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To Our Shareholders:

Not since the early 1970s when such venerable firms as Goodbody & Company and Hayden Stone, among others, disappeared in an unprecedented mountain of back office paper, and, the savings and loan crisis of the 1980s, have we seen the landscape of Wall Street change so dramatically. The year 2008 (like 1973, when several of us were in the very early stages of our careers in investment management) began rather calmly with very few predicting the tsunami of the subprime mortgage debacle that would sweep across the economy. Looking back, 1972 also had been a pretty good year in the market, and, just days prior to the beginning of the now distant market decline of 1973 - 1974, *Time Magazine* carried an article suggesting 1973 was shaping up as a "gilt-edged year" in the stock market. Now in 2008, as we have discussed in previous letters, commercial banks, investment banks, insurance companies, etc., had amassed a veritable alphabet soup of exotic, new financial instruments with such acronyms as CDOs, CMOs, CMBSs, CDSs and synthetic CDSs, all essentially debt, or in the case of CDSs, bets on debt, and many came with a rating agency stamp of approval. These portfolios of debt instruments were considered so safe that it was possible to leverage a balance sheet with mountains of them in search of added profits. Then Chicken Little's prediction came to fruition. Bear Stearns, a mainstay of Wall Street, was the first to go, followed shortly by Lehman Brothers, the shotgun marriage of Merrill Lynch to Bank of America, and the ongoing epic bailout of AIG by the government.

These events resulted in an unprecedented flight to a "safe harbor" on the part of investors, with government bonds or money market funds being the preferred parking spot whether you were American, French, German or Singaporean. (Money market funds currently hold approximately $3.8 trillion dollars – a trillion dollar increase from 2007.) Investors quickly discovered the problem was not just a US problem as large quantities of these "toxic" debt securities were found on the balance sheets of financial institutions all over the world, particularly in Western Europe. In a matter of months, financial markets and economies experienced what Warren Buffett has termed "cardiac arrest," and amidst all of this, the proverbial "baby was thrown out with the bath water."

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Unfortunately, we are in the business of owning some of these "babies" and the market has made no distinction between "healthy babies" (to belabor the analogy) with good prospects for a long productive life, and others facing a much more questionable future. We were fortunate to the extent we held a healthy level of cash and avoided most of the extremely large losses in the financial services industry, primarily because we didn't like the leverage and we didn't like the complexity in their financial statements. However, we, like most, have suffered significant markdowns in our Funds. The stock prices of the businesses we own have suffered far more than have the businesses themselves in nearly every instance. Nonetheless, there is no way to conclude that 2008 was anything but a terrible year. We were able to better our benchmarks in all three of our Funds during the calendar year 2008.[1] (For fiscal year performance and full standardized performance, see chart below.) In fact, for the management of both our Value Fund and our Global Value Fund, we were nominated for manager of the year by Morningstar, an acknowledgement we would have gladly exchanged for positive returns although we recognize that bad markets are an inescapable part of investing.

We believe that we hold positions in some great businesses and have been gradually accumulating new positions in a number of companies with, in our opinion, favorable long-term prospects at what we consider very attractive price levels. In doing so, we appreciate that we will buy some stock too early, but if we were to wait we would only catch the bottom as a result of dumb luck. We like to rely on more than luck in the investment process. Ultimately, we subscribe to the view that valuation will be the primary determinant of long-term returns. We realistically recognize that a number of the companies we own in our Funds will experience some slowdown or decline in sales and profits, but, taken as a whole, we believe such a slowdown will prove to be cyclical and temporary; revenues and profits will recover and set new highs in the future. Periods of economic and stock market decline have almost invariably been followed by periods of economic and stock market recovery. Moreover, we don't believe one needs a Rip Van Winkle perspective to earn good returns investing at this point.

Performance Results

Presented below are the investment results of the three Tweedy, Browne mutual funds, through March 31, 2009, with comparisons to the indices we consider relevant.

