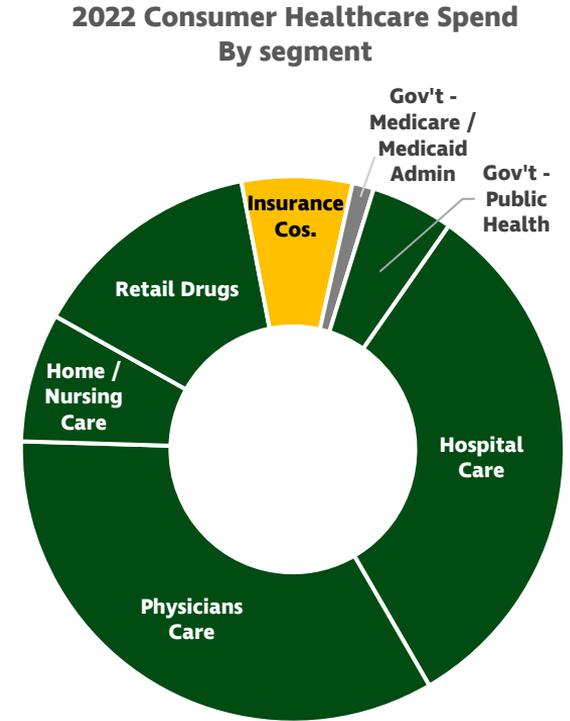
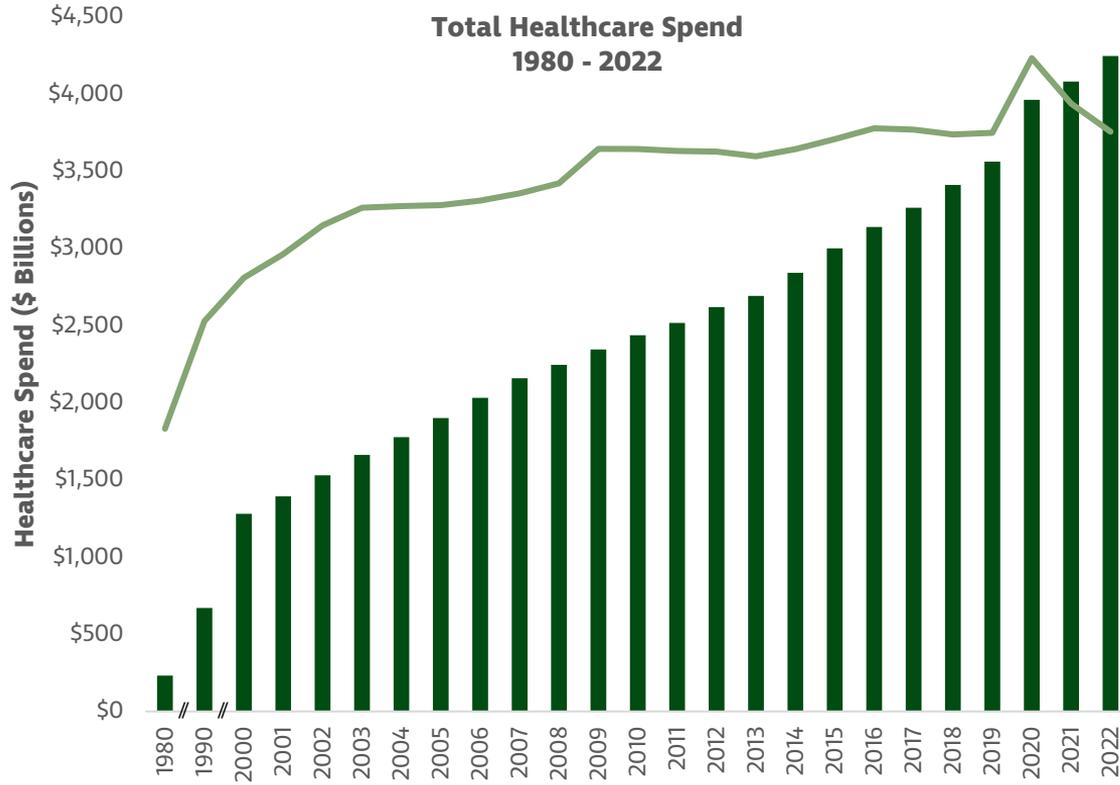
**Curr Wgt:** 5.2%    **ELV stock TR (Ann.):** 16.8%    **SPX TR:** 11.3%

# KEY QUESTIONS



1. Given the US healthcare system's high costs and inefficiencies, does the exposure to policy risk make the healthcare industry too difficult to invest in?
2. Medicare Advantage has been a big driver of growth for both companies, but today has seen some financial and political pressure. How does this change your expectations for UNH / ELV?

