

QUARTERLY REPORT

For the Quarter Ended March 31, 2014

To the Shareholders of Sequoia Fund, Inc.:

As of this writing, the Sequoia Fund is up 0.52% year-to-date versus 2.98% for the S&P 500 Index.

On March 23, our co-founder and longtime vice chairman Richard T. Cunniff passed away at the age of 91. Rick was the consummate stock analyst, a true gentleman and a proud veteran of World War II. He and William J. Ruane met in 1950 at Kidder, Peabody & Co. and together they launched their own investment firm in 1969. They opened Sequoia Fund the following year.

All of us at the Fund are proud of the investment track record Bill and Rick built over their careers. We're just as proud to have known them personally. Rick was a man of great integrity and patriotism, possessed of a quick wit and a ready smile. He was a generous mentor to younger colleagues and a friend to many of his clients. He and Bill left us with much to be thankful for, and to live up to.

As of the date of this letter, the capital gains distribution will be approximately \$4.10 per share. Of this amount, a distribution of \$2.52 per share will be distributed in June and the balance in November. We will do our best to keep you informed of any material changes to the November distribution due to sales activity through October 31, 2014. IRS regulations dictate that capital gain distributions are determined by transactions from November 1 of one year to October 31 of the following year.

Sincerely,



Robert D. Goldfarb
President



David M. Poppe
Executive Vice President

May 21, 2014

**FUND PERFORMANCE
(UNAUDITED)**

Sequoia Fund's results for the first quarter of 2014 are shown below with comparable results for the S&P 500 Index:

<u>To March 31, 2014</u>	<u>Sequoia Fund</u>	<u>S & P 500*</u>
3 Months	1.78%	1.81%
1 Year	23.66%	21.86%
5 Years (Annualized)	21.96%	21.16%
10 Years (Annualized)	8.47%	7.42%

The performance shown above represents past performance and does not guarantee future results. The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. 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 performance data quoted represents past performance and assumes reinvestment of distributions.*

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
(UNAUDITED)**

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)

Annual Fund Operating Expenses

Management Fees	1.00%
Other Expenses	0.02%
Total Annual Fund Operating Expenses*	1.02%

* Does not reflect 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. For the year ended December 31, 2013, the Fund's annual operating expenses and advisory fee, net of such reimbursement, were 1.00% and 0.98%, respectively.

SEQUOIA FUND, INC.
SCHEDULE OF INVESTMENTS
MARCH 31, 2014 (UNAUDITED)

COMMON STOCKS (79.76%)

<u>Shares</u>		<u>Value (a)</u>
	ADVERTISING (0.82%)	
932,215	Omnicom Group Inc.	\$ 67,678,809
	AEROSPACE/DEFENSE (6.63%)	
945,856	Precision Castparts Corp.	239,074,563
23,123,314	Qinetiq Group plc (United Kingdom)	87,082,401
12,355,869	Rolls-Royce Group plc (United Kingdom)	221,231,834
		<u>547,388,798</u>
	AUTO PARTS (3.94%)	
629,800	Advance Auto Parts, Inc.	79,669,700
1,656,139	O'Reilly Automotive Inc. (b)	245,754,466
		<u>325,424,166</u>
	BIOTECHNOLOGY (1.10%)	
2,072,704	Novozymes A/S – B Shares (Denmark)	91,147,158
	CONSTRUCTION & ENGINEERING (0.57%)	
743,100	Jacobs Engineering Group Inc. (b)	47,186,850
	CONSTRUCTION EQUIPMENT (0.44%)	
1,510,348	Ritchie Bros. Auctioneers Incorporated	36,444,697
	CRUDE OIL & GAS PRODUCTION (0.08%)	
179,214	Canadian Natural Resources Limited	6,876,441
	DENTAL EQUIPMENT (1.14%)	
1,254,944	Sirona Dental Systems Inc. (b)	93,706,668
	DIVERSIFIED COMPANIES (10.74%)	
3,163	Berkshire Hathaway Inc. – Class A (b)	592,588,208
2,347,092	Berkshire Hathaway Inc. – Class B (b)	293,316,087
		<u>885,904,295</u>
	DIVERSIFIED MANUFACTURING (0.70%)	
764,411	Danaher Corporation	57,330,825
	ELECTRICAL & MECHANICAL SYSTEMS (0.44%)	
774,451	EMCOR Group Inc.	36,236,562
	ELECTRONIC MANUFACTURING SERVICES (0.60%)	
1,274,610	Trimble Navigation Limited (b)	49,544,091
	FLOORING PRODUCTS (1.89%)	
1,144,800	Mohawk Industries Inc. (b)	155,669,904
	FREIGHT TRANSPORTATION (0.08%)	
173,246	Expeditors International Inc.	6,865,739
	HEALTHCARE (19.31%)	
528,934	Perrigo Company plc (Ireland)	81,804,932
11,320,000	Valeant Pharmaceuticals International Inc. (b)	1,492,315,600
432,094	West Pharmaceutical Services, Inc.	19,033,741
20,000	Zoetis Incorporated	578,800
		<u>1,593,733,073</u>