Period Ended 3/31/09	Tweedy, Browne Global Value Fund	MSCI EAFE Index[2][3] Hedged	MSCI EAFE Index[2][3] US $
Calendar Year-to-Date	-9.41%	-9.61%	-13.94%
6 Months	-25.74	-25.27	-31.11
1 Year	-38.57	-35.89	-46.51
3 Years	-12.61	-14.41	-14.46
5 Years	-1.63	-0.94	-2.18
10 Years	3.21	-1.33	-0.84
15 Years	6.66	3.01	2.26
Since Inception (6/15/93)[4]	7.69	3.38	2.73
Total Annual Fund Operating Expense Ratios as of 3/31/08 and 3/31/09 were 1.39% and 1.41%, respectively†			

Period Ended 3/31/09	Tweedy, Browne Value Fund	S&P 500[(2)(6)]	MSCI World Index (Hedged to US$)[(2)(5)]
Calendar Year-to-Date	-11.84%	-11.01%	-9.80%
6 Months	-25.56	-30.54	-27.87
1 Year	-30.01	-38.09	-36.90
3 Years	-9.83	-13.05	-
5 Years	-3.88	-4.76	-
10 Years	0.40	-3.00	-
15 Years	6.71	5.90	-
Since Inception (12/8/93)[(4)]	6.36	5.53	-
Total Annual Fund Operating Expense Ratios as of 3/31/08 and 3/31/09 were 1.40% and 1.42%, respectively†			

Period Ended 3/31/09	Tweedy, Browne Worldwide High Dividend Yield Value Fund	MSCI World Index (US$)[(2)(5)]
Calendar Year-to-Date	-11.10%	-11.92%
6 Months	-23.66	-31.10
1 Year	-35.25	-42.58
Since Inception (9/5/07)[(4)]	-25.49	-32.86
30-Day Standardized Yield as of 3/31/09: 3.12%		
Gross Annual Fund Operating Expense Ratios as of 3/31/08 and 3/31/09 were 1.89% and 1.55%, respectively†‡ Net annual Operating Expense Ratios as of 3/31/08 and 3/31/09 were 1.40% and 1.38%, respectively†‡		

***** *The preceding performance data represents past performance and is not a guarantee of future results. Total return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do 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 data shown. Please visit* www.tweedy.com *to obtain performance data, which is current to the most recent month end. See page 11 for footnotes 2 through 6, which describe the indices and inception dates of the Funds. Results are annualized for all periods greater than one year.*

† *The Funds do not impose any front-end or deferred sales charge. However, the Global Value Fund and Worldwide High Dividend Yield Value Fund impose a 2% redemption fee on redemption proceeds for redemptions or exchanges made within 60 days of purchase. Performance data does not reflect the deduction of the redemption fee, and if reflected, the redemption fee would reduce the performance data quoted for periods of 60 days or less. The expense ratios shown above reflect the inclusion of acquired fund fees and expenses and may differ from those shown in the Funds' financial statements.*

‡ The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Worldwide High Dividend Yield Value Fund to the extent necessary to maintain the total annual fund operating expenses (excluding fees and expenses from investments in other investment companies, brokerage, interest, taxes and extraordinary expenses) at no more than 1.37%. This arrangement will continue at least through March 31, 2010. In this arrangement, the Worldwide High Dividend Yield Value Fund has agreed, during the two-year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent that after giving effect to such repayment such adjusted total annual fund operating expenses would not exceed 1.37% on an annualized basis. The performance data shown above would be poorer had fees and expenses not been waived and/or reimbursed.

Investors face the constant challenge of keeping their investment wits and maintaining a logical objective framework for making investment decisions, and these challenges are magnified many times over in an environment such as the current one. First, there is the analytical challenge of getting it right on the business, knowing what to focus on and gaining an understanding of the economics of the business. Developing a high degree of understanding of pricing, demand, costs, competition and capital requirements and how they impact a business is a lengthy process in order to reach well-informed conclusions. Nevertheless, it is not a completely empirical exercise. Investing has always required accepting some degree of uncertainty. In order to improve our odds, we nearly always prefer more predictable businesses with fairly resilient or sustainable demand characteristics and strong financial characteristics. Simply put, we prefer businesses we understand. The second challenge is to block out the psychological corrosion, which chips away at objectivity, particularly in the current environment, with the psychological dimension at a boiling point.