# HEALTHCARE SPEND IN UNITED STATES



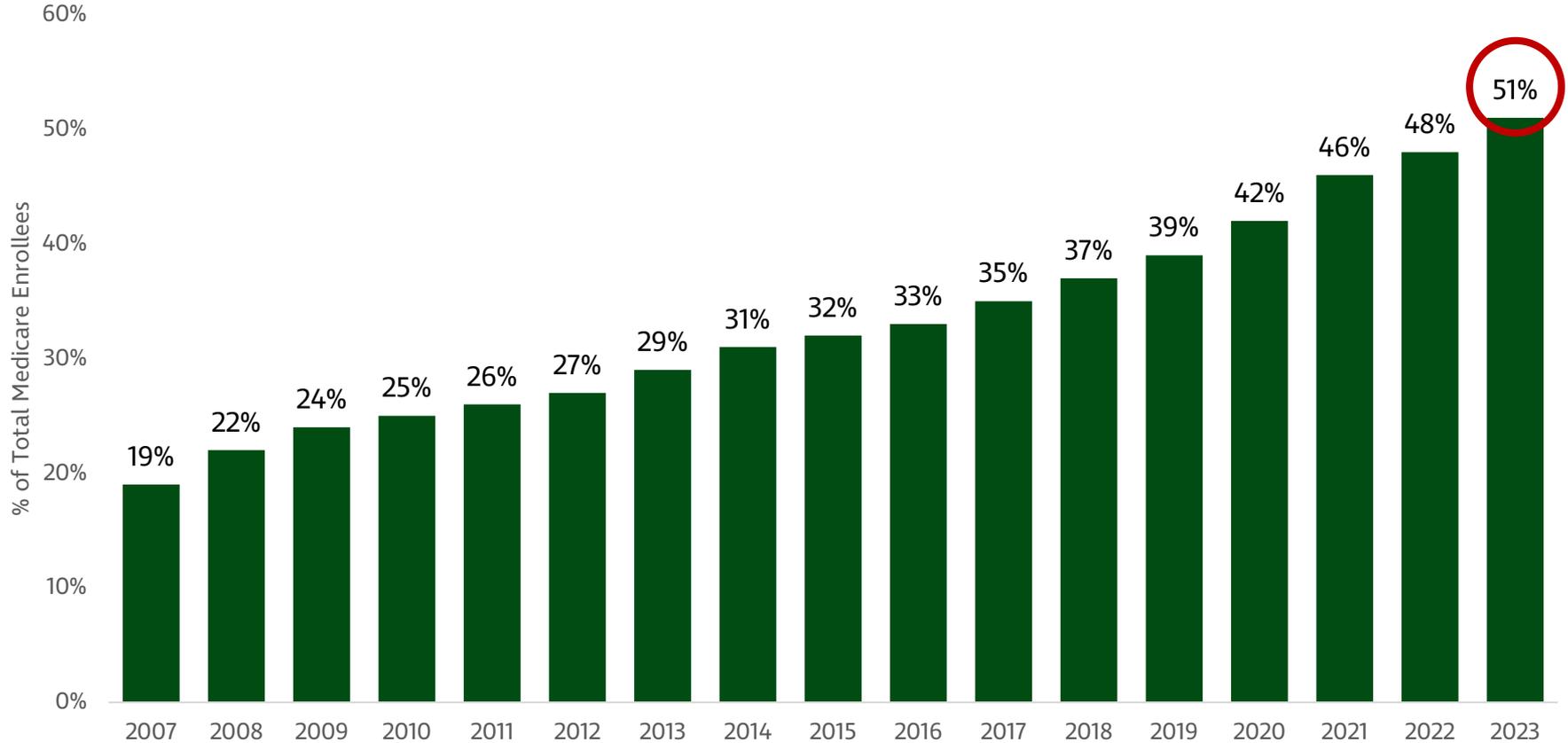
Source: Centers for Medicare & Medicaid Services

