

SEQUOIA FUND, INC.

Ticker: SEQUX

Supplement dated March 9, 2026 to the Prospectus, Summary Prospectus and Statement of Additional Information dated May 1, 2025

At a meeting held on March 6, 2026, the Board of Directors of Sequoia Fund (the “Board”) approved the Reorganization (as defined below) of Sequoia Fund into an ETF. Subject to stockholder approval, Sequoia Fund will be reorganized into a newly-established ETF, Sequoia ETF (the “ETF”) (ticker: SEQ), which is a series of the Northern Lights Fund Trust II (the “Reorganization”). The ETF is managed by Ruane Cunniff L.P. (the “Adviser”) and has the same investment objectives, investment strategies, fundamental investment restrictions and portfolio management team and substantially similar investment risks as Sequoia Fund.

The Board has determined that the Reorganization is in the best interests of Sequoia Fund and will not result in the dilution of the interests of existing stockholders of Sequoia Fund. The ETF structure is expected to offer improved tax efficiency, greater trading flexibility, and increased transparency of portfolio holdings. There are also certain risks, costs and other considerations associated with the Reorganization, including the risk that shares of the ETF trade in the secondary market at prices that may differ from the NAV, that stockholders of the ETF may be charged fees and commissions by their brokers when transacting in ETF shares, that certain account types generally cannot hold shares of ETFs, and certain other risks associated with ETF shares. The Board believes, however, that the benefits of the Reorganization substantially outweigh the risks, costs and other considerations.

The Reorganization will be presented to stockholders of Sequoia Fund at a special meeting of stockholders, which is scheduled to be held on or about July 27, 2026. In the coming weeks, stockholders of record of Sequoia Fund will receive a Combined Proxy Statement/Prospectus describing the proposed Reorganization and setting forth the details of the special meeting of stockholders. The Combined Proxy Statement/Prospectus is expected to include information describing the similarities and differences between the ETF and Sequoia Fund (including their fees and expenses and form of organization), the structure and operations of ETFs, the terms and conditions of the Agreement and Plan of Reorganization (the “Plan”), the factors considered by the Board in approving the Reorganization, the anticipated tax-free treatment of the Reorganization, and voting instructions, along with a proxy card.

If the Reorganization is approved by stockholders and subject to the satisfaction of certain closing conditions set forth in the Plan, the Reorganization is currently expected to close on or about September 14, 2026. Upon closing, stockholders who hold their Sequoia Fund shares in a brokerage account eligible to hold ETF shares (a “Qualifying Brokerage Account,” as further explained in the Q&A) will receive ETF shares having an aggregate net asset value equal to the aggregate net asset value of their Sequoia Fund shares held immediately prior to the Reorganization, plus any cash in lieu of fractional shares, if applicable. As a result, such stockholders will become stockholders of the ETF and will no longer be stockholders of Sequoia Fund. Sequoia Fund will then be dissolved.

The proposed Reorganization is expected to qualify as a tax-free transaction for U.S. federal income tax purposes. However, because ETF shares are not issued in fractional shares, stockholders who hold fractional shares of Sequoia Fund may have such fractional shares redeemed in cash at net asset value immediately prior to the Reorganization. Any such cash payment may be treated as a taxable transaction for U.S. federal income tax purposes.

If stockholders approve the Reorganization, there are several operational and other steps that must occur to implement the Reorganization for Sequoia Fund and its stockholders. More information about

these matters is set forth below. **Importantly, as noted above, stockholders must have a Qualifying Brokerage Account.**

➤ Realized Capital Gain and Dividend Distribution

Sequoia Fund expects to make its last capital gain distribution on or about September 4, 2026, before the closing of the Reorganization.

➤ Transferring Sequoia Fund Shares to a Brokerage Account

To receive ETF shares in the Reorganization, you must hold your Sequoia Fund shares in a Qualifying Brokerage Account. If you already hold your Sequoia Fund shares in a brokerage account that can hold ETF shares, no action is necessary. If your Sequoia Fund shares are not held in a Qualifying Brokerage Account before the Reorganization, the ETF shares you receive as part of the Reorganization will be held in a “hold-only” account maintained by the ETF’s transfer agent for your benefit until a brokerage account is identified or for a maximum of one year. If these ETF shares are not transferred into a Qualifying Brokerage Account within a year, your ETF shares may be liquidated. **This type of liquidation will result in a cash payment to you, which could be taxable to you if the shares are held in a taxable account.**

Please see the Q&A that follows for additional information on different types of accounts that may not be able to hold ETF shares, as well as instructions describing how to transfer your Sequoia Fund shares to a Qualifying Brokerage Account that can receive ETF shares in the Reorganization.

➤ Suspension of Purchases and Redemptions

In anticipation of the closing of the Reorganization, the final date to purchase or redeem Sequoia Fund shares will be on or about August 29, 2026. As of that date, Sequoia Fund will no longer be able to open stockholder accounts directly through its transfer agent, SS&C GIDS, Inc. Any investor seeking to invest in Sequoia Fund after that date must open a brokerage account through a financial intermediary.

➤ More Information about Trading an ETF

There are some differences between transacting in Sequoia Fund shares and transacting in ETF shares. After the Reorganization, ETF shares may only be traded through a brokerage account, and transactions will be executed on an exchange at prevailing market prices. Because ETF shares will trade at market prices rather than at NAV, ETF shares may trade at a price less than (discount) or greater than (premium) the portfolio’s net asset value. As with all ETFs, your brokerage platform may charge a commission for purchase and sales transactions.

➤ Unitary Fee Structure

The ETF operates under a unitary fee structure, which differs from Sequoia Fund’s current expense structure comprised of the advisory fee of 1.00% and other operating expenses. Under the unitary fee arrangement, the ETF pays the Adviser a single, fixed annual fee based on a percentage of the ETF’s average daily net assets. From this unitary fee, the Adviser pays all the ETF’s routine operating costs, including administration, custody, transfer agency, legal, audit, and other ordinary expenses. The ETF is not charged separately for these services. The ETF pays certain other expenses not covered by the unitary fee, including interest charges on any borrowings, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, accrued deferred tax liability, and extraordinary expenses. The ETF does not make payments under the Rule 12b-1 Plan, but may do so in the future subject to board approval of any payments.

IMPORTANT NOTICE ABOUT YOUR SEQUOIA FUND ACCOUNT

QUESTIONS AND ANSWERS

The following Q&A provides information to help you determine if you need to take action with respect to your Sequoia Fund shares prior to the Reorganization to permit you to receive ETF shares in the Reorganization.

Q. What types of accounts can receive ETF shares in the Reorganization?

A. If you hold your Sequoia Fund shares in a brokerage account that permits you to purchase securities traded on an exchange, such as ETFs or other types of stock, then you *will not* need to take any action with respect to your account to receive ETF shares.

Unlike Sequoia Fund shares, which may be held directly with Sequoia Fund's transfer agent and are traded at net asset value once per day, ETF shares trade throughout the day on national securities exchanges and must be held through a brokerage account. As a result, you must hold your Sequoia Fund shares in a Qualifying Brokerage Account in order to receive ETF shares in the Reorganization.

Q. What types of accounts cannot receive ETF shares in the Reorganization? And, what will happen if I do not have a brokerage account that can accept ETF shares at the time of the Reorganization?

A. The following account types **cannot** hold ETF shares:

- ***Direct Taxable Accounts*** – If you hold your Sequoia Fund shares in an account directly at Sequoia Fund's transfer agent, (a "direct account"), you should transfer your Sequoia Fund shares to a brokerage account that can accept ETF shares. If you do not make this change prior to the Reorganization, the ETF shares you receive as part of the Reorganization will be held in a "hold-only" account maintained by the ETF's transfer agent for your benefit until a brokerage account is identified or for a maximum of one year. If these ETF shares are not transferred into a Qualifying Brokerage Account within a year of the Reorganization date, your ETF shares may be liquidated and the cash proceeds sent to your account of record (subject to applicable federal or state laws concerning unclaimed property). **This type of liquidation will result in a cash payment to you. If your shares are held in a taxable account, this cash payment could result in a taxable gain or loss for you. You should consult a tax advisor to understand the specific tax consequences based on your individual circumstances.**
- ***Non-Accommodating Brokerage Accounts*** – If you hold your Sequoia Fund shares in a brokerage account with a financial intermediary that only allows you to hold shares of Sequoia Fund or other mutual funds in the account, you will need to contact your financial intermediary to set up a brokerage account that permits investments in ETF shares. If you do not make this change prior to the Reorganization, the ETF shares you receive as part of the Reorganization will be held in a "hold-only" account maintained by the ETF's transfer agent for your benefit until a brokerage account is identified or for a maximum of one year. If these ETF shares are not transferred into a Qualifying Brokerage Account within a year of the Reorganization date, your ETF shares may be liquidated and the cash proceeds sent to your account of record (subject to applicable federal or state laws concerning unclaimed property). **This type of liquidation will result in a cash payment to you. If your shares are held in a taxable account, this cash payment could result in a taxable gain or loss for you. Stockholders should consult a tax advisor to understand the specific tax consequences based on their individual circumstances.**