There is no doubt that many economies face enormous challenges. There is not going to be a simple or quick fix to solving the economic problems, nor are economists likely going to be able to pinpoint which decisions started the economy on a recovery path once it begins. Today, the old adage in the media that "airplanes landing don't make news; airplanes crashing make news" has never been truer. We are overwhelmed by negative news, which no doubt affects people's behavior and makes a bad situation worse. Comparisons are routinely drawn between the 1930s on the one hand and Japan's "lost decade" on the other. There is no dearth of "informed" opinion on these matters, only a dearth of consensus of opinion. Some observers even debate the future of capitalism. Without in any way suggesting we are trivializing the problems, we don't subscribe to a 1930s or Japanese comparison. The current environment is neither one. Nor do we subscribe to the end of capitalism. To paraphrase Winston Churchill, capitalism is the worst economic system except for all the others that have been tried. While no doubt there will be regulatory steps aimed at dampening some of the current excesses, there will be plenty of room to tempt the "animal spirits." When all of the uncertainty associated with these problems is combined with unprecedented volatility in markets around the globe, the psychological stress can reach a breaking point. Without a framework to ground you in objectivity, the stock market will inform your investment decisions, which carries the risk that the volatility of your thinking will reflect that of the market. As Jeremy Grantham recently observed, this could also lead an investor to become paralyzed and unwilling to make any decisions.

Fortunately, we have a framework, or anchor, that grounds our decision making in an objective process and insulates our thinking from the emotional aspects of the stock market and the prevailing day trading culture. This framework, which has served us well for over 30 years, is based on the simple insight Benjamin Graham had that a share of stock is a fractional interest in a business. Investing is first about determining the value of a business and, second, waiting for an opportunity to buy an interest in the business at a discount in the stock market. We believe that if we can be approximately right on the business valuation – a process we consider overwhelmingly grounded in objective analyses – and buy at a discount to that value, stock market recognition will inevitably follow. The virtue of this process is the focus on more fundamental, concrete factors when the current environment is one where the underlying merits of the business do not seem to matter very much.

New Opportunities

Recent examples of companies whose stocks we have been accumulating in our Funds' portfolios and which illustrate our thinking are **Norfolk Southern Corporation** *(United States)*, **Krones AG** *(Germany)*, **Henry Schein Inc.** *(United States)* and **Guoco Group Ltd.** *(Hong Kong)*.(7)

A stock that we own in the Tweedy, Browne Value Fund and have recently been buying for our Worldwide High Dividend Yield Value Fund is **Norfolk Southern Corporation** ("NSC"), which is one of the seven remaining Class I US freight railroads. (We have also made investments of late in both **Burlington Northern Santa Fe Corporation** and **Union Pacific**.) Norfolk Southern transports raw materials, intermediate products, and finished goods across a rail network covering primarily the Eastern and Southeastern part of the United States. It stands out not only because it is one of the statistically cheapest of the railroad stocks, but it also has a very attractive dividend yield. When we first purchased it for the Worldwide High Dividend Yield Value Fund in early March, its dividend yield was approximately 4.5% and this dividend was financed by only paying out on average about 30% of its earnings. Norfolk Southern has paid 106 consecutive quarterly dividends since its inception in 1982. Over the last seven years, from 2001 to 2008, it has increased its dividend from $.24 per share to $1.22 per share, for an annual compounded increase of over 26% per year. From a valuation perspective, at time of purchase for the Worldwide High Dividend Yield Value Fund, it was trading at roughly 6.4 times 2009 estimates of earnings before interest and taxes ("EBIT"), 7.5 times earnings, and 1.1 times a vastly understated book value. The stock is down over 60% from its 52 week high of $75.53 per share.

Historically, the rails have been difficult businesses and we are fully aware of their rather mediocre record. They are capital intensive and have historically operated in an environment characterized by excess capacity and significant price competition. Rail rates have declined by 54% in inflation adjusted terms since 1980 and the rails have never earned their cost of capital when returns are calculated using replacement cost for their assets. As such, our investment in Norfolk Southern is based on the future being somewhat different than the past.

Our interest in the rails is driven primarily by the pricing power they now have as a result of a significant reduction in rail capacity over the last 20 years. Since the rails were deregulated in 1980 they have consolidated, shed employees, and taken significant track out of the rail system which, when combined with slow but steady increments in traffic volume, has resulted in a tripling of track utilization. The pricing power of the railroads really emerged when volume growth resumed coming out of the 2001 recession. By then, the dust had settled on rail consolidation and integration issues had stabilized. The industry was left with only six Class 1 railroads (down from about 23 in 1980 and 76 in 1965) and it became apparent that the industry was capacity constrained. Today, the primary focus of the railroads is on improving returns on invested capital. They have shown that they are completely unwilling to sacrifice price for volume or invest in their networks unless they can earn economic returns on their investment. In addition to tight capacity, NSC's ability to raise prices is aided by high levels of shipper captivity. Between 50% and 70% of NSC's shippers have no alternative means of shipping their freight. Lastly, we like the fact that there are high barriers to entry and virtually no risk of technological obsolescence. These factors, when taken together, have allowed the rail industry to raise prices and thus increase returns on capital.