# KEY QUESTIONS



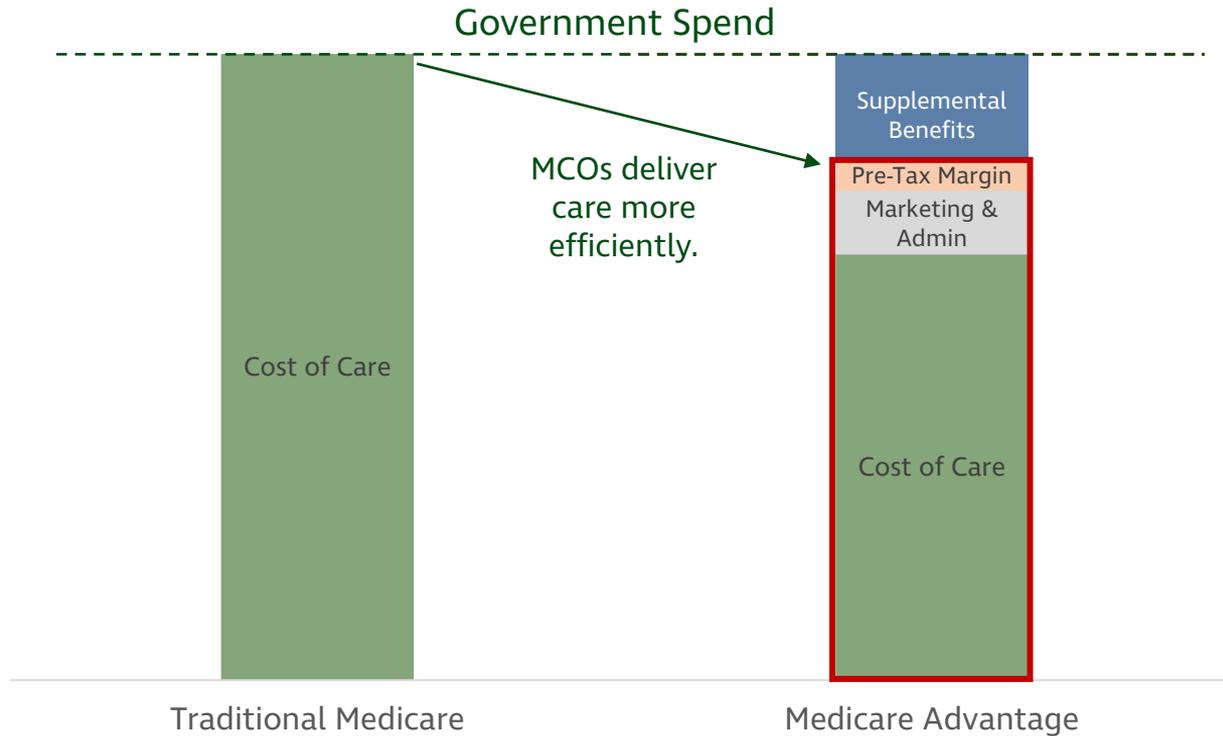
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# GROWTH IN MEDICARE ADVANTAGE PENETRATION

