



April 5, 2019

Dear Sequoia Shareholders and Clients:

For the first quarter of 2019, Sequoia Fund generated a total return of 14.68%¹, net of fees, versus a 13.65% return for the Standard & Poor's 500 Index.

Material activity during the quarter included a new investment that we will discuss when complete, along with the sale of our positions in Electronic Arts and Koninklijke Vopak.

Vopak was a small position that ultimately delivered the Fund a small but market-beating profit. While the business performed to expectation, our interactions with management over time left us increasingly concerned about the company's framework for allocating capital. In addition, our strong preference—price permitting—is to own faster-growing companies where a strong upward progression of earnings turns the passage of time into an asset rather than a liability. We have had good luck finding new opportunities that fit this mold over the past year, and while there is nothing wrong with buying a dollar for 75 cents, we prefer where possible to pay 90 cents for a dollar that can multiply in value over time.

EA is a more complicated story that demonstrates why investing can be such a humbling pursuit. Though we have followed and researched the videogame industry for more than a decade, and though we spent months intensively studying the company and its market before making our investment, we grew uncomfortable with the recent performance of EA's non-sports game franchises. This was always the part of the business we liked the least, but in retrospect, we may still have overestimated its value. When events allowed us the chance to change our minds at a quick 10% profit, we took it.

Reversing course is a difficult intellectual maneuver in any context, but it's particularly challenging in an environment like ours, where decisions are often the product of months and sometimes years of painstaking research. This is why we evaluate and compensate our analysts based on the quality and quantity of the facts they gather and the analysis that they produce, rather than on how many stocks they get into our portfolio or how any single investment performs over the random course of a month or a year. We are mindful that our clients do not earn anything from the fleeting satisfaction that comes when hard work produces activity. Rather, they profit when thoughtful research produces sound judgments.

We are happy to report that the documentation associated with the closure of our affiliated broker-dealer is nearly complete. If you haven't yet had a chance to fill out the necessary forms, feel free to email or call your client administrator with any questions.

¹ The performance data for the Fund shown above represents past performance and assumes reinvestment of dividends. Past performance does not guarantee future results. 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 Fund's 1-year, 5-year and 10-year average annual total returns through March 31, 2019 were 10.27%, 4.10% and 12.68%, respectively. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end can be obtained by calling DST Systems, Inc. at (800) 686-6884.



We are also pleased to announce online access for all Ruane Cunniff clients. Please contact your administrator for username and password credentials. Because we take your security and privacy seriously, we have implemented a call-back procedure for issuing your credentials, in addition to a two-factor authentication procedure for logging into the website. Once you are past the log-in screen, you will see a quarterly performance report for the period ended December 31, 2018, and in the future, your most recent quarterly performance report will be uploaded within fifteen business days following the close of each calendar quarter.

Our annual Investor Day will be held on Friday, May 17, at 10:00 am in the Grand Ballroom of the Plaza Hotel, the same location as last year. We are expecting another big crowd and will have to be strict about admitting only shareholders and Ruane Cunniff clients with official tickets. You should have received your invitation in the mail by now, so please RSVP if you have not already done so. We have a short program planned, and then as always, we look forward to your questions.

Sincerely,

The Ruane Cunniff Investment Committee

Arman Gokgol-Kline

John B. Harris

Trevor Magyar

D. Chase Sheridan



Disclosures

Please consider the investment objectives, risks and charges and expenses of Sequoia Fund Inc. (the “Fund”) carefully before investing. The Fund's prospectus contains this and other information about the Fund. You may obtain a copy of the prospectus at www.sequoiafund.com or by calling 1-800-686-6884. 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 L.P. and is a member of FINRA.

Sequoia Fund, Inc. – March 31, 2019	
Top Ten Holdings*	
Alphabet, Inc.	11.4%
Berkshire Hathaway, Inc.	8.6%
CarMax, Inc.	7.4%
MasterCard, Inc.	6.6%
Constellation Software, Inc.	6.3%
Credit Acceptance Corp.	4.8%
Amazon, Inc.	4.2%
Liberty Media Corp.	4.2%
Jacobs Engineering Group	4.2%
Rolls-Royce Holdings plc	3.8%

* The Fund’s holdings are subject to change and are not recommendations to buy or sell any security. The percentages are of total assets.

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. Shares of the Fund may be offered only to persons in the United States and by way of a prospectus. Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fees	1.00%
Other Expenses	0.07%
Total Annual Fund Operating Expenses	1.07%
Expense Reimbursement by Investment Adviser*	-0.07%
Net Annual Fund Operating Expenses	1.00%

* 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. The expense ratio presented is from the Fund’s prospectus dated May 1, 2018. For the year ended December 31, 2018, the Fund’s annual operating expenses and investment advisory fee, net of such reimbursement, were 1.00% and 0.94%, respectively.

The Fund is non-diversified, meaning that it invests its assets in a smaller number of companies than many other funds. As a result, an investment in the Fund has the risk that changes in the value of a single security may have a significant effect, either negative or positive, on the Fund’s net asset value per share.

The S&P 500 Index is an unmanaged capitalization-weighted index of the common stocks of 500 major US corporations. The Index does not incur expenses. It is not possible to invest directly in the Index.