Beyond the current difficult operating environment which has lowered shipping volumes, the major risk to the railroad thesis is increased regulation which has the potential to put a cap on pricing. The basic argument for reregulation is that the rails have monopolistic pricing power over many of their shippers and are earning excessive returns. We think that full blown regulation is unlikely for two reasons. First, the rails do not earn excessive returns. The rails are earning between 8% and 12% after tax returns on the book value of their invested capital, yet these returns are significantly overstated if calculated based on the replacement value of their property, plant and equipment ("PP&E"). As a result of the long-lived nature of railroad assets, the replacement value of PP&E significantly exceeds their book value. We think it is unlikely that the rails are earning greater than a 4% to 6% return on the replacement value of their invested capital. Most estimates we have seen are even lower. While shippers like to complain about the recent price increases, US rail rates are the cheapest unsubsidized rates in the world. Despite recent rate increases, over the last 20 years rates have declined substantially and the rails have been unable to earn their cost of capital. Given that the price of most items shipped by rail have increased dramatically over this same period, one could make the argument that the rails have been subsidizing their shippers, not gouging them.

The second reason we think re-regulation is unlikely is because the expansion of railroads is vital to the future transportation infrastructure, and the railroads will not invest if their prices are capped and they are unable to earn adequate returns on their investment. Studies by the Department of Transportation and the Surface Transportation Board show that there is a looming transportation infrastructure crisis. There are simply not enough highway miles or rail track miles to support the expected future growth in freight volumes. Since 1980, vehicle miles traveled have increased 96% versus only a 6% increase for lane mile construction. This has led to significant congestion on our highways and loss of productivity. The department of transportation estimates that the loss from reduced productivity is roughly $60 billion annually. Because freight transportation volumes tend to grow along with GDP, declines in productivity are only going to get worse unless something is done about it. Politicians can attempt to solve this problem by spending more money to improve our highway infrastructure; however, another option is to encourage investment that expands our rail system at little or no cost to the government. Railroads maintain their rights of way with their own cash flows, while tax money is needed to invest in highways. Furthermore, in absolute terms, the amount of money required to expand the highway infrastructure is enormous. The US spends approximately $90 billion per year simply to maintain the highways, and the cost to expand them is significantly greater. From the standpoint of the government, rail expansion is free. The only real costs are the collective price increases that must be absorbed by the shippers. In 2008, the aggregate revenue of the seven Class I US freight railroads was $68 billion. If the rails increase prices 6%, then the industries they serve will have to pay an additional $4.1 billion. This is a small amount to pay in the context of domestic industries that have hundreds of billions of dollars in revenues. It is also a small number compared to the $90 billion spent annually on highway maintenance. Lastly, rails are significantly more fuel efficient and leave a much smaller carbon foot print than trucks.

We think the railroads will be able to raise prices in the 5% to 6% price range for the next several years. With rail cost inflation averaging about 3%, we believe Norfolk Southern will experience increasing margins, returns on invested capital, and free cash flow. As volumes pick up, and the railroads continue to take market share from trucks, we think that Norfolk Southern should be able to grow operating income in the low double digits for the next several years. For these reasons, we think Norfolk Southern is intrinsically worth at least 10x EBIT, and feel comfortable buying it in the stock market at 6x to 7x EBIT.

Krones, which we recently purchased for both the Global Value Fund and Value Fund, is the world leader in the production of machines that bottle beverages such as carbonated soft drinks, water, juices, milk, alcoholic beverages, and sports drinks. They control just under half of the global market (roughly $5 billion); the next biggest competitor is one-third Krones' size. In competitive terms, they are the elephant in the room. Their machines are made in Germany and exported all over the world.