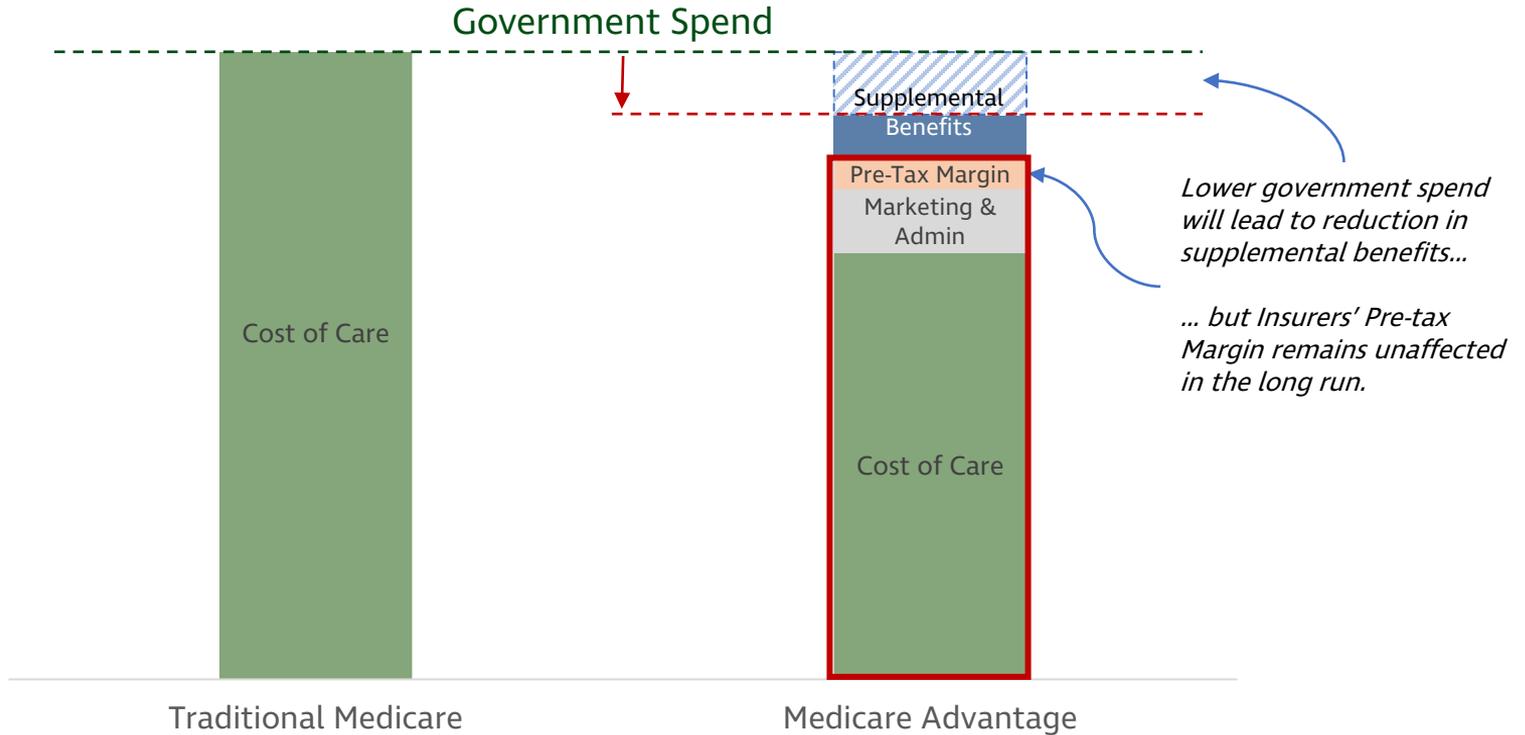


Source: KFF; Centers for Medicare & Medicaid Services

# MEDICARE ADVANTAGE STRUCTURE



# MEDICARE ADVANTAGE STRUCTURE



# KEY QUESTIONS



1. Given the US healthcare system's high costs and inefficiencies, does the exposure to policy risk make the healthcare industry too difficult to invest in?
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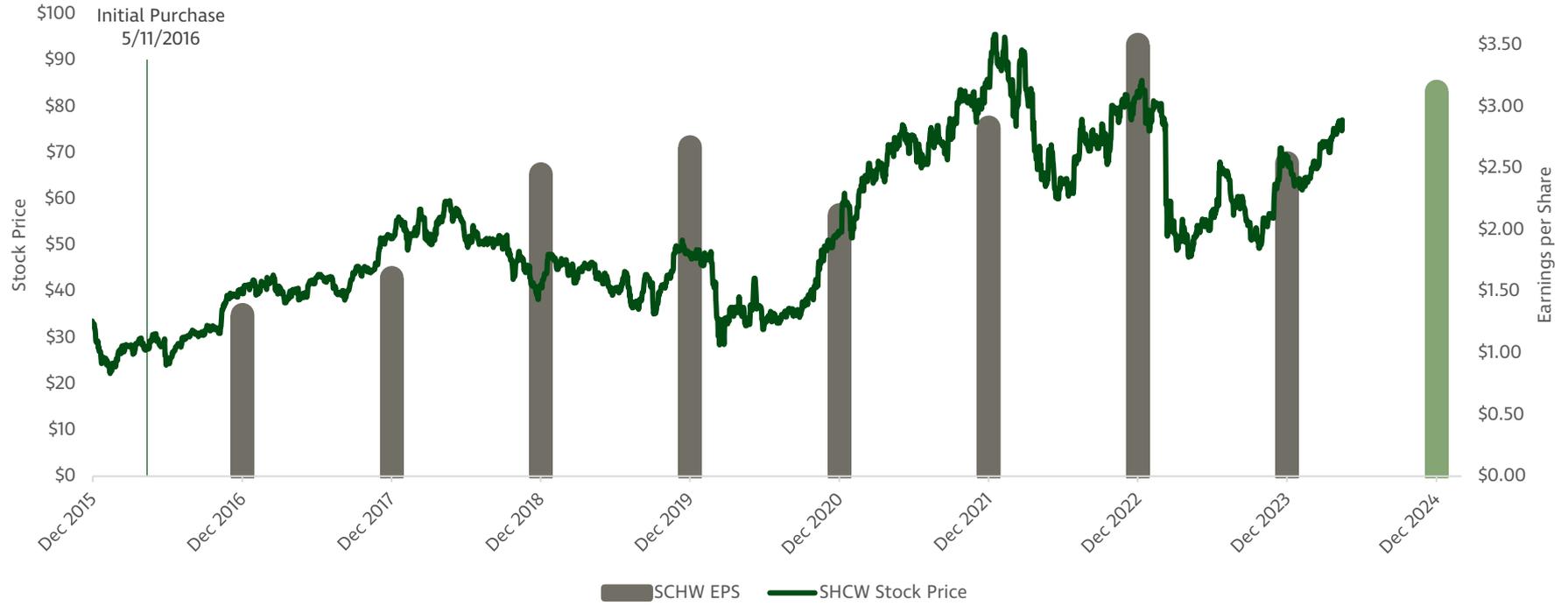