<u>Shares</u>		<u>Value (a)</u>
	INDUSTRIAL & CONSTRUCTION SUPPLIES (4.15%)	
6,939,397	Fastenal Company	\$ 342,251,060
	INDUSTRIAL GASES (1.09%)	
687,535	Praxair, Inc.	90,046,459
	INDUSTRIAL MACHINERY (1.03%)	
3,512,399	IMI plc (United Kingdom)	85,372,370
	INFORMATION PROCESSING (2.70%)	
2,984,570	MasterCard Inc.	222,947,379
	INSURANCE BROKERS (0.42%)	
1,122,991	Brown & Brown Inc.	34,543,203
	INTERNET SOFTWARE & SERVICES (2.19%)	
162,006	Google Inc. – Class A (b)	180,557,307
	INVESTMENT BANKING & BROKERAGE (0.86%)	
434,287	The Goldman Sachs Group Incorporated	71,157,925
	IT CONSULTING & OTHER SERVICES (1.11%)	
477,000	International Business Machines Corp.	91,817,730
	PRECISION INSTRUMENTS (1.10%)	
840,323	Waters Corporation (b)	91,099,416
	PROPERTY AND CASUALTY INSURANCE (0.70%)	
31,149	Admiral Group plc (United Kingdom)	741,533
4,932,433	Hiscox Ltd. (United Kingdom)	56,081,758
20,965	Verisk Analytics, Inc. – Class A (b)	1,257,061
		<u>58,080,352</u>
	RETAILING (9.32%)	
39,600	Costco Wholesale Corporation	4,422,528
851,605	Tiffany & Co.	73,365,771
10,268,380	TJX Companies, Inc.	622,777,247
893,180	Wal-Mart Stores, Inc.	68,265,747
		<u>768,831,293</u>
	SEMICONDUCTORS (0.02%)	
27,750	Linear Technology Corporation	1,351,148
	SPECIALTY CHEMICALS (0.79%)	
1,532,299	Croda International plc (United Kingdom)	65,036,899
	TIRES (0.51%)	
2,683,865	Pirelli & Co. SPA (Italy)	42,150,100
	TRANSPORTATION SERVICES (1.74%)	
3,250,448	World Fuel Services Corp.	143,344,757
	VETERINARY DIAGNOSTICS (2.91%)	
1,976,485	Idexx Laboratories Inc. (b)	239,945,279
	Miscellaneous Securities (0.64%) (c)	52,450,255
	TOTAL COMMON STOCKS (COST \$2,122,233,092)	<u>\$6,582,121,008</u>

U.S. GOVERNMENT OBLIGATIONS (19.07%)

<u>Principal Amount</u>	<u>Value (a)</u>
\$1,574,000,000 U.S. Treasury Bills, 0.04% – 0.15% due 4/10/2014 through 5/8/2014	<u>\$1,573,969,467</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS (COST \$1,573,969,467)	<u>\$1,573,969,467</u>
TOTAL INVESTMENTS (99.94%) (COST \$3,696,202,559) ++	<u>\$8,156,090,475</u>

SUMMARY

Common Stocks	79.76%	\$6,582,121,008
U.S. Government Obligations	19.07%	1,573,969,467
Net Cash & Receivables	1.17%	<u>96,723,661</u>
Net Assets		<u>\$8,252,814,136</u>
Number of Shares Outstanding		<u>36,372,699</u>
Net Asset Value Per Share		<u>\$ 226.90</u>

++ The cost for federal income tax purposes is identical. At March 31, 2014, the aggregate gross tax basis unrealized appreciation and depreciation of securities were \$4,460,247,380 and \$359,464, respectively.

(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.

Securities traded on a foreign exchange are valued at the Official Closing Price on the last business day of the period on the principal exchange on which the security is primarily traded. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the New York Stock Exchange on that day.

U.S. Treasury Bills with remaining maturities of sixty days or less are valued at their amortized cost. U.S. Treasury Bills purchased having 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.

When reliable market quotations are insufficient or not readily available at time of valuation or when the Investment Adviser determines that the prices or values available do not represent the fair value of a security, such security is valued as determined in good faith by the Investment Adviser, in conformity with guidelines adopted by and subject to review by the Board of Directors.

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.

(b) Non-income producing.

(c) "Miscellaneous Securities" include holdings that have been held for not more than one year and have not previously been publicly disclosed.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. During the quarter ended March 31, 2014, there were no significant transfers into and out of Level 1 and 2 measurements in the fair value hierarchy. There were no Level 3 securities held in the Fund during the quarter ended March 31, 2014.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2014:

Valuation Inputs	Common Stocks	U.S. Government Obligations	Total
Level 1 – Quoted Prices	\$6,582,121,008		\$6,582,121,008
Level 2 – Other Significant Observable Inputs	—	\$1,573,969,467	1,573,969,467
Total	\$6,582,121,008	\$1,573,969,467	\$8,156,090,475

Other information

Please consider the investment objectives, risks and charges and expenses of the Fund carefully before investing. The Fund's prospectus contains this and other information about the Fund. You may obtain year to date performance as of the most recent month end, and a copy of the prospectus by calling 1-800-686-6884, or on the Fund's website at <http://www.sequoiafund.com>. Please read the prospectus carefully before investing.

Shares of the Fund are offered through the Fund's distributor, Ruane, Cunniff & Goldfarb LLC. Ruane, Cunniff & Goldfarb LLC is an affiliate of Ruane, Cunniff & Goldfarb Inc. and is a member of FINRA. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The Fund may be offered only to persons in the United States and by way of a prospectus. This should not be considered a solicitation or offering of any product or service to investors residing outside of the United States.

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 or by calling DST Systems, Inc. at (800) 686-6884.

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C. William Neuhauser
Sharon Osberg, Chairperson of the Board
Robert L. Swiggett

OFFICERS

Robert D. Goldfarb — President
David M. Poppe — Executive Vice President
Todd G. Ruoff — Executive Vice President & Secretary
Paul J. Greenberg — Treasurer
Michael Sloyer — Chief Compliance Officer
Michael Valenti — Assistant Secretary

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