The average technical and economic life of bottling lines is not long. Lines need replacement after seven to ten years, due to the wear and tear of thousands of bottles racing through them every hour, often 24/7. Furthermore, technological innovation in this business is strong; new machines are better, quicker and cheaper than old ones, making it possible for the owners of bottling plants to decrease their cash production costs, shed labor and increase their speed and reliability with new machines. We like how these factors drive sales over long periods. Finally, a bottling line needs a lot of maintenance that cannot be postponed for long, and maintenance, service and parts provide about 30% of Krones' profits. This service component provides a bit of a cushion in the economics of the business.

Other growth trends in Krones' business that also push sales include:

- growth of bottled beverages in developing countries;
- growth of bottled water everywhere (especially in places where tap water isn't safe to drink);
- growth of plastic bottles which goes hand-in-hand with a relative decline of glass and cans;
- growth of individual bottles at the relative expense of bigger bottles; and
- increase of turn-key projects, which means higher average order size.

Growth has been very good in the last decade, with compounded sales growth of 9.9% and compounded EBIT growth of nearly 16%. While the size of the company has nearly doubled over the last six to seven years, Krones is still a modestly-sized company; just under $1 billion in market capitalization. It is controlled by the Kronseder family, which owns 52% of the shares. We like that every share in the company has one vote.

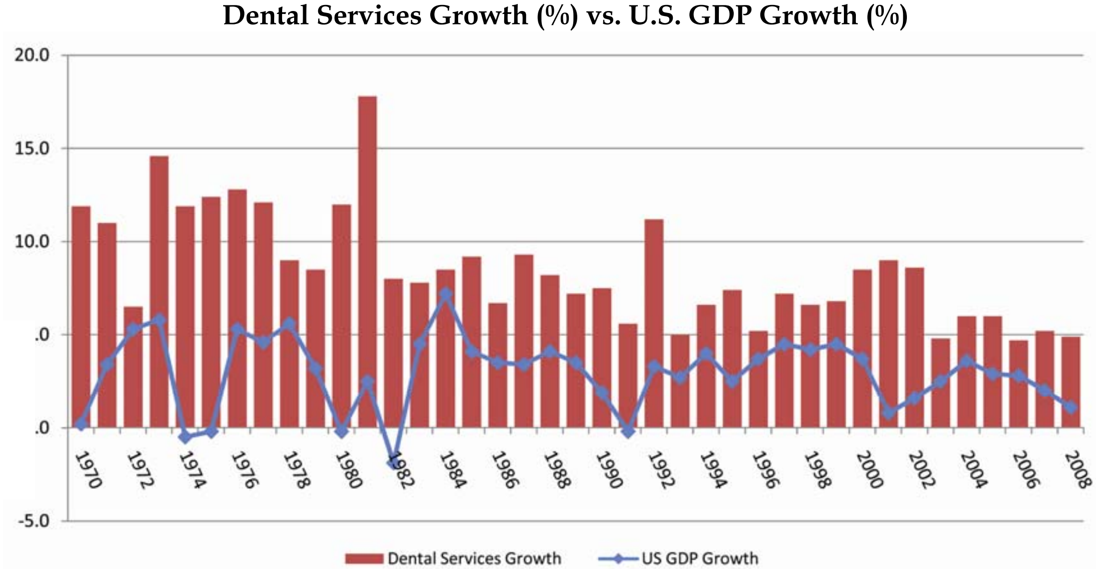
At a price currently of around 26 euros per share, it is trading at roughly 7 times normalized earnings, 5 times EBIT and at a slight premium to its book value. Debt is negligible. While the Value Fund made its initial purchase of Krones for the first time in early 2009, this is the Global Value Fund's second time around with the company. We first took a position in Krones for the Global Value Fund between 1999 and 2001, paying an average price in the low thirties (euros per share), and sold our entire position in 2005 when the price reached the mid-seventies and higher. Late last year, the stock once again was trading at under 30 euros per share. We decided to take another look, liked what we saw and have begun reinvesting. We have to consider the possibility that for the shorter term the company will have a period of weaker/cancelled orders as bottlers seem to be more cautious with their capital expenditures ("capex"). Although our valuation is stress-tested for that, the share price may not be in the short term! In all, we like the business, the competitive position and the price we are paying. We think the investment has limited impairment risk and believe that orders can only be postponed for so long, while the company should be very able to withstand short-term pain. Eventually, Krones' clients will have to catch up on overdue capex; it is not a matter of "if" but "when." In January of this year, the company announced that it intends to buy back 10% of its shares, providing extra support to the case.

