

QUARTERLY REPORT

For the Period Ended March 31, 2004

To the Shareholders of Sequoia Fund, Inc.:

Dear Shareholder:

Sequoia Fund's results for the first quarter of 2004 are as shown below with the usual comparable data for the leading market indexes:

March 31, 2004	Sequoia <u>Fund</u>	Dow Jones <u>Industrials</u>	Standard & <u>Poor's 500</u>
First Quarter	+6.00%	-0.43%	+1.69%
1 Year	+34.09%	+32.55%	+35.12%
5 Years (Annualized)	+6.67%	+3.08%	-1.20%
10 Years (Annualized)	+16.74%	+13.35%	+11.68%

The S&P 500 Index is an unmanaged, capitalization-weighted index of the common stocks of 500 major US corporations. The Dow Jones Industrial Average is an unmanaged, price-weighted index of 30 actively traded blue chip stocks. The performance data quoted represents past performance and assumes reinvestment of dividends. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

The Sequoia Fund annual meeting was held on May 7th in New York. Enclosed is a summary of our comments at the meeting. We thought it would be useful to provide all of our stockholders with this review.

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

Sincerely,

Richard T. Cunniff
Vice Chairman

Robert D. Goldfarb
President

David M. Poppe
Executive Vice President

William J. Ruane
Chairman

July 20, 2004

SEQUOIA FUND, INC.
 STATEMENT OF INVESTMENTS
 MARCH 31, 2004 (UNAUDITED)

COMMON STOCKS (88.81%)

<u>Shares</u>		<u>Value (a)</u>
	BANK HOLDING COMPANIES (9.66%)	
7,152,441	Fifth Third Bancorp	\$ 396,030,658
83,853	Mercantile Bankshares Corporation	3,603,163
		<u>399,633,821</u>
	BUILDING MATERIALS (3.02%)	
2,324,198	Fastenal Company	<u>124,786,191</u>
	DIVERSIFIED COMPANIES (36.40%)	
16,137	Berkshire Hathaway Inc. Class A (c)	1,505,582,100
213	Berkshire Hathaway Inc. Class B (c)	662,643
		<u>1,506,244,743</u>
	FREIGHT TRANSPORTATION (1.94%)	
2,036,184	Expeditors International, Inc.	<u>80,408,906</u>
	HOME FURNISHINGS (1.98%)	
1,982,249	Ethan Allen Interiors, Inc. (b)	<u>81,787,594</u>
	INSURANCE (12.68%)	
5,987,433	Progressive Corporation	<u>524,499,131</u>
	MANUFACTURING (0.43%)	
336,096	Harley Davidson, Inc.	<u>17,927,361</u>
	PROCESS CONTROL INSTRUMENTS (0.49%)	
216,576	Danaher Corporation	<u>20,221,701</u>
	RETAILING (10.79%)	
44,881	Costco Wholesale Corporation	1,685,730
1,313,896	Tiffany & Company	50,151,410
12,868,396	TJX Companies, Inc.	316,047,806
2,390,498	Walgreen Company	78,766,909
		<u>446,651,855</u>
	TEXTILE - CARPETS (7.35%)	
3,692,151	Mohawk Industries Inc.	<u>304,048,635</u>
	Miscellaneous Securities (1.08%)	<u>168,057,635</u>
	TOTAL COMMON STOCKS	<u><u>\$3,674,267,573</u></u>

<u>Principal Amount</u>	<u>Value (a)</u>
U.S. GOVERNMENT OBLIGATIONS (15.41%)	
\$638,389,000 U.S. Treasury Bills due 04/01/04 through 05/27/04	\$ 637,857,472
TOTAL U.S. GOVERNMENT OBLIGATIONS	<u>\$ 637,857,472</u>
SUMMARY	
Common Stocks	88.81% \$3,674,267,573
U.S. Government Obligations	15.41% 637,857,472
Net Liabilities	(4.22%) (174,469,569)
Net Assets	<u>\$4,137,655,476</u>
Number of Shares Outstanding	<u>26,446,276</u>
Net Asset Value Per Share	<u>\$156.46</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 in accordance with NASDAQ Official Closing Price 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.
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DIRECTORS

William J. Ruane
Richard T. Cunniff
Robert D. Goldfarb
David M. Poppe
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
David M. Poppe — Executive Vice President
Joseph Quinones, Jr. — Vice President, Secretary & Treasurer

INVESTMENT ADVISER & DISTRIBUTOR

Ruane, Cunniff & Co., Inc.
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New York, New York 10153-4798

CUSTODIAN

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MF Custody Administration Department
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New York, New York 10286

REGISTRAR AND SHAREHOLDER SERVICING AGENT

DST Systems, Inc.
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LEGAL COUNSEL

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