- ***Non-Accommodating Retirement Accounts*** – If you hold your Sequoia Fund shares in an IRA or group retirement plan where the plan sponsor does not have the ability to hold ETF shares, you may need to redeem your shares or, if applicable, your financial intermediary may transfer your investment in Sequoia Fund to a different investment option prior to the Reorganization. If you do not make this change prior to the Reorganization, the ETF shares you receive as part of the Reorganization will be held in a “hold-only” account maintained by the ETF’s transfer agent for your benefit until a brokerage account is identified or for a maximum of one year. If these ETF shares are not transferred into a Qualifying Brokerage Account within a year of the Reorganization date, your ETF shares may be liquidated and the cash proceeds sent to your account of record (subject to applicable federal or state laws concerning unclaimed property). **This type of liquidation will result in a cash payment to the stockholder and may result in a distribution from the IRA or group retirement plan. A distribution of cash proceeds under these circumstances could result in a penalty for an early distribution from a tax-preferred retirement account. Stockholders should consult a tax advisor to understand the specific tax consequences based on their individual circumstances.**
- ***Direct IRA*** – If you hold your Sequoia Fund shares through a direct IRA with UMB Bank, N.A. as Custodian and do not take action to transfer your Sequoia Fund shares to a brokerage account that can accept ETF shares prior to the Reorganization, the ETF shares you receive as part of the Reorganization will be held in a “hold-only” account maintained by the ETF’s transfer agent for your benefit until a brokerage account is identified or for a maximum of one year. If these ETF shares are not transferred into a Qualifying Brokerage Account within a year of the Reorganization date, your ETF shares may be liquidated and the cash proceeds sent to your account of record (subject to applicable federal or state laws concerning unclaimed property). **This type of liquidation will result in a cash payment to the stockholder and may result in a distribution from the IRA. A distribution of cash proceeds under these circumstances could result in a penalty for an early distribution from a tax-preferred retirement account. Stockholders should consult a tax advisor to understand the specific tax consequences based on their individual circumstances.**

If you are unsure about the ability of your account to accept ETF shares, contact your financial intermediary.

Q. How do I transfer my Sequoia Fund shares from a direct account to a Qualifying Brokerage Account that will accept ETF shares?

This step is only required if you hold your Sequoia Fund shares in an account directly with Sequoia Fund’s transfer agent. If you already hold your shares in a brokerage account that allows you to hold ETF shares, you need not consider the following.

- A.** To transfer your Sequoia Fund shares from a direct account at Sequoia Fund’s transfer agent to a brokerage account, contact your financial intermediary and inform them that you would like to transfer your Sequoia Fund shares held directly with Sequoia Fund into your brokerage account. If you do not have a brokerage account or a relationship with a brokerage firm, you will need to open an account. The transfer process is expected to be straightforward.

We suggest you provide your financial intermediary with a copy of your Sequoia Fund statement containing your Sequoia Fund account number. Your financial intermediary will help you complete a form to initiate the transfer. Once you sign this form, your financial intermediary will submit the form to the transfer agent directly and the shares will be transferred into your brokerage account.

The sooner you initiate the transfer, the better. If you have any questions about this process or need assistance, call us at 833-303-5010.

Q. How do I transfer my Sequoia Fund shares from a non-accommodating brokerage account to a Qualifying Brokerage Account?

A. If you hold your Sequoia Fund shares in a brokerage account at a financial intermediary that only allows you to hold Sequoia Fund shares in the account (and no other types of investments), you will need to contact your financial intermediary to set up a brokerage account that permits investments in ETF shares.

Q. What if I do not want to own ETF shares?

A. If you do not want to receive ETF shares in the Reorganization, you can redeem your Sequoia Fund shares. Prior to doing so, however, you should consider the tax consequences associated with such action. **Redemption of Sequoia Fund shares prior to the Reorganization may constitute a taxable transaction for you if you hold those shares in a taxable account.** The last date to redeem shares prior to the Reorganization is currently expected to be August 29, 2026. This date is subject to change if the closing date is adjusted. Stockholders should monitor changes to the Reorganization closing date by checking for updates at www.sequoiafund.com.

In connection with the Reorganization, a Combined Proxy Statement/Prospectus included in a registration statement on Form N-14 will be filed with the Securities and Exchange Commission (the "SEC"). The registration statement may be amended or withdrawn and the Combined Proxy Statement/Prospectus will not be distributed to stockholders of Sequoia Fund unless and until the registration statement is declared effective by the SEC. Investors are urged to read the materials and any other relevant documents when they become available because they will contain important information about the Reorganization. Free copies of the materials will be available on the SEC's website at www.sec.gov. A paper copy of these materials can be obtained at no charge by calling 833-303-5010.

This communication is for informational purposes only and does not constitute an offer of any securities for sale. No offer of securities will be made except pursuant to a prospectus meeting the requirements of Section 10 of the Securities Act of 1933.

Stockholders should retain this Supplement for future reference.

SEQUOIA FUND, INC.

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STATEMENT OF ADDITIONAL INFORMATION May 1, 2025, as revised October 20, 2025

This statement of additional information ("SAI") for the Sequoia Fund (the "Fund") is not a prospectus and is only authorized for distribution when preceded or accompanied by the Fund's prospectus dated May 1, 2025, as amended or supplemented from time to time (the "Prospectus"). This SAI contains additional and more detailed information than that set forth in the Prospectus and should be read in conjunction with the Prospectus. The Fund's audited financial statements for the fiscal year ended December 31, 2024, included in the Fund's [Form N-CSR](#), are incorporated into this SAI by reference and this SAI is incorporated by reference into the Prospectus. Copies of the Prospectus and the annual report may be obtained without charge by writing or calling the Fund at the address and telephone number set forth above or by accessing the Fund's website: www.sequoiafund.com. The website does not form part of the Prospectus or SAI.

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THE FUND

Sequoia Fund, Inc. (the "Fund") is a no-load, non-diversified, open-end investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund seeks long-term growth of capital.

INVESTMENT STRATEGIES, POLICIES AND RISK CONSIDERATIONS

Ordinarily, the Fund's portfolio is invested in equity securities of U.S. and non-U.S. companies. The Fund may also invest in restricted securities, certain special situations, debt securities, securities offered in initial public offerings, cash and cash equivalents, and total return swaps. The following supplements the information contained in the Prospectus concerning the investment objective, strategies and policies and risks of investing in the Fund.

(a) Foreign Securities

Investments may be made in both domestic and foreign companies. Investors should recognize that investments in foreign companies involve certain considerations that are not typically associated with investing in domestic companies. An investment in a foreign company may be affected by changes in currency rates and in exchange control regulations. There may be less publicly available information about a foreign company than about a domestic company. Foreign companies may not be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to domestic companies. Foreign stock markets have substantially less volume than the New York Stock Exchange, Inc. (the "Exchange") and may be closed for extended periods, and securities of some foreign companies may be more difficult to trade or dispose of and more volatile than securities of comparable domestic companies. Transaction costs and brokerage commission rates in foreign countries, which generally are fixed rather than subject to negotiation as in the United States, may be higher. Foreign security trading, settlement and custodial practices (including those involving securities settlement where assets may be released prior to receipt of payment) are often less developed than those in domestic markets, may be complex and may result in increased risk or substantial delays. There may be less government regulation and/or supervision of foreign stock exchanges, brokers and listed companies than in the United States. In addition, with respect to certain foreign countries there is a possibility of expropriation or confiscatory taxation, political or social instability, war, tariffs, terrorism, nationalization, limitations on the repatriation of funds or other assets, or diplomatic developments that could affect investments in those countries. The Chinese government is involved in a longstanding dispute with Taiwan and has made threats of invasion. Military conflict between China and Taiwan may adversely affect securities of Chinese, Taiwan-based and other issuers both in and outside the region, adversely impact the economies of China and other Asian countries, disrupt supply chains, and severely affect global economies and markets.

Recent developments in relations between the U.S. and China have heightened concerns of increased tariffs and restrictions on trade between the two countries. An increase in tariffs or trade restrictions, or even the threat of such developments, could lead to a significant reduction in international trade, which could have a negative impact on the economy of Asian countries.

The imposition of, or an increase in, tariffs or trade restrictions between the U.S. and foreign countries, or even the threat of such developments, could lead to a significant reduction in international trade, which could have a negative impact on the economies of the U.S. and foreign countries. Certain foreign governments levy withholding or other taxes against dividend and interest income from, or transactions in, foreign securities. Although in some countries a portion of these taxes is recoverable by the Fund, the nonrecovered portion of foreign withholding taxes will reduce the income received from such securities. Individual foreign economies may differ favorably or unfavorably from that of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position.

(b) Restricted or Not Readily Marketable Securities

The Fund may invest in securities acquired in a privately-negotiated transaction from the issuer or a holder of the issuer's securities and which may not be distributed publicly without registration under the Securities Act of 1933, as amended (the "Securities Act"). Such restricted securities may not thereafter ordinarily be sold by the Fund except in another private placement or under an effective registration statement filed pursuant to the Securities Act. The Fund will not invest in any restricted security if such investment would cause the then aggregate value of all of

such restricted securities, as valued on the books of the Fund, to exceed 10% of the value of the Fund's net assets (at the time of such investment and after giving effect thereto). Restricted securities are valued in accordance with the Fund's valuation policies and procedures.

The purchase price and subsequent valuations of restricted securities may reflect a discount from the price at which such securities trade when they are not restricted, since the restriction makes them more difficult to trade or dispose of. The amount of the discount from the prevailing market price is expected to vary depending upon the type of security, the character of the issuer, the party who will bear the expenses of registering the restricted securities and prevailing supply and demand conditions.

The Fund may not make loans or invest in any restricted securities or other illiquid assets which will cause the then aggregate value of all such restricted securities and other illiquid assets to exceed 10% of the value of the Fund's net assets (at the time of such investment and after giving effect thereto).