Henry Schein, which we recently purchased for the Value Fund, is a distributor of consumable supplies, practice management software and equipment to three types of customers: dentists, office-based physicians and veterinarians. However, the vast majority of the company's revenue and profit is derived from the dental segment where Henry Schein is the largest operator in North America with approximately 40% market share. In addition, Henry Schein is also the largest dental distributor in Europe with approximately 18% market share.

Importantly, over 70% of Henry Schein's dental distribution revenues are derived from selling low-priced consumable supplies used every time a patient sees a dentist. Beyond consumable supplies and equipment, Henry Schein also provides dentists with additional value-added services, including office design, equipment installation and support, third-party equipment financing, back-office training, continuing education and practice management software. The basic concept is that dentists want to spend more time treating patients (and generating revenue) and less time managing the business aspects of running a dental office. By developing a trusting relationship with its customers, Henry Schein helps enable this goal.

Historically, the US dental distribution industry has generated consistent growth regardless of the prevailing macroeconomic environment. As the following chart shows, since at least 1970 (as far back as we have the data), money spent on dental expenditures in the US has never declined. However, it is possible that this streak will be broken during 2009. Industry challenges include patients cutting back on truly discretionary dental procedures; rapidly increasing unemployment, reducing the number of patients with private dental insurance; recessionary fears leading dentists to defer high-priced dental equipment purchases; and dental equipment financing becoming harder to find due to the recent credit crunch. However, notwithstanding these near-term cyclical challenges, we believe that growth in the dental distribution industry will exceed the growth of our economy (as measured by Gross Domestic Product, or GDP) over the medium to long term. Supporting this belief is the aging populations in both the US and Western Europe. Simply said, dental work is positively correlated with age, and older patients are keeping their natural teeth later in life.

Dental Services Growth (%) vs. U.S. GDP Growth (%)



Sources:
▪ Dental Services Growth: CMS
▪ US GDP: Bloomberg

Henry Schein has a strong long-term track record of compounding intrinsic value. Since the company's initial public offering in 1995, Henry Schein has achieved compound annual growth in sales and diluted earnings per share of 20% and 18%, respectively. Moreover, Henry Schein has minimal debt leverage. As of December 31, 2008, the company had Total Debt to EBITDA of 0.8x and Net Debt to EBITDA of 0.1x. Free cash flow consistently approximates net income, which is indicative of high quality earnings.

With an initial purchase price of around $33 per share, we believe we paid roughly 11x to 12x after tax earnings and 7.4x Enterprise Value to earnings before interest, taxes and intangible asset amortization ("EBITA"). Using the past acquisition prices of similar businesses as a basis of comparison, we believe that the private market value of Henry Schein is currently around $50 per share. Therefore, we believe we paid around 67% of our estimated intrinsic value of the company. It is our expectation that over time, though not necessarily in 2009, Henry Schein will grow this value through a combination of organic growth, acquisitions and margin expansion, which we believe is particularly possible in the company's European dental distribution business.

Lastly, we have recently been able to purchase shares in some companies that are trading at deep discounts to the historical cost of their assets (tangible book value), and in some rare instances, even at discounts from net current assets, which is a metric that Ben Graham often used when valuing businesses. One of these companies, which we recently purchased for the Global Value Fund, is a Hong Kong-based holding company called the **Guoco Group**, which, through its subsidiaries, owns, develops and manages properties. When buying shares in Guoco Group, one is essentially buying net cash at a 40% discount. We purchased shares of this Hong Kong-based holding company at an average price of 44.92 Hong Kong dollars ("HKD") per share, which represented a 40% discount to the company's "net current assets" on June 30, 2008 of 75.53 HKD per share, of which 74.38 HKD per share was net cash, and at a 62% discount to tangible book value of 119.64 HKD per share. "Net current assets" is cash and other assets that can be converted into cash within one year — such as accounts receivable and inventory — less all liabilities that are senior to the common stockholders' equity, such as current liabilities, long term debt, preferred stock , minority interest, lease liabilities, etc. In addition to the 74.38 HKD per share of net cash, which is held at the parent company level, Guoco Group also owns 65% of GuocoLand, a publicly traded real estate investor/developer with properties in Singapore, China and Malaysia; 54.3% of GuocoLeisure, a publicly traded company which owns hotels in the United Kingdom; and other assets. These assets accounted for 45.26 HKD per share of the company's tangible book value at June 30, 2008, bringing total tangible book value to 119.64 HKD per share (74.38 HKD per share of net cash + 45.26 HKD per share of various real estate assets primarily owned through holdings in GuocoLand and GuocoLeisure, equals total tangible book value of 119.64 HKD per share). Guoco Group has essentially no debt at the parent company level and has a current ratio of 72:1! Essentially, all of the debt shown on Guoco Group's consolidated balance sheet is at the GuocoLand and GuocoLeisure subsidiary level, and none of this debt is guaranteed by Guoco Group at the parent company level, which is where all of the 74.38 HKD per share of net cash is owned.

