

## QUARTERLY REPORT For the Period Ended March 31, 2001

Dear Stockholder:

Sequoia Fund's results for the first quarter of 2001 are as shown below with the usual comparable data for the leading market indexes:

	<b>Sequoia Fund</b>	<b>Dow Jones Industrials</b>	<b>Standard &amp; Poor's 500</b>
3 months to 3/31/01	-4.1%	-8.0%	-11.9%

As we write, Sequoia is up 3.3% compared to year-to-date returns on the S&P 500 of -5.0%.

The annual meeting of Sequoia was held on April 20th in New York. *Outstanding Investor Digest* has prepared a summary of our comments at the meeting. We thought it would be useful to provide all of our stockholders with this review which *Outstanding Investor Digest* kindly provided to us again this year in the form of the enclosed reprint.

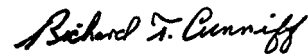
We are also enclosing our *Privacy Notice* describing our policies relating to personal client information as required by the recently enacted Gramm-Leach-Bliley Act.

John M. Harding, a valued director of Sequoia since 1980, retired from the Board in May. We will miss John's wisdom and wry wit and wish him a relaxed and happy retirement. We are pleased to welcome our new director, Vinod Ahoja, whose impressive professional and personal experience in the financial and investment fields should be a valuable asset to the Fund shareholders.

Sincerely,



Carley Cunniff  
Executive Vice President



Richard T. Cunniff  
Vice Chairman



Robert D. Goldfarb  
President



William J. Ruane  
Chairman

May 30, 2001

SEQUOIA FUND, INC.  
 STATEMENT OF INVESTMENTS  
 MARCH 31, 2001 (UNAUDITED)

COMMON STOCKS (75.5%)

<u>Shares</u>		<u>Value (a)</u>
	<b>BANK HOLDING COMPANIES (13.3%)</b>	
8,710,393	Fifth Third Bancorp . . . . .	\$ 465,461,626
243,300	Mercantile Bankshares Corporation . . . . .	9,002,100
970,200	National Commerce Bancorp . . . . .	<u>24,073,087</u>
		498,536,813
	<b>CHEMICAL PRODUCTS (0.7%)</b>	
1,439,800	MacDermid Inc. . . . .	<u>26,031,584</u>
	<b>DEPARTMENT STORES (6.7%)</b>	
7,893,800	TJX Companies, Inc. . . . .	<u>252,601,600</u>
	<b>DIVERSIFIED COMPANIES (34.2%)</b>	
19,661	Berkshire Hathaway Inc. Class A (c) . . . . .	<u>1,286,812,450</u>
	<b>HOME FURNISHINGS (2.2%)</b>	
2,414,000	Ethan Allen Interiors, Inc. (b) . . . . .	<u>81,544,920</u>
	<b>INDUSTRIAL AND COMMERCIAL MACHINERY (2.9%)</b>	
3,087,350	Dover Corporation . . . . .	<u>110,650,624</u>
	<b>INSURANCE (6.3%)</b>	
2,430,500	Progressive Corporation-Ohio . . . . .	<u>235,880,025</u>
	<b>MANUFACTURING—MOTORCYCLES (0.7%)</b>	
690,900	Harley Davidson, Inc. . . . .	<u>26,219,655</u>
	<b>PERSONAL CREDIT (2.4%)</b>	
1,532,200	Household International Inc. . . . .	<u>90,767,528</u>
	Miscellaneous Securities (6.1%) . . . . .	<u>231,979,974</u>
	<b>TOTAL COMMON STOCKS . . . . .</b>	<u><u>\$2,841,025,173</u></u>

<u>Principal Amount</u>		<u>Value (a)</u>
<b>U.S. GOVERNMENT OBLIGATIONS (24.1%)</b>		
\$ 20,000,000	U.S. Treasury Bills due 5/17/01 .....	\$ 19,884,998
687,500,000	U.S. Treasury Notes, 6 1/8% due 12/31/2001 .....	697,060,547
187,500,000	U.S. Treasury Notes, 6 3/8% due 01/31/2002 .....	<u>190,869,141</u>
	TOTAL U.S. GOVERNMENT OBLIGATIONS .....	<u>\$ 907,814,686</u>
<b>SUMMARY</b>		
Common Stocks .....	75.5%	\$2,841,025,173
U.S. Government Obligations .....	24.1%	907,814,686
Net Cash & Receivable .....	0.4%	<u>11,191,975</u>
Net Assets .....		<u>\$3,760,031,834</u>
Number of Shares Outstanding .....		<u>32,725,717</u>
Net Asset Value Per Share .....		<u>\$114.90</u>

- (a) Securities traded on a national securities exchange are valued at the last reported sales price on the principal exchange on which the security is listed on the last business day of the period; securities traded in the over-the-counter market are valued at the last reported sales price on the NASDAQ National Market System on the last business day of the period; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices; U.S. Treasury Bills with remaining maturities of sixty days or less are valued at their amortized cost. U.S. Treasury Bills that when purchased have a remaining maturity in excess of sixty days are stated at their discounted value based upon the mean between the bid and asked discount rates until the sixtieth day prior to maturity, at which point they are valued at amortized cost.
- (b) Affiliated Companies: Investment in portfolio companies 5% or more of whose outstanding voting securities are held by the Fund are defined in the Investment Company Act of 1940 as "affiliated companies."
- (c) Non-income producing.

**SEQUOIA FUND, INC.**  
**767 Fifth Avenue, Suite 4701**  
**New York, New York 10153-4798**  
**Website : [www.sequoiafund.com](http://www.sequoiafund.com)**

**DIRECTORS**

William J. Ruane  
Richard T. Cunniff  
Robert D. Goldfarb  
Carol L. Cunniff  
Vinod Ahooja  
Roger Lowenstein  
Francis P. Matthews  
C. William Neuhauser  
Robert L. Swiggett

**OFFICERS**

William J. Ruane — Chairman of the Board  
Richard T. Cunniff — Vice Chairman  
Robert D. Goldfarb — President  
Carol L. Cunniff — Executive Vice President  
Joseph Quinones, Jr. — Vice President, Secretary & Treasurer

**INVESTMENT ADVISER & DISTRIBUTOR**

Ruane, Cunniff & Co., Inc.  
767 Fifth Avenue, Suite 4701  
New York, New York 10153-4798

**CUSTODIAN**

The Bank of New York  
MF Custody Administration Department  
100 Church Street, 10th Floor  
New York, New York 10286

**REGISTRAR AND SHAREHOLDER SERVICING AGENT**

DST Systems, Inc.  
P.O. Box 219477  
Kansas City, Missouri 64121

**LEGAL COUNSEL**

Seward & Kissel  
One Battery Park Plaza  
New York, New York 10004

This report has been prepared for the information of shareholders of Sequoia Fund, Inc.