If, pursuant to the foregoing policy, the Fund were to assume substantial positions in particular securities with a limited trading market, the activities of the Fund could have an adverse effect on the liquidity and marketability of such securities, and the Fund may not be able to dispose of its holdings in these securities at reasonable price levels. There are other investment companies and other investment media engaged in operations similar to those of the Fund, and, to the extent that these organizations trade in the same securities, the Fund may be forced to dispose of its holdings at prices lower than otherwise would be obtained.

(c) Special Situations

The Fund intends to invest in special situations from time to time. A special situation arises when, in the opinion of the Fund's management, the securities of a particular company will, within a reasonably estimable period of time, be accorded market recognition at an appreciated value solely by reason of a development particularly or uniquely applicable to that company and regardless of general business conditions or movements of the market as a whole. Developments creating special situations might include, among others, the following: liquidations, reorganizations, recapitalizations or mergers; material litigation; technological breakthroughs; and new management or management policies. Although large and well-known companies may be involved, special situations may involve much greater risk than is inherent in ordinary investment securities. The Fund will not, however, purchase securities of any company with a record of less than three years' continuous operation (including that of predecessors) if such purchase would cause the Fund's investments in all such companies to exceed 25% of the value of the Fund's total assets.

(d) Debt Securities

The Fund may invest in corporate and U.S. Government debt securities. Debt securities are used by issuers to borrow money. The issuer usually pays a variable, floating or fixed rate of interest, and must repay the amount borrowed, usually at the maturity of the security. The market value of such securities may fluctuate in response to interest rates and the creditworthiness of the issuer. Corporate debt securities include, but are not limited to, debt obligations of public and private corporations.

U.S. Government debt securities include direct obligations of the U.S. Government and obligations issued by U.S. Government agencies and instrumentalities. Although certain securities issued by the U.S. Government, its agencies or instrumentalities are backed by the full faith and credit of the U.S. Government, others are supported only by the credit of that agency or instrumentality. There is no guarantee that the U.S. Government will provide support to such agencies or instrumentalities and such securities may involve risk of loss of principal and interest. In addition, a security backed by the U.S. Treasury or the full faith and credit of the U.S. Government is guaranteed only as to the timely payment of interest and principal when held to maturity. The current market prices for such securities are not guaranteed and will fluctuate. Certain U.S. Government agency securities or securities of U.S. Government-sponsored entities are backed by the right of the issuer to borrow from the U.S. Treasury, or are supported only by the credit of the issuer or instrumentality. While the U.S. Government provides financial support to those U.S. Government-sponsored agencies or instrumentalities, no assurance can be given that it will always do so and those securities are neither guaranteed nor issued by the U.S. Government. In the case of securities backed by the full faith and credit of the U.S. Government, shareholders are primarily exposed to interest rate risk.

The Fund's investments in debt securities are subject to credit risk. An issuer's credit quality depends on its ability to pay interest on and repay its debt and other obligations. Defaulted securities or those expected to default are subject to additional risks in that the securities may become subject to a plan of reorganization that can diminish or eliminate their value. The credit risk of a security may also depend on the credit quality of any bank or financial institution that provides credit enhancement for the security.

The ratings of debt securities by Moody's Ratings, S&P Global Ratings, Fitch Ratings and other ratings agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is frequently a lag between the time a rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

The Fund's investments in debt securities are subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk usually decrease in value when interest rates rise and increase in value when interest rates decline. Also, debt securities with longer maturities typically experience a more pronounced change in value when interest rates change.

(e) Initial Public Offerings

The Fund may invest in securities issued in initial public offerings ("IPOs"). IPO securities are subject to market risk and liquidity risk. Although companies can be any age or size at the time of their IPO, they are often smaller and have a limited operating history, which involves a greater potential for the value of their securities to be impaired following the IPO. The market value of recently issued IPO securities may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading and speculation, a potentially small number of securities available for trading, limited information about the issuer, and other factors. These fluctuations could impact the net asset value per share ("NAV") and return earned on the Fund's shares. A purchase of IPO securities often involves higher transaction costs than those associated with the purchase of securities already traded on exchanges or markets.

(f) Cash and Cash Equivalents

The Fund usually maintains a portion of its total assets in cash or securities generally considered to be cash equivalents, including, but not limited to, short-term U.S. Government securities. When the Fund's cash is held in a deposit account at the Fund's custodian, the Fund will be subject to credit risk with respect to the custodian. The Fund's cash deposits held at the custodian are eligible for insurance (in the aggregate) by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

(g) Total Return Swaps

The Fund expects to engage in total return swaps from time to time for portfolio and cash management purposes, including entering into a new portfolio position while the Fund is selling an existing position and other portfolio and cash management purposes. A total return swap is an agreement by which one party agrees to pay the other party the total return of a particular underlying security during a specified period in return for periodic payments, which may be based on a fixed or variable interest rate. The Fund will enter into total return swaps only to take a "long" position with respect to a single-name equity security, will limit the notional amount of any such total return swap to 3.5% of the Fund's net assets at the time the Fund invests in the swap, and will enter into no more than one total return swap at a time, in each case limited to a period of 60 days.

The Fund's use of total return swaps involves risks that are different from, or possibly greater than, the risks associated with investing directly in the underlying security for a particular swap. Total return swaps could result in losses if the underlying security does not perform as anticipated. There is no guarantee that the Fund's investment in a total return swap will deliver returns in excess of the embedded transaction costs and, accordingly, the Fund's performance may be less than would be achieved by a direct investment in the underlying security.

Risks may arise as a result of the failure of the Fund's counterparty to a total return swap to comply with the terms of the swap arrangement. The Fund will be exposed to losses if the counterparty declines, or is unable, to pay margin owed to the Fund or the return attributable to the reference security. Therefore, the Fund considers the creditworthiness of a counterparty prior to entering into a total return swap with the counterparty.

Total return swaps may reflect a leveraged investment and incorporate transaction costs which are borne by the Fund. Depending on the degree of leverage inherent in a total return swap, the swap can be highly volatile and entail a greater risk of loss than other investments. The relatively low initial margin deposits required to establish a swap position results in a leveraged position. As a result, a relatively small movement in the price of the underlying security may result in a profit or loss which is high in proportion to the amount of funds deposited as margin. Such risks may arise from unanticipated movements in the value of the equity security underlying a particular total return swap.

(h) Other Investment Policies

The Fund will not seek to realize profits by anticipating short-term market movements and intends to purchase securities for growth of capital, in particular long-term capital appreciation. In any event, under ordinary circumstances, securities will typically be held for sufficient periods to qualify for long-term capital gain treatment for tax purposes. While the rate of portfolio turnover will not be a limiting factor when management deems changes appropriate, it is anticipated that given the Fund's investment objective, its annual portfolio turnover rate generally should not exceed 75%. The portfolio turnover rate is calculated by dividing the lesser of the Fund's purchases and sales of portfolio securities during the period in question by the monthly average of the value of the Fund's portfolio securities during that period. Excluded from consideration in the calculation are U.S. Government securities and all other securities with maturities of one year or less when purchased by the Fund.

Under the 1940 Act, a diversified investment company may not, with respect to 75% of its total assets, invest more than 5% of its total assets in the securities of any one issuer and may not own more than 10% of the outstanding voting securities of any one issuer. While the Fund is a non-diversified investment company under the 1940 Act and therefore is not subject to any statutory diversification requirements, it will be required to meet certain diversification tests each year in order to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"), as it intends to do (see "Tax Considerations"). The Fund will not acquire more than 25% of any class of the securities of any issuer. The Fund reserves the right, without shareholder action, to diversify its investments to any extent it deems advisable or to become a diversified company, but once the Fund becomes a diversified company, it could not thereafter change its status to that of a non-diversified company without the approval of its shareholders.

The Fund has adopted certain investment restrictions as a matter of fundamental investment policy, which may not be changed without a shareholder vote of a majority of the outstanding voting securities as defined in Section 2(a)(42) of the 1940 Act. The Fund may not:

1. Underwrite the securities of other issuers, except the Fund may, as indicated above (see "Restricted or Not Readily Marketable Securities"), acquire restricted securities under circumstances where, if such securities are sold, the Fund might be deemed to be an underwriter for purposes of the Securities Act.
2. Purchase or sell real estate or interests in real estate, but the Fund may purchase marketable securities of companies holding real estate or interests in real estate.
3. Purchase or sell commodities or commodity contracts.
4. Make loans to other persons except by the purchase of a portion of an issue of publicly distributed bonds, debentures or other debt securities, except that the Fund may purchase privately sold bonds, debentures or other debt securities immediately convertible into equity securities subject to the restrictions applicable to the purchase of not readily marketable securities. (See "Restricted or Not Readily Marketable Securities").

5. Borrow money except for temporary or emergency purposes and then only from banks and in an aggregate amount not exceeding 5% of the value of the Fund's total assets at the time any borrowing is made, provided that the term "borrow" shall not include the short-term credits referred to in paragraph 6 below.
6. Purchase securities on margin, but it may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities.
7. Make short sales of securities.
8. Purchase or sell puts and calls on securities.
9. Participate, on a joint or joint and several basis, in any securities trading account.
10. Purchase the securities of any other investment company except (1) in the open market where, to the best information of the Fund, no commission, profit or sales charge to a sponsor or dealer (other than the customary broker's commission) results from such purchase, or (2) if such purchase is part of a merger, consolidation or acquisition of assets.
11. Invest in companies for the purpose of exercising management or control.
12. Invest more than 25% of the value of its net assets (at the time of purchase and after giving effect thereto) in the securities of any one issuer.
13. Issue senior securities, except as permitted by the 1940 Act.
14. Concentrate investments in an industry, as concentration may be defined under the 1940 Act or the rules and regulations thereunder (as such statute, rules or regulations may be amended from time to time) or by guidance regarding, interpretations of, or exemptive orders under, the 1940 Act or the rules or regulations thereunder published by appropriate regulatory authorities.

In connection with the qualification or registration of the Fund's shares for sale under the securities laws of certain States, the Fund has agreed, in addition to the investment restrictions set forth above, that it will not (i) purchase material amounts of restricted securities, (ii) invest more than 5% of the value of its total assets in securities of unseasoned issuers (including their predecessors) which have been in operation for less than three years, and equity securities of issuers which are not readily marketable, (iii) invest any part of its assets in interests in oil, gas or other mineral or exploration or development programs (excluding readily marketable securities), (iv) purchase or retain any securities of another issuer of which those persons affiliated with the Fund or Ruane Cunniff L.P., the Fund's investment adviser (the "Adviser"), owning, individually, more than 1/2 of 1% of said issuer's outstanding stock (or securities convertible into stock) own, in the aggregate, more than 5% of said issuer's outstanding stock (or securities convertible into stock) and (v) invest in warrants (other than warrants acquired by the Fund as a part of a unit or attached to securities at the time of purchase), if as a result such warrants valued at the lower of cost or market, would exceed 5% of the value of the Fund's assets at the time of purchase provided that not more than 2% of the Fund's net assets at the time of purchase may be invested in warrants not listed on the Exchange or the NYSE American.

(i) Cybersecurity

As the use of the Internet and other technologies has become more prevalent in the course of business, the Fund and its service providers, including the Adviser, have become more susceptible to operational and financial risks associated with cybersecurity.

Cybersecurity incidents can result from deliberate attacks such as gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, or from unintentional events, such as the inadvertent release of confidential information. Cybersecurity failures or breaches of the Fund or its service providers or the issuers of securities in which the Fund invests have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Fund shareholders to transact business, violations of applicable privacy

and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. While measures have been developed which are designed to reduce the risks associated with cybersecurity incidents, there can be no assurance that those measures will be effective, particularly since the Fund does not control the cybersecurity defenses or plans of its service providers, financial intermediaries or companies with which those entities do business or companies in which the Fund invests. Cybersecurity incidents, both intentional and unintentional, may allow an unauthorized party to gain access to Fund or shareholder assets, Fund or customer data (including private shareholder information), or proprietary information, or cause the Fund, the Adviser, and/or the Fund's service providers (including, but not limited to, the accounting agent, custodian, administrator, transfer agent and financial intermediaries) to suffer data breaches, data corruption or lose operational functionality, or prevent Fund shareholders from purchasing, redeeming, or exchanging shares or receiving distributions. The Fund and the Adviser have limited ability to prevent or mitigate cybersecurity incidents affecting third-party service providers, and such third-party service providers may have limited indemnification obligations to the Fund or the Adviser. Cybersecurity incidents may result in financial losses to the Fund and its shareholders, and substantial costs may be incurred in seeking to prevent or minimize future cyber security incidents.

(j) ReFlow and Other Liquidity Programs

The Fund participates in the ReFlow Fund, LLC ("ReFlow") liquidity program and other similar programs. ReFlow operates an auction program (the "Program") through which it makes a source of capital available to participating funds (like the Fund) to allow participating funds to satisfy some or all of their daily net redemption requests. The Program is designed to provide an alternative liquidity source to funds on days where redemptions of fund shares exceed purchases. ReFlow makes the Program available to eligible funds on an investment blind basis, meaning that ReFlow stands ready to purchase shares of participating funds that submit successful bids without regard to their investment objectives or performance.

The Fund has determined to make its Fund shares available for purchase by ReFlow through the Program. With respect to shares purchased through the Program, ReFlow will not be subject to any investment minimum applicable to such shares. There is no assurance that, on any given day, either the Fund will be successful during the auction, or that ReFlow will have sufficient funds available to meet the Fund's needs.

Following purchases of Fund shares, ReFlow then generally redeems those shares when the Fund experiences net sales, at the end of a maximum holding period determined by ReFlow (currently eight days) or at other times at ReFlow's discretion. While ReFlow holds Fund shares, it will have the same rights and privileges with respect to those shares as any other shareholder. For use of the ReFlow service, a participating fund typically pays a fee to ReFlow each time it purchases fund shares, calculated by applying to the purchase amount a fee rate determined through an automated daily auction among other participating mutual funds seeking liquidity that day. The current minimum fee rate is 0.14% of the value of the fund shares purchased by ReFlow although the fund may submit a higher bid. The actual fee rate that may be charged to a fund may therefore be higher than minimum rate. The Adviser (as defined herein) has agreed to pay this fee on behalf of the Fund. The costs to the Fund for participating in the Program are expected to be influenced by and comparable to the costs of other sources of liquidity, such as the costs of selling portfolio securities to meet redemptions.

In accordance with federal securities laws, ReFlow is prohibited from acquiring more than 3% of the outstanding voting securities of the Fund. ReFlow will periodically redeem its entire share position in the Fund and may request that any redemption of shares purchased through the Program be met in-kind in accordance with the Fund's policies. If the Fund redeems ReFlow shares in-kind, it is anticipated that the use of the Program will reduce the Fund's realization of capital gains which otherwise would be taxable to the Fund's shareholders, although there can be no assurance that this will be the case.

The Fund expects to satisfy redemption requests in-kind in connection with its participation in other liquidity programs and pay a fee to certain third parties arising from distributing non-U.S. portfolio securities to such parties.

When purchasing Fund shares, ReFlow is not subject to the Fund's investment minimum. In addition, investments in the Fund by ReFlow and other approved third parties are not subject to the Fund's policy regarding excessive trading described under "Frequent Purchases and Redemptions of Shares" in the Prospectus.

MANAGEMENT

Board of Directors Information

The business and affairs of the Fund are overseen by the Board of Directors (the "Board"). Certain information concerning the Board is set forth below.

| <u>Name, Address* and Age</u> | <u>Position(s) Held with Fund</u> | <u>Length of Time Served**</u> | <u>Principal Occupation(s) During Past 5 Years and Other Relevant Experience§</u> | <u>Other Directorships Held During Past 5 Years or Longer</u> | <u>Dollar Range of Equity Securities of the Fund as of December 31, 2024</u> |
|-------------------------------|---------------------------------------|-------------------------------------|---|---|--|
| Interested Directors | | | | | |
| John B. Harris, 48*** | President, CEO and Director | Since May 20, 2016 | Managing Director of the Adviser since 2018; Analyst of the Adviser; Managing Member of Wishbone Management, LP (registered investment adviser). | None | Over \$100,000 ⁽¹⁾ |
| Jennifer Rusk Talia, 42*** | Executive Vice President and Director | Since January 19, 2024 [†] | Chief Operating Officer of the Adviser since September 2023; Head of Client Service and Business Development of the Adviser since 2017. | None | Over \$100,000 ⁽¹⁾ |
| Independent Directors | | | | | |
| Peter Atkins, 61**** | Director | Since September 12, 2016 | Managing Director, Permian Partners (Investment Manager). | None | \$50,001-\$100,000 |
| Melissa Crandall, 46**** | Chairperson of the Board and Director | Since September 12, 2017 | Head of Talent Advisory, C Street Advisory (Talent Management) (2021-2022); Principal, Executive Recruiter, Third Street Partners (Talent Management) (2018-2020). | None | \$10,001-\$50,000 |
| Edward Lazarus, 65**** | Director | Since November 11, 2014 | Chief Strategy Officer, Sonos, Inc. (Consumer Electronics) since January 2024; Chief Legal Officer and Corporate Secretary, Sonos, Inc. since January 2019; Chief Financial Officer, Sonos, Inc. (2022-2024); Former Executive Vice President and General Counsel of Tribune Media Co. (2013-2018). | None | Over \$100,000 |
| Roger Lowenstein, 71**** | Director | Since 1998 | Writer for Major Financial and News Publications. | None | Over \$100,000 |

| Name, Address* and Age | Position(s) Held with Fund | Length of Time Served** | Principal Occupation(s) During Past 5 Years and Other Relevant Experience§ | Other Directorships Held During Past 5 Years or Longer | Dollar Range of Equity Securities of the Fund as of December 31, 2024 |
|-------------------------------|-----------------------------------|--------------------------------|--|--|--|
| Katharine Weymouth, 58**** | Director | Since September 16, 2020 | Venture Partner, Blu Venture Investors since January 2025; Adjunct Professor at George Washington University since January 2025; Chief Operating Officer, Togetherly (Virtual Wellness Community) (2021-2024); Chief Operating Officer and President, The Chef Market (formerly, dineXpert, Inc.) (2018-2020). | Republic Services, Inc. (Waste Management); Graham Holdings Company (Education and Media); Cable One, Inc. (Internet and Cable); Xometry, Inc. (AI Marketplace). | Over \$100,000 |

* The address for each of the Directors is 45 Rockefeller Plaza, 34th Floor, New York, New York 10111.

** Directors serve until their resignation, removal or death.

*** "Interested person," as defined in the 1940 Act, of the Fund because of an affiliation with the Adviser.

**** Member of the Fund's Audit Committee and Nominating Committee.

§ The information reported includes the principal occupation during the last five years for each Director and, as applicable, other information relating to the professional experiences, attributes and skills relevant to each Director's qualifications to serve as Director.

+ Ms. Talia was elected as a Director of the Fund on January 19, 2024.