Guoco Group's management has a good wealth-building track record: The company's book value per share has increased from 27.57 HKD in 1998 to 125.15 HKD in 2008, a compounded annual increase of 16.3% over the last 10 years. The 4.00 HKD per share dividend provides us with an 8.9% yield on our average cost. If we could buy 100% of Guoco Group at our average cost, 44.92 HKD per share, we would make an immediate return of 66% from paying ourselves back the company's 74.38 HKD per share of cash, and, in addition, would receive the company's various other real estate holdings — carried at 45.26 HKD per share — for free! At our 44.92 HKD average price, the undervaluation was so simple and obvious that we really didn't have to be too exacting or certain about what the company's various real estate holdings are truly worth. The company's controlling shareholder has also recently been buying shares of Guoco Group in the open market at prices around our cost.

An Historical Perspective

Investor pessimism is currently pervasive, but if the past is at all prologue, stocks should rebound at some point from their current depressed levels, as they invariably do. This will also more than likely happen well before all the bad news for the economy is over, so it will be very hard to anticipate. Setting aside the Great Depression, the following chart, utilizing data sourced from Bloomberg, examines the cumulative percentage gain in the S&P 500 from its lows in the last 10 recessions dating back to 1949. Within a year after the S&P 500 reached its bottom during these recessions, the index, on average and excluding dividends, was up 33%. In fact, slightly more than one-half of the average cumulative return over five years occurred in the first two years after the S&P 500 hit its bottom. *(Of course, when investing in equities there are no performance guarantees, and the results of this study do not necessarily represent the past or prospective future performance of the Tweedy, Browne Funds or any stocks held in the Funds' portfolios.)*

Cumulative Percentage Change (Excluding Dividends) of the S&P 500 Index for Various Periods from its Low Point in the Indicated Recession

Recession Date Range		S&P 500 Index		Cumulative Percent Change			
Begin	*End*	*Low Price*	*Low Date*	*+1 Yr*	*+2 Yrs*	*+3 Yrs*	*+5 Yrs*
1/1/1949	12/31/1949	13.55	6/13/1949	42%	59%	80%	111%
7/1/1953	6/30/1954	22.71	9/14/1953	38%	98%	108%	114%
10/1/1957	6/30/1958	38.98	10/22/1957	31%	44%	37%	41%
7/1/1960	3/31/1961	52.30	10/25/1960	31%	5%	42%	75%
1/1/1970	12/31/1970	69.29	5/26/1970	44%	60%	56%	31%
1/1/1974	3/31/1975	62.28	10/3/1974	38%	67%	55%	76%
4/1/1980	9/30/1980	99.80	4/21/1980	34%	16%	60%	81%
10/1/1981	12/31/1982	102.42	8/12/1982	58%	62%	83%	225%
10/1/1990	3/31/1991	295.46	10/11/1990	29%	36%	56%	96%
4/1/2001	12/31/2001	965.80	9/21/2001	-12%	7%	17%	36%
		Average Cumulative Return:		33%	45%	59%	89%

The U.S. recession date ranges listed above were derived from Bloomberg's quarterly U.S. Recession Indicator Index. This index indicates whether or not the U.S. economy is in recession during a given quarter, and is based on data from the National Bureau of Economic Research (NBER). The index assumes that the quarter in which the peak occurs is part of the expansion and that the quarter in which the trough occurs is within the recession.

The S&P 500 Index performance results are cumulative and were calculated using the Index price. These results do not include reinvested dividends or assume management fees. The Index's "Low Price" and "Low Date" were determined by finding the lowest Index Price between each recession's beginning and ending dates.

Unfortunately, there is no starting gun signaling the beginning of the next bull market. It has been our experience that the low hanging fruit gets picked early and fast. We also know from studying the history of equity market returns, that the stock market for the most part produces modest to mediocre results over long periods punctuated by short bursts of activity that have an inordinately positive impact on your long-term compound return. Trying to time the market and missing one of these bursts can dramatically dampen your investment results.

In closing, we recognize that the world, post this crisis, may not be quite the same. Attitudes about debt and savings will no doubt be different for some period of time, resulting in a tamer form of capitalism characterized by less tolerance for leverage and complexity and greater emphasis on transparency. On balance, such a shift will be beneficial for everybody. In the meantime, Benjamin Graham's investment philosophy provides a rational framework to insulate our thinking from the all too common relationship most investors have with equity markets. Brighter days are no doubt ahead and we thank you for your continued confidence.

Very truly yours,

TWEEDY, BROWNE COMPANY LLC
Christopher H. Browne
William H. Browne
Thomas H. Shrager
John D. Spears
Robert Q. Wyckoff, Jr.
Managing Directors

Footnotes:

(1) *While the Funds outperformed their relevant indexes during the calendar year 2008, there have been previous periods when the Funds underperformed their relevant indexes. Since past performance is not indicative of future results, there can be no guarantee that the Funds will outperform the relevant indexes in the future. Please refer to page 2 - 3 of the letter for the Fund's standardized performance results.*

(2) *Indexes are unmanaged, and the figures for the indexes shown include reinvestment of dividends and capital gains distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. We strongly recommend that these factors be considered before an investment decision is made.*

(3) *MSCI EAFE Index US$ is an unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. MSCI EAFE Index Hedged consists of the results of the MSCI EAFE Index hedged 100% back into US dollars and accounts for interest rate differentials in forward currency exchange rates. Results for both indexes are inclusive of dividends and net of foreign withholding taxes.*

(4) *Inception dates for the Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund were June 15, 1993, December 8, 1993 and September 5, 2007, respectively. Information with respect to MSCI EAFE indexes used is available at month end only; therefore, the closest month end to the Global Value Fund's inception date, May 31, 1993, was used.*

Footnotes *(continued)*:

(5) *The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index (US$) reflects the return of this index for a US dollar investor. MSCI World Index (Hedged to US$) consists of the results of the MSCI World Index with its foreign currency exposure hedged 100% back into US dollars. The index accounts for interest rate differentials in forward currency exchange rates. Results for this index are inclusive of dividends and net of foreign withholding taxes. We include results of the MSCI World Index since November 30, 2006, which was the approximate date of the Value Fund's mandate change from a restriction of 20% non-U.S. investments.*

(6) *S&P 500 Index is an unmanaged capitalization-weighted index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and over-the-counter market and includes the reinvestment of dividends.*

(7) *As of March 31, 2009, Tweedy, Browne Global Value, Tweedy, Browne Value and Tweedy, Browne Worldwide High Dividend Yield Value Fund had invested the following percentages of its net assets, respectively, in the following portfolio holdings: Norfolk Southern Corp. (0.0%,1.1%, 2.2%); Burlington Northern Santa Fe Corp. (1.0%,1.9%, 0.0%); Union Pacific (0.4%, 2.2%, 0.0%); Krones AG (0.8%, 0.8%, 0.0%); Henry Schein Inc. (0.0%, 1.3%, 0.0%); and Guoco Group Ltd. (0.1%, 0.0%, 0.0%).*

Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks beyond the risks of investing in U.S. securities markets. These risks include currency fluctuations; political uncertainty; different accounting and financial standards; different regulatory environments; and different market and economic factors in various non-U.S. countries. In addition, the securities of small, less well-known companies may be more volatile than those of larger companies. Value investing involves the risk that the market will not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may actually be appropriately priced when purchased. Please refer to the Funds' prospectus for a description of risk factors associated with investments in securities which may be held by the Funds.

This letter contains opinions and statements on investment techniques, economics, market conditions and other matters. Of course there is no guarantee that these opinions and statements will prove to be correct, and some of them are inherently speculative. None of them should be relied upon as statements of fact.

Tweedy, Browne Global Value Fund, Tweedy, Browne Value Fund, and Tweedy, Browne Worldwide High Dividend Yield Value Fund are distributed by Tweedy, Browne Company LLC.

This material must be preceded or accompanied by a prospectus for Tweedy, Browne Fund Inc.