

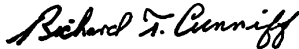
## QUARTERLY REPORT For the Period Ended September 30, 2009

**To the Shareholders of Sequoia Fund, Inc.:**

As of this writing, the Sequoia Fund is up 15.87% year-to-date versus an increase of 23.89% for the S&P 500.

As a result of realized capital losses, we will not have a capital gains distribution during the year ended December 31, 2009. We will be distributing an ordinary dividend of approximately \$0.02 per share on December 29th. The record date will be December 28th.

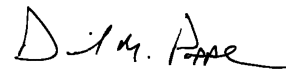
Sincerely,



Richard T. Cunniff  
Vice Chairman



Robert D. Goldfarb  
President



David M. Poppe  
Executive Vice President

November 20, 2009



## FUND PERFORMANCE

Sequoia Fund's results for the third quarter of 2009 are shown below with comparable results for the leading market indexes:

To September 30, 2009	Sequoia <u>Fund</u>	Dow Jones <u>Industrials</u>	Standard & <u>Poor's 500</u>
3 Months	12.23%	15.82%	15.61%
9 Months	14.66%	13.49%	19.26%
1 Year	-8.22%	-7.38%	-6.91%
5 Years (Annualized)	1.92%	1.85%	1.02%
10 Years (Annualized)	5.45%	1.62%	-0.15%

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.*

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## 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)

<b>Annual Fund Operating Expenses</b>	
Management Fees	1.00%
Other Expenses	0.04%
Total Annual Fund Operating Expenses	1.04%
Expense Reimbursement*	0.04%
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.

SEQUOIA FUND, INC.

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2009 (UNAUDITED)

COMMON STOCKS (81.79%)

<u>Shares</u>		<u>Value (a)</u>
	<b>ADVERTISING (1.20%)</b>	
933,743	Omnicom Group Inc. ....	\$ 34,492,466
	<b>AEROSPACE/DEFENSE (6.62%)</b>	
947,406	Precision Castparts Corp. ....	96,512,249
12,376,114	Rolls-Royce Group plc (United Kingdom) ....	93,093,130
		<u>189,605,379</u>
	<b>AUTO PARTS (2.14%)</b>	
1,694,139	O'Reilly Automotive Inc. (b) ....	<u>61,226,183</u>
	<b>AUTOMOTIVE MANUFACTURING (4.75%)</b>	
1,729,657	Porsche Automobil Holding SE (Germany) (c) ....	<u>136,004,660</u>
	<b>BUILDING MATERIALS (5.41%)</b>	
1,437,304	Martin Marietta Materials Inc. ....	132,332,579
418,626	Vulcan Materials Company ....	22,635,108
		<u>154,967,687</u>
	<b>CONSTRUCTION EQUIPMENT (1.30%)</b>	
1,520,736	Ritchie Bros. Auctioneers Incorporated ....	<u>37,318,861</u>
	<b>CRUDE OIL &amp; GAS PRODUCTION (0.21%)</b>	
89,754	Canadian Natural Resources Limited ....	<u>6,030,571</u>
	<b>DIVERSIFIED COMPANIES (20.61%)</b>	
5,777	Berkshire Hathaway Inc. Class A (b) ....	583,477,000
2,190	Berkshire Hathaway Inc. Class B (b) ....	7,277,370
		<u>590,754,370</u>
	<b>DIVERSIFIED MANUFACTURING (0.90%)</b>	
382,832	Danaher Corporation ....	<u>25,772,250</u>
	<b>FLOORING PRODUCTS (4.42%)</b>	
2,657,723	Mohawk Industries Inc. (b) ....	<u>126,746,810</u>
	<b>FREIGHT TRANSPORTATION (2.10%)</b>	
1,714,933	Expeditors International Inc. ....	<u>60,279,895</u>
	<b>INDUSTRIAL &amp; CONSTRUCTION SUPPLIES (4.69%)</b>	
3,475,384	Fastenal Company ....	<u>134,497,361</u>
	<b>INFORMATION PROCESSING (2.11%)</b>	
298,457	MasterCard Inc. ....	<u>60,333,083</u>
	<b>INSURANCE BROKERS (0.75%)</b>	
1,124,830	Brown & Brown Inc. ....	<u>21,551,743</u>
	<b>PRINTING (0.96%)</b>	
1,912,072	De La Rue plc (United Kingdom) ....	<u>27,434,409</u>

<u>Shares</u>		<u>Value (a)</u>
	<b>RETAILING (13.10%)</b>	
39,666	Costco Wholesale Corporation .....	\$ 2,239,542
1,368,875	Target Corporation .....	63,899,085
4,934,190	TJX Companies, Inc. ....	183,305,159
2,112,783	Walgreen Company .....	79,165,979
949,032	Wal-Mart Stores, Inc. ....	46,587,981
		<u>375,197,746</u>
	<b>TRUCK MANUFACTURING (1.10%)</b>	
838,277	PACCAR Inc. ....	<u>31,611,426</u>
	<b>VETERINARY DIAGNOSTICS (6.34%)</b>	
3,636,178	Idexx Laboratories Inc. (b) .....	<u>181,808,900</u>
	Miscellaneous Securities (3.08%) (d) .....	<u>88,125,884</u>
	TOTAL COMMON STOCKS (COST \$1,452,752,805) .....	<u>\$2,343,759,684</u>
	<b>Principal</b>	
	<b><u>Amount</u></b>	<b><u>Value (a)</u></b>
	<b>U.S. GOVERNMENT OBLIGATIONS (18.25%)</b>	
\$523,000,000	U.S. Treasury Bills due 10/8/2009 through 10/29/2009 .....	\$ 522,980,287
	TOTAL U.S. GOVERNMENT OBLIGATIONS (COST \$522,980,287) .	<u>\$ 522,980,287</u>
	<b>SUMMARY</b>	
	Common Stocks .....	81.79% \$2,343,759,684
	U.S. Government Obligations .....	18.25% 522,980,287
	Net Cash & Receivables .....	(0.04)% (1,020,250)
	Net Assets .....	<u>\$2,865,719,721</u>
	Number of Shares Outstanding .....	<u>26,235,437</u>
	Net Asset Value Per Share .....	<u>\$109.23</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.

Securities traded on a foreign exchange are valued at the last reported sales price 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 NYSE 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 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.

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) The Fund is invested in preference shares of Porsche Automobil Holding SE which possess the same economic interest as Porsche common stock but have no voting rights.
- (d) "Miscellaneous Securities" include holdings in their initial period of acquisition that 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.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2009:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1 - Quoted Prices	\$2,343,759,684
Level 2 - Other Significant Observable Inputs *	<u>522,980,287</u>
	<u>\$2,866,739,971</u>

- \* Represents U.S. Treasury Bills with remaining maturities of 60 days or less which are valued at their amortized cost.

### **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](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](http://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](http://www.sec.gov) or by calling DST Systems, Inc. at (800) 686-6884.

**SEQUOIA FUND, INC.**  
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Website: [www.sequoiafund.com](http://www.sequoiafund.com)

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Vinod Ahooja, Chairman of the Board  
Roger Lowenstein  
C. William Neuhauser  
Sharon Osberg  
Robert L. Swiggett

**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

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