(1) Mr. Harris is an officer and director of Ruane, Cunniff & Goldfarb Inc., the parent company of the Adviser (the "Parent"), Ms. Talia is an officer of the Parent, and Mr. Harris and Ms. Talia are voting stockholders of the Parent. Mr. Harris and Ms. Talia are beneficiaries of the Profit-Sharing Plan of the Parent, which holds for its participants 372,829 shares of the Fund's common stock.

Leadership Structure and the Board

The Board is responsible for overseeing the business affairs of the Fund and exercising all of its powers except those reserved for shareholders. The Board is currently composed of seven Directors, five of whom are not "interested persons" (as defined in the 1940 Act) of the Fund (the "Independent Directors" or "Disinterested Directors"). The Disinterested Directors meet regularly in executive sessions among themselves and with their independent counsel to consider a variety of matters affecting the Fund. These sessions generally occur prior to scheduled Board meetings and at such other times as the Disinterested Directors may deem necessary. As discussed in further detail below, the Board has established two standing committees to assist the Board in performing its oversight responsibilities. The Fund has engaged the Adviser to manage the Fund, and the Board is responsible for overseeing the Adviser and other service providers to the Fund in accordance with the provisions of the 1940 Act and other applicable laws.

The Fund's Amended and Restated By-Laws and the Nominating Committee Charter do not set forth any specific qualifications to serve as a Director. In evaluating a candidate for nomination or election as a Director, the Nominating Committee will take into account the contribution that the candidate would be expected to make to the diverse mix of experience, qualifications, attributes and skills that the Nominating Committee believes contributes to good governance for the Fund. The Chairperson of the Board is a Disinterested Director. The Chairperson's role is to preside at all meetings of the Board and to act as a liaison with service providers, officers, attorneys, and other Directors generally between meetings. The Chairperson may also perform other such functions as may be provided by the Board from time to time.

Among the attributes or skills common to all Directors are their ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the other Directors, the Adviser, other service providers, counsel and the independent registered public accounting firm, and to exercise effective and independent business judgment in the performance of their duties as Directors. Each Director's ability to perform his or her duties effectively has been attained through the Director's business, consulting, public service and/or academic positions and through experience from service as a board member of the Fund, public companies or other organizations as set forth above. Each Director's ability to perform his or her duties effectively also has been enhanced by his or her educational background, professional training, and/or other life experiences.

It has been determined that the Board's leadership structure is appropriate in light of the characteristics and circumstances of the Fund, including factors such as the Fund's investment strategy and style, the net assets of the Fund, the committee structure of the Fund, and the management, distribution and other service arrangements of the Fund. The Board believes that the current leadership structure allows the Board to exercise informed and independent judgment over matters under its purview, and it allocates areas of responsibility among service providers, committees of Directors and the full Board in a manner that enhances effective oversight. The Board believes that having a majority of Disinterested Directors is appropriate and in the best interest of the Fund, and that the Board leadership by Ms. Crandall provides the Board with valuable insights that assist the Board as a whole with the decision-making process. The leadership structure of the Board may be changed at any time and in the discretion of the Board including in response to changes in circumstances or the characteristics of the Fund.

Risk Oversight

The Fund is subject to a number of risks, including investment, compliance, valuation and operational risks, including cyber risks, among others. Day-to-day risk management functions are subsumed within the responsibilities of Fund management, the Adviser and other service providers (depending on the nature of the risk), who carry out the Fund's investment management and business affairs.

Risk oversight forms part of the Board's general oversight of the Fund and is addressed as part of various Board and Committee activities. The Board recognizes that it is not possible to identify all of the risks that may affect the Fund or to develop processes and controls to eliminate or mitigate their occurrence or effects. As part of its regular oversight of the Fund, the Board, directly or through a Committee, interacts with and reviews reports from, among others, the Adviser, the Chief Compliance Officer of the Fund, and the independent registered public accounting firm for the Fund, as appropriate, regarding risks faced by the Fund and relevant risk functions. The Board has appointed a Chief Compliance Officer of the Fund who oversees the implementation and testing of the Fund's compliance program and reports to the Board regarding compliance matters for the Fund and its principal service providers. In addition, as part of the Board's periodic review of the Fund's advisory and other service provider agreements, the Board may consider risk management aspects of their operations and the functions for which they are responsible. With respect to valuation, the Board periodically reviews valuation policies applicable to valuing the Fund's portfolio securities. The Board may, at any time and in its discretion, change the manner in which it conducts its risk oversight role.

Committee Structure

The Board has two standing committees – an Audit Committee and a Nominating Committee. The members of the Audit and Nominating Committees are identified above. The function of the Audit Committee is to assist the Board in its oversight of the Fund's financial reporting process. The Audit Committee met three times during the Fund's most recently completed fiscal year. The function of the Nominating Committee is to nominate persons to fill any vacancies on the Board. The Nominating Committee does not consider for nomination candidates proposed by shareholders for election as Directors. The Nominating Committee did not meet during the Fund's most recently completed fiscal year.

Officer and Other Fund Information

Certain information concerning the Fund's officers is set forth below.

| Name, Address* and Age | Position(s) (Month and Year First Elected) | Principal Occupation During the Past 5 Years or Longer |
|-------------------------------|---|--|
| John B. Harris (48) | President and CEO (5/18) | See biography above. |
| Jennifer Rusk Talia (42) | Executive Vice President (9/23) | See biography above. |
| Patrick Dennis (54) | Treasurer (11/17) | Chief Financial Officer of the Adviser since 2017; Chief Financial Officer of Associated Capital Group, Inc. (2015-2017). |
| Yau Dun Lee (35) | Chief Compliance Officer & Secretary (5/22) | Chief Compliance Officer of the Adviser since March 2022; Compliance Associate of the Adviser (2021-2022); Compliance Associate at Black Diamond Capital Management, LLC (2019-2021); Compliance Officer at Paradigm Capital Management, Inc. (2018-2019); Compliance Associate at C.L. King & Associates (2015-2018). |
| Michael Valenti (56) | Assistant Secretary (3/07) | Administrator of the Adviser. |

* The address for each of the Fund's officers is 45 Rockefeller Plaza, 34th Floor, New York, New York 10111.

As of March 31, 2025, the Directors and Officers of the Fund as a group owned less than 1% of the shares of the Fund.

The Fund does not pay any fees to, or reimburse expenses of, its Directors who are considered "interested persons" of the Fund. The aggregate compensation for the fiscal year ended December 31, 2024 paid by the Fund to each of the Directors is set forth below. The Adviser does not provide investment advisory services to any investment companies registered under the 1940 Act other than the Fund.

| Name of Director | Aggregate Compensation from Fund | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation from Fund |
|-------------------------|---|--|--|-------------------------------------|
| John B. Harris | \$ 0 | -0- | -0- | \$ 0 |
| Jennifer Rusk Talia* | \$ 0 | -0- | -0- | \$ 0 |
| Roger Lowenstein | \$ 200,000 | -0- | -0- | \$ 200,000 |
| Edward Lazarus | \$ 200,000 | -0- | -0- | \$ 200,000 |
| Peter Atkins | \$ 200,000 | -0- | -0- | \$ 200,000 |
| Melissa Crandall | \$ 215,000 | -0- | -0- | \$ 215,000 |
| Katharine Weymouth | \$ 200,000 | -0- | -0- | \$ 200,000 |

* Ms. Talia was elected as a Director of the Fund effective January 19, 2024.

The Fund and the Adviser have each adopted a Code of Ethics that permits their personnel to invest in securities, including securities that may be held or purchased by the Fund. The Code of Ethics contains trading restrictions, pre-clearance procedures and reporting procedures designed to detect and prevent potential conflicts of interest when personnel from the Adviser engage in personal securities transactions.

The Fund has adopted the Adviser's Proxy Voting Policies and Procedures ("Procedures"), which are designed to ensure that the Adviser votes proxies, with respect to securities held by the Fund, in the best interests of the Fund. The Procedures require the Adviser to identify and address conflicts of interest between the Adviser (or any affiliated person of the Adviser or the Fund) and the shareholders of the Fund. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Fund or take some other appropriate action.

The Adviser, on behalf of the Fund, generally votes in favor of routine corporate housekeeping proposals including the election of directors (where no corporate governance issues are implicated). The Adviser, on behalf of the Fund, generally votes against poison pills and proposals for compensation plans deemed to be excessive. For all other proposals, the Adviser will determine whether a proposal is in the best interests of the shareholders of the Fund and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

You may obtain a description of the 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, by visiting the Fund's website at www.sequoiafund.com/proxy-voting. This information may also be obtained from the Securities and Exchange Commission (the "SEC") website at www.sec.gov.

INVESTMENT ADVISER AND INVESTMENT ADVISORY CONTRACT

Ruane Cunniff L.P., a wholly-owned subsidiary of the Parent, serves as the Fund's investment adviser pursuant to an investment advisory contract dated April 17, 2017 (the "Advisory Contract") that was entered into by the Fund and the Parent. Effective March 31, 2018, the Parent assigned the Advisory Contract to the Adviser in connection with an internal modernization of the Parent's corporate structure, in which the Parent transferred its advisory operations to the Adviser.

The Advisory Contract continues in effect for successive twelve-month periods computed from each January 1, provided that such continuance is specifically approved annually by vote of a majority of the Fund's outstanding voting securities or by the Board, and by a majority of the Directors who are not parties to the Advisory Contract or interested persons of any such party, at a meeting called for the purpose of voting on such approval. Continuance of the Advisory Contract was approved for an additional annual term at a meeting of the Board on December 6, 2024.

Pursuant to the terms of the Advisory Contract, the Adviser furnishes advice and recommendations with respect to the Fund's portfolio of securities and investments and provides persons satisfactory to the Fund's Board to act as officers and employees of the Fund. Such officers and employees, as well as certain directors of the Fund, may be directors, officers or employees of the Adviser or its affiliates.

In addition, the Adviser, or its affiliates, are obligated under the Advisory Contract to pay or reimburse the Fund for the following expenses incurred by the Fund: (i) the compensation of any of the Fund's directors, officers and employees who are interested persons of the Adviser or its affiliates (other than by reason of being directors, officers or employees of the Fund), (ii) fees and expenses of registering the Fund's shares under the appropriate Federal securities laws and of qualifying its shares under applicable State Blue Sky laws, including expenses attendant upon renewing and increasing such registrations and qualifications, and (iii) expenses of printing and distributing the Fund's Prospectus and sales and advertising materials. The Fund is responsible and has assumed the obligation for payment of all of its other expenses including: (a) brokerage and commission expenses, (b) U.S. Federal, state or local taxes, including issue and transfer taxes, incurred by or levied on the Fund, (c) interest charges on borrowings, (d) compensation of any of the Fund's directors, officers or employees who are not interested persons of the Adviser or its affiliates (other than by reason of being directors, officers or employees of the Fund), (e) charges and expenses of the Fund's custodian, transfer agent and registrar, (f) costs of proxy solicitations, (g) legal and auditing expenses, and (h) payment of all investment advisory fees (including the fee payable to the Adviser under the Advisory Contract).

The Advisory Contract is terminable on 60 days' written notice by vote of a majority of the Fund's outstanding shares or by vote of majority of the Fund's entire Board, or by the Adviser on 60 days' written notice and automatically terminates in the event of its assignment. The Advisory Contract provides that in the absence of willful misfeasance, bad faith or gross negligence on the part of the Adviser, or of reckless disregard of its obligations thereunder, the Adviser is not liable for any action or failure to act in accordance with its duties thereunder.

For the services provided by the Adviser under the Advisory Contract, the Adviser receives from the Fund a management fee equal to 1.00% per annum of the Fund's average daily net asset values. The management fee is accrued daily and paid monthly.

Under the terms of the Advisory Contract, the Adviser is contractually obligated to reimburse the Fund for the amount, if any, by which the operating expenses of the Fund (including the management fee) in any year exceed the sum of 1½% of the average daily net asset value of the Fund for such year up to a maximum of \$30 million of net assets, plus 1.00% of the average daily net asset value in excess of \$30 million. The reimbursement will be in effect only so long as the Advisory Contract is in effect. Operating expenses for the purposes of the Advisory Contract do not include the expenses listed in clauses (a), (b) and (c) above. During the fiscal year ended December 31, 2024, the Fund incurred operating expenses of \$38,304,785 of which the Adviser reimbursed the Fund \$3,557,789. During the fiscal year ended December 31, 2023, the Fund incurred operating expenses of \$34,419,257 of which the Adviser reimbursed the Fund \$3,312,405. During the fiscal year ended December 31, 2022, the Fund incurred operating expenses of \$39,199,867 of which the Adviser reimbursed the Fund \$3,003,986.

The Adviser acts as an investment adviser to other persons, firms or corporations and has numerous advisory clients besides the Fund, none of which, however, is a registered investment company.

The Adviser is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

The Adviser is a wholly-owned subsidiary of the Parent and is managed by its general partner, RCG-GP LLC. Employees of the Adviser collectively own a majority of the voting securities of each of the Parent and RCG-GP LLC. Mr. Harris serves as President and CEO of the Parent, Managing Director of the Adviser and Managing Partner of RCG-GP LLC, and serves on the Management Committee of RCG-GP LLC along with the other members of the Investment Committee of the Adviser. Ms. Talia serves as Chief Operating Officer of the Parent, RCG-GP LLC, and the Adviser.

Management Fee

The following table sets forth, for each of the last three years, (i) the management fee that was received by the Adviser, (ii) the portion, if any, of such fee reimbursed to the Fund pursuant to the expense limitation described above and (iii) the net amount received by the Adviser from the Fund.

| Year Ended | Management Fee | Amount Reimbursed | Net Amount Received |
|-------------------|----------------|-------------------|---------------------|
| December 31, 2022 | \$ 36,045,879 | \$ 3,003,986 | \$ 33,041,893 |
| December 31, 2023 | \$ 30,956,852 | \$ 3,312,405 | \$ 27,644,447 |
| December 31, 2024 | \$ 34,596,994 | \$ 3,557,789 | \$ 31,039,205 |

Portfolio Managers and Investment Committee

The Adviser manages the investment portfolio and the general business affairs of the Fund pursuant to the Advisory Contract. John B. Harris, Arman Gokgol-Kline and Trevor Magyar are the co-portfolio managers of the Fund and, subject to the investment parameters established from time to time by the Investment Committee of the Adviser (the "Committee"), are jointly and primarily responsible for the day-to-day management of the Fund's portfolio. The Committee, which reflects the team approach used by the Adviser, meets regularly to determine the current investment parameters of the Fund. The Committee is comprised of the co-portfolio managers, all of whom are voting members of the Committee, and Gregory Alexander, who is a non-voting member of the Committee.

Mr. Harris, as Chair of the Committee, may take actions for the Fund that are not within the investment parameters established by the Committee in the event that he determines that events or circumstances require him to take such actions and it is not practicable to convene a meeting of the Committee. Mr. Harris has been authorized by the Committee to limit the value of the Fund's investment in any security from exceeding 20% of the Fund's net assets.

The Fund does not directly compensate the co-portfolio managers. Each co-portfolio manager's compensation is paid solely by the Adviser in the form of a fixed salary and bonus. In addition, each co-portfolio manager who has a share ownership in the Parent also receives a percentage of the net profits of the Parent based on such share ownership. The net profits of the Parent include profits of the Adviser (if any). The co-portfolio managers are not compensated based directly on the performance of the Fund. The Fund, with net assets of \$3,365,002,048 at December 31, 2024, is the sole registered investment company managed by the Committee and its members. The advisory fee paid by the Fund is not based on the performance of the Fund. The co-portfolio managers who manage privately offered pooled investment vehicles are entitled to receive incentive compensation based on the profits, if any, of such vehicles.

The following tables provide information regarding other pooled investment vehicles and other accounts over which the co-portfolio managers also have day-to-day management responsibilities. The tables provide the numbers of such accounts, the total assets in such accounts and the number of accounts and total assets whose fees are based on performance. The information is provided as of December 31, 2024.

OTHER POOLED INVESTMENT VEHICLES

| Portfolio Manager | Total Number of Other Pooled Investment Vehicles Managed | Total Assets of Other Pooled Investment Vehicles Managed | Number of Other Pooled Investment Vehicles Managed with Performance-based Fees | Total Assets of Other Pooled Investment Vehicles Managed with Performance-based Fees |
|--------------------------|---|---|---|---|
| John B. Harris | 7 | \$ 1,064,248,183 | 7 | \$ 1,064,248,183 |
| Arman Gokgol-Kline | 0 | \$ 0 | 0 | \$ 0 |
| Trevor Magyar | 3 | \$ 85,153,486 | 3 | \$ 85,153,486 |

OTHER ACCOUNTS

| Portfolio Manager | Total Number of Other Accounts Managed | Total Assets of Other Accounts Managed | Number of Other Accounts Managed with Performance-based Fees | Total Assets of Other Accounts Managed with Performance-based Fees |
|--------------------------|---|---|---|---|
| John B. Harris | 1,125 | \$ 5,922,781,865 | 0 | \$ 0 |
| Arman Gokgol-Kline | 1,127 | \$ 5,920,121,311 | 0 | \$ 0 |
| Trevor Magyar | 1,134 | \$ 5,985,782,590 | 0 | \$ 0 |

Potential conflicts of interest may arise for any co-portfolio manager between the management of the investments of the Fund and the management of the investments of the other pooled vehicles and other accounts. Although certain of such vehicles and accounts are managed in a similar manner to the Fund, the accounts and vehicles are not subject to the same regulatory requirements and restrictions as the Fund. In addition, concentrations of securities and cash may differ between any account or vehicle and the Fund due to many factors and circumstances.

The Adviser has adopted policies and procedures designed to ensure that investment allocations and trading practices are fair to its clients and that no client is disadvantaged over any other client over time. The Adviser has also adopted a Code of Ethics that is designed to detect and prevent conflicts of interest when investment personnel of the Adviser engage in personal securities transactions.

The dollar ranges of the Fund's equity securities owned directly or beneficially by the co-portfolio managers as of December 31, 2024 are set forth below:

DOLLAR RANGE OF EQUITY SECURITIES OF THE FUND

| | |
|--------------------|------------------|
| John B. Harris | over \$1,000,000 |
| Arman Gokgol-Kline | over \$1,000,000 |
| Trevor Magyar | over \$1,000,000 |

DISTRIBUTOR AND DISTRIBUTION AGREEMENT

Forside Financial Services, LLC (the "Distributor"), located at Three Canal Plaza, Suite 100, Portland, ME 04101, is the Fund's distributor. Pursuant to the agreement between the Fund and the Distributor (the "Distribution Agreement"), the Distributor is the Fund's distributor and principal underwriter and as such serves as the Fund's exclusive agent for the sale and distribution of shares of the Fund's common stock.

The Distribution Agreement was approved through December 31, 2025 by a vote of the Directors, including a majority of the Directors who are not "interested persons", as defined in the 1940 Act, at their meeting held on December 6, 2024. The Distribution Agreement continues in effect so long as such continuance is specifically approved at least annually (1) by the Directors of the Fund and by vote of a majority of the Directors of the Fund who are not parties to the Distribution Agreement or affiliated persons, as defined in the 1940 Act, of any such party (other than as directors of the Fund), or (2) by vote of the holders of a majority of the outstanding voting securities (as defined in the 1940 Act).

