Ruane, Cunniff & Goldfarb

April 5, 2018

Dear Sequoia Shareholders and Clients:

For the first quarter of 2018, Sequoia Fund generated a total return of 1.28%[1], net of fees, versus a negative 0.76% return for the Standard & Poor's 500 Index.

As we noted at the end of 2017, our pattern of communication going forward will involve concise letters during the year that summarize any modifications to our holdings, followed by a longer letter at the close of the year with more detailed thoughts on the portfolio and its prospects. As usual, we will attach a full transcript of our annual investor day to the second quarter letter.

During the quarter, we added four new investments, trimmed several holdings and exited two positions. As was the case with our portfolio activity during 2017, we think recent changes have improved the attractiveness of our holdings by enhancing the quality and inherent growth rate of their underlying earnings while only modestly increasing their aggregate valuation relative to those earnings.

We owned 22 businesses at the end of the first quarter, with our top 15 holdings comprising roughly 80% of the Fund's net asset value. We are pleased with the way the portfolio has evolved over the last several quarters, and as a result, while we make all of our decisions one stock at a time and aim to react flexibly to opportunity, our expectation is that the pace of change should slow from here.

We trimmed the Fund's positions in Berkshire Hathaway, Constellation Software, Jacobs Engineering, MasterCard, TJX and Wells Fargo and exited the Fund's positions in Chipotle, Dentsply Sirona, O'Reilly Automotive and Waters. We also added to our positions in Alphabet and Carmax. Alphabet is now the Fund's largest position.

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[1] *The performance data for the Fund 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, 2018 were 15.28%, 6.52% and 7.72%, 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.*

New positions include Vivendi, Naspers, Liberty Broadband and Facebook. Vivendi is a French media conglomerate whose crown jewel is Universal Music Group (UMG), the world's leading record label. UMG is a major beneficiary of the global trend toward consumption of music via internet streaming services such as Spotify and Apple Music, and as this trend gathers pace, we believe UMG's growth will make Vivendi an increasingly attractive business. Vivendi is controlled by Vincent Bollore, a renowned investor who we expect to support UMG's growth while also maximizing the value of Vivendi's other assets. We believe we paid less than 19 times Vivendi's profits, and we expect the growth rate of those profits to accelerate from the high single digits into the double digits over the next several years as UMG becomes a larger contributor to Vivendi's overall earnings.

Naspers is a holding company listed and headquartered in South Africa. It owns and invests in a range of interesting internet and media businesses, but its principal asset is a large shareholding in Tencent, one of the most important companies in China—and the world. Tencent operates China's dominant social media platform, gaming portal and instant messaging services. It also owns one of the two largest mobile payments platforms in the world, in addition to leading Chinese online video and music services. By investing in Tencent via Naspers, we believe we were able to purchase a stake in one of the world's most impressive and fastest-growing franchises at a substantial discount to both its market valuation and intrinsic value.

Liberty Broadband is another holding company with essentially one asset: a large interest in leading U.S. cable company Charter Communications. We have long admired the management at Charter and view it as a competitively advantaged provider of what many describe as the essential utility of the 21st century: broadband internet service. Calculating the earning potential of this evolving, capital-intensive business is a complicated exercise, but by our reckoning, we purchased our stake for a low price relative to the cash profit growth we expect in coming years.

Lastly, we purchased a small position in Facebook towards the end of the quarter. Remarkably, Facebook controls four social media platforms with more than a billion global users each: Instagram, WhatsApp, Facebook Messenger and the original Facebook "Blue App." Though doing so will involve substantial cost, we believe the company will take necessary steps over the coming months and years to restore the damaged trust of its users and advertisers. After factoring these costs into our valuation, we believe the recent controversy enabled us to purchase a very unusual business franchise riding several powerful secular trends at a price-earnings multiple only a little higher than that of the overall stock market. Though Facebook has unquestionably committed sins for which it must now atone, we believe it remains a far more competitively advantaged, economically attractive and faster-growing enterprise than the average American business.

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By now you should have received an invitation to our annual Investor Day taking place on Friday, May 18, 2018 at the Plaza Hotel in New York City. We hope you can join us this year for what we expect to be an informative, content-rich day. Please reach out to your account administrator if you have any questions or need help with hotel arrangements, as we have several room blocks close to the Plaza Hotel. We look forward to seeing you on May 18.

We are grateful for your continued support, and as ever, our team is working diligently on your behalf.

Sincerely,

The Ruane, Cunniff & Goldfarb Investment Committee

Arman Gokgol-Kline | John B. Harris | Trevor Magyar

David M. Poppe | D. Chase Sheridan

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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, 2018	
Top Ten Holdings*	
Alphabet, Inc.	10.9%
Berkshire Hathaway, Inc.	10.4%
MasterCard, Inc.	6.8%
CarMax, Inc.	6.7%
Constellation Software, Inc.	5.3%
Rolls-Royce Holdings plc, Inc.	5.0%
Amazon, Inc.	4.5%
TJX Companies, Inc.	4.3%
Charles Schwab Corp.	4.0%
Liberty Media Corp.	3.5%

** 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%***

*** Does not reflect Ruane, Cunniff & Goldfarb L.P.'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, 2017, the Fund's annual operating expenses and investment advisory fee, net of such reimbursement, were 1.00% and 0.93%, 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 index of 500 stocks, which is representative of the U.S. stock market in general. The Index does not incur expenses and is not available for investment.