

Sequoia Fund, Inc.

767 Fifth Avenue, Suite 4701
New York, NY 10153
(800) 686-6884

QUARTERLY REPORT For the Period Ended March 31, 2007

To the Shareholders of Sequoia Fund, Inc.:

Dear Shareholder:

Sequoia Fund's results for the first quarter of 2007 are shown below with comparable results for the leading market indexes:

March 31, 2007	Sequoia Fund	Dow Jones Industrials	Standard & Poor's 500
First Quarter	0.60%	-0.33%	0.64%
1 Year	6.18%	13.83%	11.83%
5 Years (Annualized)	6.79%	5.86%	6.26%
10 Years (Annualized)	11.39%	8.60%	8.20%

The performance shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown.

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. Year to date performance as of the most recent month end can be obtained by calling DST Systems, Inc. at (800) 686-6884.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

The Fund does not impose any sales charges, exchange fees or redemption fees.

Annual Fund Operating Expenses (expenses that are deducted from Fund assets) ***and Example***

Annual Fund Operating Expenses	
Management Fees	1.00%
Other Expenses	0.03%
Total Annual Fund Operating Expenses	1.03%
Expense Reimbursement*	0.03%
Net Expenses	1.00%

* Reflects Ruane, Cunniff & Goldfarb Inc.'s ("Ruane, Cunniff & Goldfarb") contractual reimbursement of a portion of the Fund's operating expenses. This reimbursement is a provision of Ruane, Cunniff & Goldfarb's investment advisory agreement with the Fund and the reimbursement will be in effect only so long as that investment advisory agreement is in effect.

Based on activity to the date of this letter, the capital gains distributions will be approximately \$11.75 per share. Of this amount, a distribution of \$5.50 per share will be distributed in June and the balance in December. However, the actual capital gains distribution in December may well vary from this figure. We will do our best to keep you informed of any material changes in this amount.

Sincerely,

Richard T. Cunniff
Vice Chairman

Robert D. Goldfarb
President

David M. Poppe
Executive Vice President

May 15, 2007

SEQUOIA FUND, INC.

STATEMENT OF INVESTMENTS

MARCH 31, 2007 (UNAUDITED)

COMMON STOCKS (91.54%)

Shares	Value (a)
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AUTO PARTS (1.58%)	
1,699,697 O'Reilly Automotive Inc. (b)	\$56,259,971
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AUTOMOTIVE MANUFACTURING (4.07%)	
95,028 Porsche AG (Germany) (c)	145,150,614
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CASUALTY INSURANCE (11.65%)	
19,031,652 Progressive Corporation	415,270,647
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DIVERSIFIED COMPANIES (25.78%)	
8,428 Berkshire Hathaway Inc. Class A (b)	918,567,720
86 Berkshire Hathaway Inc. Class B (b)	313,040
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918,880,760	
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EDUCATION (0.90%)	
730,356 Apollo Group, Inc. (b)	32,062,628
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FINANCE (1.12%)	
376,378 MasterCard Inc.	39,986,399
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FREIGHT TRANSPORTATION (5.47%)	
2,997,624 Expeditors International Inc.	123,861,824
4,000,000 Knight Transportation Inc.	71,280,000
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195,141,824	
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INDUSTRIAL & CONSTRUCTION SUPPLIES (3.99%)	
4,053,623 Fastenal Company	142,079,486
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INSURANCE BROKERS (2.19%)	

2,888,441	Brown & Brown Inc.	78,132,329
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	MEDICAL EQUIPMENT (0.12%)	
120,075	Patterson Companies Inc. (b)	4,261,462
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	PROCESS CONTROL INSTRUMENTS (0.77%)	
384,088	Danaher Corporation	27,443,088
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	RETAILING (22.60%)	
4,999,694	Bed Bath & Beyond Inc. (b)	200,837,708
39,797	Costco Wholesale Corporation	2,142,670
1,840,388	Lowe's Companies, Inc.	57,953,818
2,212,730	Target Corporation	131,126,380
7,629,153	TJX Companies, Inc.	205,681,965
2,119,715	Walgreen Company	97,273,721
2,359,006	Wal-Mart Stores, Inc.	110,755,332
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		805,771,594
		<hr/>
	TEXTILE - CARPETS (7.54%)	
3,273,926	Mohawk Industries Inc. (b)	268,625,628
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	VETERINARY DIAGNOSTICS (3.76%)	
1,528,744	Idexx Laboratories Inc. (b)	\$133,963,836
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	TOTAL COMMON STOCKS	\$3,263,030,266
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Principal Amount		Value (a)
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	U.S. GOVERNMENT OBLIGATIONS (8.41%)	
\$301,000,000	U.S. Treasury Bills due 4/19/07 through 5/24/07	\$299,623,536
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	TOTAL U.S. GOVERNMENT OBLIGATIONS	\$299,623,536

SUMMARY

Common Stocks	91.54%	\$3,263,030,266
U.S. Government Obligations	8.41%	299,623,536
Net Cash & Receivables	0.05%	1,850,701
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Net Assets		\$3,564,504,503
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Number of Shares Outstanding		23,195,097
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Net Asset Value Per Share		\$153.67
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(a) Securities traded on a national securities exchange or on a foreign 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.

Purchases and sales of foreign portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities are acquired or sold. Income and expenses are translated into U.S. dollars at the rates of exchange prevailing when accrued.

(b) Non-income producing.

(c) The Fund is invested in preference shares of Porsche AG which possess the same economic interest as Porsche common stock but have no voting rights.

Other information

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC's web site at <http://www.sec.gov>. The Fund's Form N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. For information regarding the operation of the SEC's Public Reference Room, call 1-800-SEC-0330. For a complete list

of the Fund's portfolio holdings, view the most recent quarterly, semiannual or annual report on Sequoia Fund's web site at http://www.sequoiafund.com/fund_reports.htm.

You may obtain a description of the Fund's proxy voting policies and 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. Visit Sequoia Fund's web site at www.sequoiafund.com and use the "Shareholder Information" link to obtain all proxy information. This information may also be obtained from the Securities and Exchange Commission's web site at www.sec.gov.

SEQUOIA FUND, INC.
767 Fifth Avenue, Suite 4701
New York, New York 10153-4798
Website : www.sequoiafund.com

DIRECTORS

Richard T. Cunniff
Robert D. Goldfarb
David M. Poppe
Vinod Ahooja
Roger Lowenstein
Francis P. Matthews
C. William Neuhauser
Sharon Osberg
Robert L. Swiggett, Chairman of the Board

OFFICERS

Richard T. Cunniff — Vice Chairman
Robert D. Goldfarb — President
David M. Poppe — Executive Vice President
Joseph Quinones, Jr. — Vice President, Secretary, Treasurer & Chief Compliance Officer
Michael Valenti — Assistant Secretary

INVESTMENT ADVISER

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

DISTRIBUTOR

Ruane, Cunniff & Goldfarb LLC
767 Fifth Avenue, Suite 4701
New York, New York 10153-4798

CUSTODIAN

The Bank of New York
MF Custody Administration Department
1 Wall Street, 25th 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.