ADMINISTRATOR

The Bank of New York Mellon ("BNY Mellon" or the "Administrator") provides certain administration and accounting services to the Fund pursuant to a Fund Administration and Accounting Services Agreement between the Fund and BNY Mellon.

The Administrator provides various administrative and accounting services necessary for the operations of the Fund, including certain valuation support and accounting services, financial reporting services, tax services and fund administration services.

For providing such services, the Administrator receives a base fee and an asset-based fee, computed daily and paid monthly. The Fund also reimburses the Administrator for certain out-of-pocket expenses. For the fiscal years ended December 31, 2024, December 31, 2023 and December 31, 2022, the Fund paid the Administrator \$146,753, \$142,734, and \$148,353, respectively, in administration and accounting services fees.

ALLOCATION OF PORTFOLIO BROKERAGE

The Fund has authorized the Adviser to determine the broker-dealer to be used to effect securities transactions for the Fund in a manner consistent with the Fund's policy to seek the most favorable markets, prices and executions in its securities transactions. The Adviser considers a number of factors when selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability and efficiency of execution.

The Adviser also considers a broker-dealer's provision of brokerage and research services. The Adviser directs the Fund's portfolio transactions to persons or firms that supply Section 28(e) eligible brokerage or research services to the Adviser, but only when consistent with the Fund's policy to seek the most favorable markets, prices and executions in its securities transactions. The Adviser may direct orders to a broker-dealer in recognition of the brokerage or research services it furnishes to the Adviser and pay commissions to the broker-dealer in excess of the amounts other broker-dealers would have charged for executing the orders. The services that the Adviser obtains in these circumstances may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; access to expert networks; attendance at seminars and conferences; discussions with research analysts;

meetings with corporate executives; consultants' advice on portfolio strategy; and data services (including services providing market data, company financial data and economic data). Research services furnished by brokers through which the Fund effects securities transactions are used by the Adviser in carrying out its investment management responsibilities with respect to all of its client accounts but not all such services may be used by the Adviser in connection with the Fund. The Adviser periodically determines in good faith whether the commissions paid for the services are reasonable in relation to the value of the services provided by broker-dealers, viewed either in terms of a particular transaction or the Adviser's overall duty to its clients.

The Fund may invest in some instances in securities which are not listed on a national securities exchange but are traded in the over-the-counter ("OTC") market or the third market. It may also execute transactions in listed securities through the third market. Where transactions are executed in the OTC market or the third market, the Adviser seeks to deal with primary market makers and to execute transactions on the Fund's behalf, except in those circumstances where, in the opinion of management, better prices and executions may be available elsewhere. The Fund does not allocate brokerage business in return for sales of the Fund's shares.

The following table sets forth figures pertaining to the Fund's brokerage during the last three years:

| Year Ended | Total Brokerage Commissions Paid | |
|-------------------|-------------------------------------|---------|
| December 31, 2022 | \$ | 508,487 |
| December 31, 2023 | \$ | 433,851 |
| December 31, 2024 | \$ | 248,672 |

DISCLOSURE OF PORTFOLIO HOLDINGS

To prevent the misuse of non-public information about the Fund's portfolio, it is the policy of the Fund and its affiliated persons not to disclose to third parties non-public information of a material nature about the Fund's specific portfolio holdings. Disclosure of non-public information about the Fund's specific portfolio holdings may be made when the Fund has a legitimate business purpose for making the disclosure, such as making disclosures to the Fund's brokers or other service providers. The Fund requires parties to whom non-public information about the Fund's portfolio holdings has been disclosed to keep such information confidential. The Fund also prohibits such parties from trading on the basis of such information. The Fund receives no compensation for such disclosures. The Fund has procedures for preventing the unauthorized disclosure of material non-public information about the Fund's portfolio holdings. The Fund and Adviser have each adopted a Code of Ethics that prohibits Fund or advisory personnel from using non-public information for their personal benefit.

The Fund publicly discloses its top 10 portfolio holdings on its website at www.sequoiafund.com/performance approximately 1-5 business days after quarter end. The Fund publicly discloses its complete portfolio holdings schedules for the first and third quarters in filings with the SEC on Form N-PORT within 60 days after quarter end, and publicly discloses its complete portfolio holdings schedules for the second and fourth quarters in filings with the SEC on Form N-CSR within 70 days after quarter end. The Fund's portfolio holdings schedules as filed with the SEC are available to the public on the Fund's website or by calling the Fund's toll-free telephone number. Any exception to the Fund's policy must be approved by an officer of the Fund and reported to the Chief Compliance Officer, who reports to the Board. Changes in the disclosure policy of the Fund will be approved by the Board.

NET ASSET VALUE

The net asset value of each share ("NAV") of the Fund's common stock on which the subscription and redemption prices are based is determined as of the close of regular trading of the Exchange (generally 4:00 p.m., Eastern Time) each day the Exchange is open for business (each a "Fund Business Day"). The Exchange is closed on New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving and Christmas. To calculate the 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.

For purposes of this computation, readily marketable portfolio securities listed on a domestic exchange (excluding the Nasdaq Stock Market, Inc. ("NASDAQ")) are valued at the last quoted sales price on the business day as of which such value is being determined. If there has been no sale on the exchange, the security is valued at the mean of the last bid and asked prices on such day. Securities traded on the NASDAQ are valued using the NASDAQ Official Closing Price.

Securities traded on a foreign exchange are valued at the official closing price (or, in the absence of an official closing price, the last quoted sales price, or, in the absence of an official closing price and last quoted sales price, the mean of the last bid and asked prices) on the last business day on the principal exchange on which the security is primarily traded. Values for securities listed on a foreign exchange are converted into their U.S. Dollar equivalent at the foreign exchange rate in effect at the close of the Exchange on that day.

Treasury Bills with remaining maturities of 60 days or less are valued at their amortized cost, provided that the amortized cost value is approximately the same as the fair value as determined without the use of amortized cost valuation. Under the amortized cost method of valuation, an instrument is valued at cost and the interest payable at maturity upon the instrument is accrued as income, on a daily basis, over the remaining life of the instrument. A Treasury Bill with a remaining maturity in excess of 60 days is valued on the basis of market quotations and estimates until the 60th day prior to maturity, at which point it is valued at amortized cost. In that event, the cost of the security is deemed to be the security's stated market value on the 61st day prior to maturity.

All other assets of the Fund, including restricted and not readily marketable securities, are valued in accordance with valuation procedures approved by the Board. Portfolio securities for which market quotations are insufficient or not readily available, portfolio securities for which (in the judgment of the Adviser) the prices or values available do not represent the fair value of the securities, and portfolio securities determined to be illiquid are valued at fair value as determined by the Adviser as of the valuation time in accordance with valuation procedures approved by the Board. Pursuant to Rule 2a-5 under the 1940 Act, the Board has designated the Adviser as valuation designee to perform fair value determinations relating to the Fund's portfolio investments, subject to the Board's oversight.

For purposes of determining the Fund's NAV each day, the value of all assets and liabilities initially expressed in a foreign currency is converted into U.S. Dollars at the foreign exchange rate in effect at the close of the Exchange on that day.

PURCHASE AND REDEMPTION OF SHARES

Purchases: General

The Fund reserves the right to withdraw the offering of Fund shares at any time, without notice. The Fund also reserves the right to reject any order, whether direct or through an intermediary, to purchase shares (including additional purchases by existing shareholders).

Purchases: Limitations or Restrictions

The Fund may impose limitations or restrictions on purchases of Fund shares periodically to protect the implementation of the Fund's investment strategy or objective or otherwise control the Fund's asset levels. The Fund may, for example, take one or more of the following actions to limit or restrict purchases of Fund shares:

- Permit only existing shareholders to add to their existing accounts through the purchase of additional Fund shares and through the reinvestment of dividends and/or capital gain distributions on any shares owned;
- Limit the ability to open new accounts through financial intermediaries and other financial services organizations;
- Limit shareholders' ability to add to their accounts through the Automatic Investment Plan ("AIP") or increase the AIP amount;

- Limit the ability of sponsors of qualified contribution retirement plans (for example, 401(k) plans, profit sharing plans and money purchase plans), 403(b) plans or 457 plans and other intermediaries to permit purchases by new plans or existing participants;
- Limit the ability of financial intermediaries and financial advisers to purchase shares for any new or existing client; and
- Prohibit new purchases by existing shareholders and any new investor and transfers of Fund shares by an existing shareholder to any new investor.

When Fund assets reach a level at which additional inflows can be invested without impairing the implementation of the Fund's investment strategy or objective, the Fund may remove an existing limitation or restriction on purchases of Fund shares.

When the Fund imposes a limitation or restriction on purchases of Fund shares or modifies it, the Fund will post information concerning the limitation or restriction or modification on its website at www.sequoiafund.com.

The Fund retains the right to make exceptions to any limitation or restriction on purchases of Fund shares.

Redemptions

The right of redemption may not be suspended or (other than by reason of a shareholder's delay in furnishing the required documentation following certain oral redemption requests) the date of payment upon redemption postponed for more than seven days after a shareholder's redemption request in accordance with the procedures set forth in the Prospectus, except for any period during which the Exchange is closed (other than customary weekend and holiday closings) or during which the SEC determines that trading thereon is restricted, or for any period during which an emergency (as determined by the SEC) exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable or as a result of which it is not reasonably practicable for the Fund fairly to determine its NAV, or for such other period as the SEC may by order permit for the protection of shareholders of the Fund.

Additional Purchase and Redemption Information

You may visit the Fund's website at www.sequoiafund.com. In addition to checking your Fund account balance, you may purchase or redeem shares of the Fund through the website. There are various operational, information security and other cybersecurity risks associated with the website, which could potentially result in losses to the Fund (see "Cybersecurity" above). The Fund has entered into an agreement with a third-party service provider pursuant to which it supports the Fund's online capabilities. That agreement limits the service provider's liability to the Fund. Therefore, contractual remedies may prove inadequate to protect the Fund against all losses incurred in connection with the website.

Payments to Intermediaries

Certain financial intermediaries holding Fund shares for the benefit of their customers provide recordkeeping, shareholder servicing and other administrative services to those customers investing in the Fund. The Adviser has agreed to pay certain of these financial intermediaries an asset-based fee of up to 0.10% of the average daily net assets attributable to the intermediary for providing such recordkeeping, shareholder servicing and administrative services to their customers.

TAX CONSIDERATIONS

The Fund is a "non-diversified" investment company, which means the Fund is not limited (subject to the investment restrictions set forth above) in the proportion of its assets that may be invested in the securities of a single issuer. However, for the fiscal year ended December 31, 2024, the Fund has qualified, and for each fiscal year thereafter the Fund intends to conduct its operations so as to qualify, to be taxed as a "regulated investment company" for purposes of the Code (a "RIC"), which will relieve the Fund of any liability for U.S. Federal income tax on that part of its net ordinary taxable income and net realized long-term capital gain which it distributes to shareholders. Such qualification does not involve supervision of management or investment practices or policies by any government

agency. To so qualify, among other requirements, the Fund will limit its investments so that, at the close of each quarter of the taxable year, (i) not more than 25 percent of the market value of the Fund's total assets will be invested in the securities of a single issuer (the "25% test"), and (ii) with respect to 50 percent of the market value of its total assets, not more than 5 percent of the market value of its total assets will be invested in the securities of a single issuer and the Fund will not own more than 10 percent of the outstanding voting securities of a single issuer (the "50% test"). The Fund's investments in U.S. Government securities are not subject to these limitations. The Fund will not lose its status as a RIC if the Fund fails to meet the 25% test or the 50% test at the close of a particular quarter due to fluctuations in the market values of its securities. Investors should consult their own counsel for a complete understanding of the requirements the Fund must meet to qualify as a RIC. The following discussion relates solely to the U.S. Federal income tax treatment of dividends and distributions by the Fund and assumes the Fund qualifies as a RIC. Investors should consult their own counsel for further details and for the application of state and local tax laws to their particular situation.

Distributions of net ordinary taxable income (including any realized short-term capital gain) by the Fund to its shareholders are taxable to the recipient shareholders as ordinary income and, to the extent determined each year, are eligible, in the case of corporate shareholders, for the 70 percent dividends-received deduction, subject to reduction of the amount eligible for deduction if the aggregate qualifying dividends received by the Fund from domestic corporations in any year are less than 100% of its gross income (excluding long-term capital gains from securities transactions). Under provisions of the current tax law, a corporation's dividends-received deduction will be disallowed, however, unless the corporation holds shares in the Fund at least 46 days during the 90-day period beginning 45 days before the date on which the corporation becomes entitled to receive the dividend. Furthermore, the dividends-received deduction will be disallowed to the extent a corporation's investment in shares of the Fund is financed with indebtedness. In view of the Fund's investment policies, dividends from domestic corporations may be a large part of the Fund's ordinary taxable income and, accordingly, a large part of such distributions by the Fund may be eligible for the dividends-received deduction; however, this is largely dependent on the Fund's investment policy for a particular year and therefore cannot be predicted with certainty.

A portion of the Fund's distributions may be treated as "qualified dividend income," taxable to individuals, trusts, and estates at the same preferential tax rates as long-term capital gains. 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 both the Fund and the individual satisfy certain holding period and other requirements. Dividends received from REITs generally do not constitute qualified dividend income. However, certain REIT dividends attributable to trade or business income of the REIT may qualify for a reduced rate of taxation as qualified business income in the hands of individuals, trusts and estates, provided certain holding period and other requirements are satisfied by the shareholder. To the extent the Fund's distributions are attributable to other sources, such as interest or capital gains, the distributions are not treated as qualified dividend income.

For U.S. Federal income tax purposes, dividends declared and payable to shareholders of record as of a date in October, November or December of a given year but actually paid during the immediately following January will be treated as if paid by the Fund on December 31 of that calendar year and will be taxable to such shareholders for the year declared and not for the year in which the shareholders actually receive the dividend.

Cost Basis Reporting. Mutual funds are required to report to the Internal Revenue Service (the "IRS") the "cost basis" of shares acquired by a shareholder on or after January 1, 2012 ("covered shares") and subsequently redeemed. These requirements do not apply to investments through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement plan. The "cost basis" of a share is generally its purchase price adjusted for dividends, return of capital, and other corporate actions. Cost basis is used to determine whether a sale of the shares results in a gain or loss. The amount of gain or loss recognized by a shareholder on the sale or redemption of shares is generally the difference between the cost basis of such shares and their sale price. If you redeem covered shares during any year, then the Fund will report the cost basis of such covered shares to the IRS and you on Form 1099-B along with the gross proceeds received on the redemption, the gain or loss realized on such redemption and the holding period of the redeemed shares.

A mutual fund company is required to know the cost accounting method you would like used when the company calculates the gain or loss associated with your redemption requests, either at the time of the redemption or prior to the redemption requests. If the mutual fund company does not have that information on file, it is required to use a default method to determine the cost basis.

The Fund has chosen the High Cost method as its default cost accounting method. Under the High Cost method, the shares with the highest cost are redeemed first. This default method will be utilized after all shares held prior to January 1, 2012 ("non-covered shares") are redeemed.

The Fund also offers the following methods of calculating cost basis for purposes of computing the gain or loss associated with a redemption request:

- Average Cost – Values the cost of shares in an account by averaging the effect of all purchases made after January 1, 2012 in the account.
- First-In First-Out – Shares acquired first in the account are the first shares depleted.
- Last-In First-Out – Shares acquired last in the account are the first shares depleted.
- Low Cost – Shares acquired with the lowest cost per share are the first shares depleted.
- Loss/Gain Utilization – Depletes shares with losses before gains, consistent with the objective of minimizing taxes. For shares that yield a loss, shares owned one year or less (short-term shares) will be redeemed before shares owned more than one year (long-term shares). For gains, long-term shares will be redeemed before short-term shares. With favorable long-term gains rates, long-term gains are given priority over short-term gains to reduce tax liability.
- Specific Lot Identification – The shareholder selects which lots to deplete at the time the redemption is requested. When choosing this method, the shareholder must select one of the following secondary methods as an alternate in the event a specific lot for depletion is not provided: First-In First-Out; Last-In First-Out; High Cost; Low Cost or Loss/Gain Utilization.

If you do not wish to utilize the High Cost calculation chosen by the Fund, you may elect to utilize a different accounting method for your future redemption activity. If you elect a method other than High Cost or Specific Lot Identification, the method you choose will not be utilized until all shares held prior to January 1, 2012 are redeemed. If you elect Specific Lot Identification as your cost method, you may select from both covered and non-covered shares for your redemption request. The Fund does not maintain historic lot information for non-covered shares. Be sure to consult your tax advisor regarding which method may be right for you.

COMMON STOCK

The authorized capital stock of the Fund consists of 100,000,000 shares of common stock, each having \$.10 par value.

The Fund is a Maryland corporation. The Articles of Incorporation of the Fund give the Fund the right to purchase for cash the shares of common stock evidenced by any stock certificate presented for transfer at a purchase price equal to the aggregate NAV determined as of the next close of business of the Exchange after such certificate is presented for transfer, computed as in the case of a redemption of shares.

The Fund's shares have non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect 100% of the directors if they choose to do so, and in such event the holders of the remaining less than 50% of the shares voting for such election of directors will not be able to elect any person or persons to the Board.

To the knowledge of the Fund, the following persons owned of record or beneficially 5% or more of the outstanding shares of the Fund as of the close of business on April 1, 2025:

| Name and Address | Number of Shares | % of Shares |
|---|------------------|-------------|
| Charles Schwab & Co., Inc. 222 Main Street San Francisco, CA 94105-1905 | 1,883,556 | 10.45% |
| National Financial Services 499 Washington Boulevard Jersey City, NJ 07310-1995 | 1,591,548 | 8.83% |

CUSTODIAN, REGISTRAR AND SHAREHOLDER SERVICING AGENT, COUNSEL AND INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Bank of New York Mellon, 240 Greenwich St., New York, New York 10286, acts as custodian for the Fund's securities portfolio and cash. Subject to the supervision of the Board, The Bank of New York Mellon has entered into sub-custodial agreements for the holding of the Fund's foreign securities.

SS&C GIDS, Inc., P.O. Box 219477, Kansas City, Missouri 64121, serves as the registrar and shareholder servicing agent for the Fund.

Seward & Kissel LLP, 901 K Street NW, Washington, DC 20001, serves as counsel to the Fund.

KPMG LLP, 345 Park Avenue, New York, New York 10154, serves as independent registered public accounting firm for the Fund.

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements of the Fund for its fiscal year ended December 31, 2024 and the corresponding report of KPMG LLP are incorporated herein by reference to the Fund's Form N-CSR, which was filed with the SEC on March 4, 2025. The Form N-CSR is available without charge upon request by contacting the Fund at 1-800-686-6884.