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**TREVOR MAGYAR & SOPHIE GARRETT**

# CHARLES SCHWAB CORP

## SEQUOIA FUND INVESTMENT



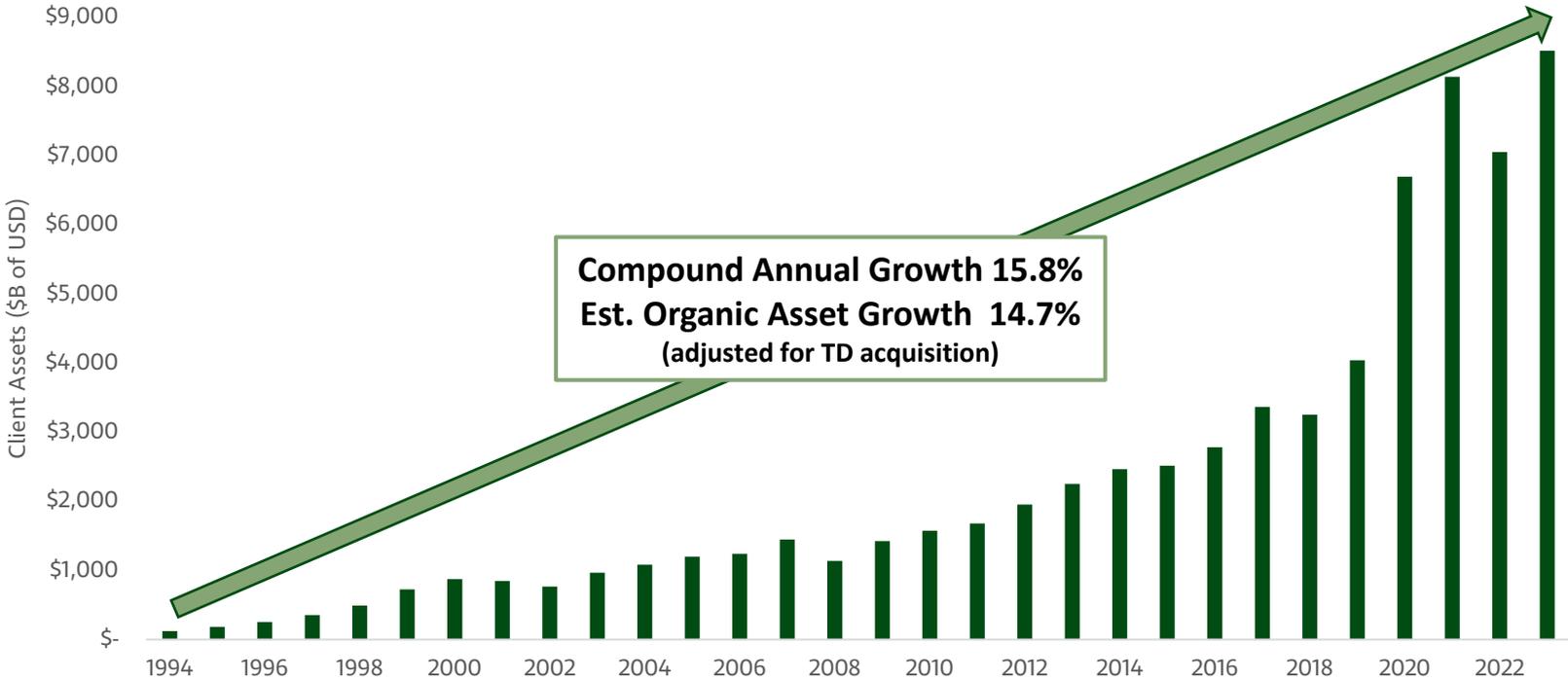
**Curr Portfolio Wgt: 6.8%**      **SCHW Stock TR (Ann.): 15.3%**      **S&P 500 TR (Ann.): 14.5%**

# KEY QUESTIONS

1. Have the recent developments with Schwab compromised the strength of the franchise?
2. For a firm that admits to not having great macroeconomic insights, how do you approach owning a company where having a view on interest rates seems central to the thesis?

