

Ruane, Cunniff & Goldfarb Inc.

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March 7, 2017

To Our Clients:

In a few weeks, we plan to take an important step in the leadership transition that we began last year. At present, current employees of Ruane Cunniff own a minority share of the Firm, while retired employees and other shareholders own a majority. On April 14, we will undertake a recapitalization transaction in which current employees will purchase a substantial additional stake in the Firm, such that our new generation of leaders will become the majority owners of Ruane Cunniff. Concurrent with this transaction, Ruane Cunniff will repurchase a portion of its existing ownership interests from former employees, including our former CEO.

All nine of our current employee owners will participate in the recapitalization, and several of them will be investing the vast majority of their liquid net worth to purchase the new ownership interests they will receive. We recently told you that we entered this new year with a humble but still pervasive sense of optimism regarding the health of our team, our culture and our investment process. With this transaction, we will essentially be putting our money where our mouths are, which is exactly where it should be.

By investing money back into the Firm to purchase the additional stake it is buying, our employee group will bolster the stability of what is already a financially strong business. As of today, we have no debt and a substantial cash reserve, and our fixed costs are reasonable relative to our revenues. Bill and Rick were always vocal about their desire to create an organization that was built to survive and thrive independently for generations, and we are committed to carrying out their wishes.

Importantly, our planned recapitalization has the full support of the Cunniff Family. While the Ruane Family has not had an ownership interest in our Firm since 2015, the Cunniffs remain large shareholders. Though the overall effect of the recapitalization will be to dilute the Cunniffs' stake, they will contribute a modest amount of money to the transaction on the same economic terms as our employee group. In future years, we will buy the Family's post-transaction shareholding out pursuant to a predetermined schedule. When these planned purchases are completed, current employees will own roughly 80% of Ruane Cunniff.

Because the transaction described above will qualify as a change in control and a technical assignment of our investment advisory agreement with you under the securities laws, it requires your consent. To provide it, please sign and return the enclosed Consent Form in the self-addressed, stamped envelope provided by March 24, 2017. If you have any questions about the consent form or what we have described above, feel free to reach out to our director of client service, Jon Gross. He can be contacted at jong@ruanecunniff.com or (212) 832-5280.

Though our planned recapitalization will not alter anything about the way we manage your investments or service your accounts, you should still expect to see several noteworthy changes at Ruane Cunniff during 2017. By the end of the year, we plan to debut new and improved websites for Sequoia Fund and our separate account clients, unveil the beginnings of long-awaited online account access functionality and make substantial headway through an overhaul of our IT systems that should span the next two or three years. We will also begin a major investment in the personnel and substance of our investor relations function that will hopefully bring our client communications and service in line with the best of our peers. We think the most important change of all, however, will be the ownership transition described above, because it will maintain the strong alignment of employee and client interests that has been a constant and fundamentally critical attribute of our Firm since its founding. We hope you agree.

Sincerely,



John Harris



David Poppe



Greg Alexander