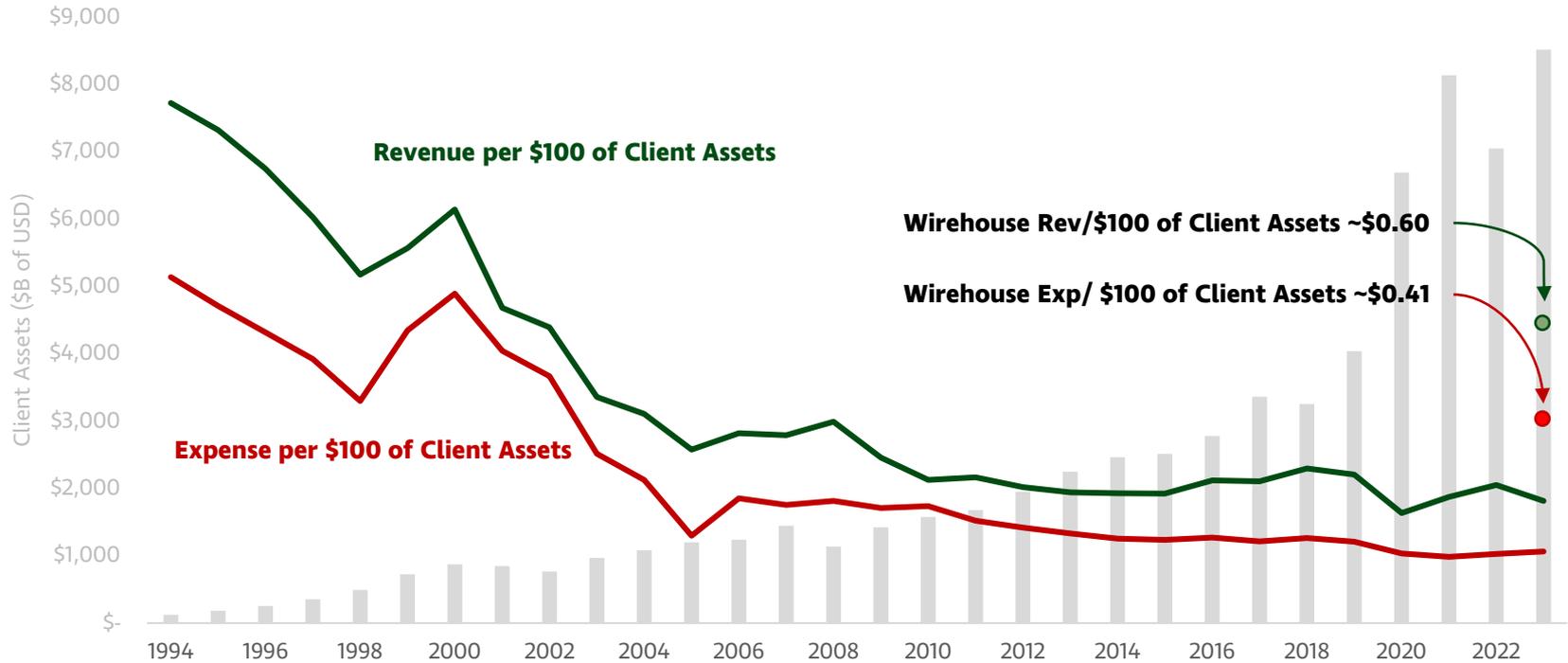
# 30 YEARS OF CLIENT ASSET GROWTH

Total Schwab Client Assets  
1994 - 2023



Source: SEC; Edgar

# DECLINING COST TO SERVE



Source: SEC; Edgar; SCHW 2023 Earnings Presentation

# KEY QUESTIONS

1. Have the recent developments with Schwab compromised the strength of the franchise?
2. For a firm that admits to not having great macroeconomic insights, how do you approach owning a company where having a view on interest rates seems central to the thesis?



Ruane  
Cunniff



# Ruane Cunniff

Thanks  
for  
Attending!

Please share your feedback  
on the event here:

