



Tweedy, Browne Global Value Fund  
Tweedy, Browne American Value Fund

## 1st Quarter 2004

The results for global equity markets were generally positive in the first quarter of 2004. In general, non-U.S. equities, as reflected in the MSCI EAFE Index, outperformed the S&P500 by a better than two to one margin. Japan turned in a stellar performance as economic growth in that country continued to accelerate. During the quarter, the Tweedy, Browne Funds bested their relative benchmark indexes. (For more complete information regarding the Funds' performance relative to their benchmarks, please see the attached performance results.)

Bargains are much harder to find now, and we have been net sellers of equities in both funds. If current market conditions persist, it is likely that cash reserves will continue to build.

### **Tweedy, Browne Global Value Fund**

The Tweedy, Browne Global Value Fund was up 8.59% net of fees for the 1st quarter of 2004. (The Fund's average annual total returns for the one-year, five-year, and ten-year periods ending March 31, 2004 were 48.53%, 8.28%, and 11.06% respectively.) This compares to 3.86% for the MSCI EAFE Index hedged back into U.S. dollars and 4.34% for the MSCI EAFE Index expressed in U.S. dollars (unhedged).<sup>\*</sup> Our outperformance for the quarter was largely the result of continued strong results in the smaller and mid cap component of the portfolio.

Most stocks in our Fund were up for the quarter. From a country perspective, our best returns for the quarter were in Japan. Along with Japan, the Netherlands and Germany were the most significant contributors to overall return followed closely by Switzerland and France. Our poorest returns were in Great Britain and South Africa. From a sector and industry perspective, the returns from our financials and consumer discretionary holdings provided the most value added. Returns for all market cap segments in the Fund were positive for the quarter, but it was once again the smaller and medium capitalization holdings that provided the real punch in the portfolio.

At quarter end, the Fund was invested in 163 issues across 23 different countries. The top twenty issues accounted for roughly 43% of net assets with our single largest position remaining Kone Corporation at 3.15% of assets. The dollar weighted median market cap was \$3.6 billion and approximately 54% of equity assets were invested in stocks with market caps of \$5 billion or less. Cash reserves at quarter-end represented approximately 16% of net assets including forward contracts.

As a reminder, on August 1, 2003, the Tweedy, Browne Global Value Fund began to impose a 2% redemption fee for shares held for less than 60 days. This fee is designed to deter short-term investors ("market timers") from using the Fund. We have attached a letter dated August 1, 2003 that describes this fee in greater detail.



## **Tweedy, Browne American Value Fund**

The Tweedy, Browne American Value Fund finished the quarter up 2.14% besting the 1.69% return for the S&P 500 Index. (The Fund's average annual total returns for the one-year, five-year, and ten-year periods ending March 31, 2004 were 32.13%, 4.87%, and 12.43% respectively.) \*

Financials and consumer stocks in the Fund led the way while a number of our pharmaceutical holdings continued to disappoint. Smaller and mid-capitalization issues provided the bulk of the return for the quarter. The single biggest contributor during the quarter was Hollinger International where Tweedy, Browne has played an instrumental role in a rather high profile corporate governance battle with its management. There were no new purchases during the quarter, but there were significant sales.

At quarter end, the Fund was invested in 63 issues including 9 ADR's and 10 direct foreign holdings. The international component including ADR's accounted for approximately 16% of net asset value. The top twenty issues accounted for approximately 66% of net assets with our single largest position being American Express at 5.08% of net assets. The dollar weighted median market cap was approximately \$7.0 billion, and net cash reserves at quarter end totaled 10.34% of net assets.

We are currently in the process of writing the Investment Advisor's Report for the Tweedy Browne Funds which should be available by the end of May. It will have expanded commentary and review. Thank you for your business.

### **Tweedy, Browne Company LLC**

Christopher H. Browne  
William H. Browne  
John D. Spears  
Thomas H. Shrager  
Robert Q. Wyckoff, Jr.  
***Managing Directors***

Dated: April 19, 2004

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*\* MSCI EAFE US\$ is an unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. MSCI EAFE 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, net of foreign withholding taxes and do not reflect any fees or expenses. The S&P 500 is an unmanaged capitalization-weighted index composed of 500 widely held common stocks listed on the New York Stock Exchange and the over-the-counter market and includes the reinvestment of dividends. The performance data quoted represents past performance. Past performance does not guarantee future results. Investment 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 costs. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.*



*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.*

*The securities of small, less well-known companies may be more volatile than those of larger companies. In addition, investing in foreign securities involves additional risks beyond the risks of investing in securities of U.S. markets. These risks include economic and political considerations not typically found in US markets, including currency fluctuation, political uncertainty and different financial standards, regulatory environments, and overall market and economic factors in the countries. Investors should refer to the prospectus for description of risk factors associated with investments in securities held by the fund.*

*Portfolio characteristics mentioned above reflect the Funds' investments on the date indicated and may not be representative of the Funds' current or future holdings.*

*Tweedy, Browne Global Value Fund and Tweedy, Browne American Value Fund are distributed by Tweedy, Browne Company LLC.*

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



**ATTENTION:**

**EFFECTIVE AUGUST 1, 2003, THE TWEEDY, BROWNE GLOBAL VALUE FUND (TBGVX) WILL IMPOSE A 2% REDEMPTION FEE ON SHARES HELD FOR LESS THAN 60 DAYS. PLEASE INFORM ALL INTERESTED PARTIES.**

August 1, 2003

Dear Shareholder:

Thank you for your investment with Tweedy, Browne. As you know, the Tweedy, Browne Global Value Fund is designed for long-term investors. Over the past few years, we have increasingly experienced significant and frequent trading activity from a group of individuals that we refer to as “market timers.” These speculative investors attempt to make quick profits by exploiting the time differences between the Fund’s closing price and foreign markets’ trading hours. These individuals engage in frequent purchases and redemptions that can disrupt the Fund’s investment programs and create significant additional transaction costs that are borne by all shareholders.

We have been successful in eliminating many of these “market timers” from the Fund. However, many others have found ways to defeat our efforts to keep them out. The task of policing the trading activity of these “market timers” has become counterproductive, time consuming and frustrating.

For these reasons, **effective August 1, 2003, the Global Value Fund will assess a 2% fee on redemptions (including exchanges) of Fund shares that are held for less than 60 days. Redemption fees are paid to the Global Value Fund to help offset transaction costs and to protect the Fund’s long-term shareholders.** The Fund will use the “first-in, first-out” (FIFO) method to determine the 60-day holding period. Under this method, the date of the redemption or exchange will be compared to the earliest purchase date of shares held in the account. If this holding period is less than 60 days, the 2% redemption fee will be charged. The fee does not apply to any shares purchased before August 1, 2003 or purchased through reinvested distributions (dividends and capital gains).

The Global Value Fund reserves the right to waive redemption fees, including at the fund account level to omnibus or similar accounts of certain pre-approved broker-dealers, banks and other institutions who have a program of charging such fees to their account holders and remitting the proceeds to the Fund. The Global Value Fund also reserves the right to modify or terminate the redemption fee program, including to expand or reduce investors eligible for waivers.

We believe that this new policy will deter the disruptive, short-term trading activity of “market timers” and will result in a more efficient operating environment for our management team. We are confident that our long-term co-investors will agree.

Should you have any questions or concerns regarding this new policy, please do not hesitate to contact our shareholder services representatives at 800-432-4789.

Thank you for your business.

Sincerely,

Christopher H. Browne  
William H. Browne  
John D. Spears  
Thomas H. Shrager  
Robert Q. Wyckoff, Jr.



## Tweedy, Browne Global Value Fund ■ Country Allocations/Top Twenty Holdings

March 31, 2004

### ALLOCATION OF INVESTMENTS (by country):

### TWENTY LARGEST HOLDINGS:

Country	%	Market Value (USD)	Securities	%	Amount (USD):	Country
Belgium	1.38%	\$73,957,076.58	KONE CORP	3.15%	\$168,659,741.44	Finland
Canada	1.44%	77,037,433.88	AXEL SPRINGER	3.10%	165,863,276.96	Germany
Czech Republic	0.04%	2,000,000.00	NESTLE	3.07%	164,196,234.75	Switzerland
Denmark	0.61%	32,486,107.78	MERCK KGAA	2.96%	158,502,982.47	Germany
Finland	3.39%	181,624,570.50	HEINEKEN	2.92%	156,353,530.12	Netherlands
France	5.44%	290,845,766.11	CNP ASSURANCES	2.58%	138,098,237.76	France
Germany	8.12%	434,326,490.43	TRINITY MIRROR	2.53%	135,387,185.54	United Kingdom
Hong Kong	2.54%	135,981,184.34	HOLLINGER INT'L	2.49%	133,234,120.80	USA
Ireland	0.72%	38,678,118.93	PFIZER, INC.	2.24%	119,653,690.00	USA
Italy	1.81%	96,611,186.68	TELEGRAAF HOLDING	2.02%	108,183,395.80	Netherlands
Japan	9.55%	511,222,090.45	DIAGEO	1.87%	99,921,793.48	United Kingdom
Mexico	1.51%	80,825,852.16	NOVARTIS	1.84%	98,583,504.75	Switzerland
<b>Netherlands</b>	<b>14.50%</b>	776,118,034.24	ALTADIS	1.82%	97,375,012.47	Spain
New Zealand	0.69%	36,783,453.89	ABN AMRO	1.81%	97,113,451.47	Netherlands
Norway	0.58%	30,864,714.49	RANDSTAD HOLDING	1.69%	90,353,697.00	Netherlands
Singapore	3.35%	179,130,549.60	SANYO SHINPAN	1.49%	79,837,746.91	Japan
South Africa	0.03%	1,590,427.81	ALMANIJ	1.38%	73,957,076.58	Belgium
South Korea	0.04%	2,192,370.35	AKZO NOBEL	1.36%	72,716,311.47	Netherlands
Spain	2.07%	111,023,073.51	SIKA AG	1.32%	70,458,838.85	Switzerland
Sweden	0.11%	5,861,080.43	JARDINE STRATEGIC	1.27%	67,866,500.00	Hong Kong
<b>Switzerland</b>	<b>13.64%</b>	730,069,342.35	<b>TOTAL: 42.91% \$2,296,316,328.62</b>			
United Kingdom	8.07%	431,751,242.25				
USA	9.01%	482,087,159.80				
<b>TOTAL EQUITIES:</b>	<b>88.64%</b>	<b>\$4,743,067,326.56</b>				
HEDGING	-5.40%	-288,908,683.00				
ASSETS/(LIABILITIES)	0.21%	11,041,522.23				
NET CASH	16.55%	885,868,884.71				
<b>TOTAL INVESTMENTS:</b>	<b>100.00%</b>	<b>\$5,351,069,050.50</b>				

**NOTE:** Allocations of investments shown above reflect the Fund's investments on the date indicated and may not be representative of the Funds' current or future holdings.



## Tweedy, Browne Global Value Fund ■ Results

### March 31, 2004

	Tweedy, Browne Global Value Fund	MSCI EAFE		Morningstar Fund Averages*	
		US\$ <sup>2</sup>	Hedged <sup>3</sup>	World Stock Funds <sup>4</sup>	Foreign Stock Funds <sup>5</sup>
1993 (June - Dec.)	15.40%	5.88%	10.33%	17.42%	18.94%
1994	4.36	7.78	-1.67	-1.33	-0.33
1995	10.70	11.21	11.23	17.60	10.29
1996	20.23	6.05	13.53	16.54	13.59
1997	22.96	1.78	15.47	13.24	5.81
1998	10.99	20.00	13.70	12.35	13.26
1999	25.28	26.96	36.47	38.57	43.28
2000	12.39	-14.17	-4.38	-8.47	-14.95
2001	-4.67	-21.44	-15.87	-16.13	-21.42
2002	-12.14	-15.94	-27.37	-19.29	-16.11
2003	24.93	38.59	19.17	34.33	36.84
2004 (through 3/31)	8.59%	4.34%	3.86%	4.03%	4.94%

### Annualized Returns For Periods Ending 3/31/2004 (%)

Annualized Results	Tweedy, Browne Global Value Fund			MSCI EAFE		Morningstar Fund Averages*	
	Return Before Taxes	Return After Taxes on Distributions	Return After Taxes on Distributions & Sale of Fund Shares	US\$ <sup>2</sup>	Hedged <sup>3</sup>	World Stock Funds <sup>4</sup>	Foreign Stock Funds <sup>5</sup>
1 year	48.53%	48.47%	31.97%	57.54%	37.29%	49.02%	56.11%
3 years	5.17	4.64	4.19	3.43	-6.61	2.37	3.36
5 years	8.28	7.02	6.56	0.52	-1.72	3.07	2.81
10 years	11.06	9.50	8.91	4.55	5.06	7.49	5.88
Since Inception <sup>1</sup>	12.31	10.84	10.17	5.08	5.44	8.57	6.87

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Returns after taxes on distributions are adjusted for federal income taxes associated with fund distributions, but do not reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Returns after taxes on distributions and sale of fund shares are adjusted for federal income taxes associated with fund distributions and reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The performance shown, before and after taxes, represents past performance and is not a guarantee of future results. Investment 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. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.

#### Index Descriptions

<sup>1</sup> Inception date for the Fund was June 15, 1993. Index information is available at month end only; therefore the closest month end to inception date of the Fund, May 31, 1993, was used.

<sup>2</sup> **MSCI EAFE (US\$):** An unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. Index results are inclusive of dividends and net of foreign withholding taxes

<sup>3</sup> **EAFE Hedged:** Consists of the results of the EAFE Index 100% hedged back into U.S. dollars and accounts for interest differentials in forward currency exchange rates. Index results are inclusive of dividends and net of foreign withholding taxes.

<sup>4</sup> **Morningstar World Stock Fund Average:** Average results of all mutual funds in the Morningstar universe that invest throughout the world while maintaining a percentage of assets (normally 25-50%) in the U.S.

<sup>5</sup> **Morningstar Foreign Stock Fund Average:** Average returns of all mutual funds in the Morningstar universe that have 90% or more of their assets invested in non-U.S. stocks.

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## Tweedy, Browne American Value Fund ■ Allocation of Investments/Top Twenty Holdings

March 31, 2004

ALLOCATION OF INVESTMENTS:

<u>Description</u>	<u>%</u>	<u>Market Value</u>
Equities-US	73.60%	\$540,122,827.94
Equities-ADR	12.05	88,428,864.37
Equities-Foreign	4.10	30,084,905.22
<b>Total Equities</b>	<b>89.75%</b>	<b>\$658,636,597.53</b>
Hedging	-0.93	-6,839,446.94
Other Assets (Liabilities)	0.84	6,168,607.77
Net Cash	10.34	75,885,884.34
<b>Total Net Assets:</b>	<b>100.00%</b>	<b>\$733,851,642.70</b>

Total Issues: **63**

Shares Outstanding: 30,098,353.20

NAV **24.38**

TWENTY LARGEST HOLDINGS:

<u>Securities</u>	<u>%</u>	<u>Amount</u>
AMERICAN EXPRESS	5.08%	\$37,300,371.50
TRANSATLANTIC HOLDINGS	4.82	35,407,260.00
HOLLINGER INT'L	4.13	30,328,036.20
MBIA INC.	4.03	29,567,627.10
PFIZER INC.	3.94	28,881,830.90
POPULAR, INC.	3.80	27,907,250.00
FEDERATED INVESTORS	3.80	27,894,125.00
RAYONIER INC.	3.65	26,821,592.46
PROQUEST CO	3.46	25,372,841.10
FREDDIE MAC	3.35	24,581,657.90
PNC FINANCIAL SERVICES	3.24	23,776,288.40
NESTLE	3.08	22,627,984.00
TORCHMARK CORP.	3.04	22,310,801.04
WELLS FARGO & CO	2.78	20,401,200.00
COMCAST CORP	2.54	18,625,512.80
ABN AMRO HOLDING	2.49	18,306,087.49
NAT'L WESTERN LIFE INS.	2.22	16,256,900.00
HEINEKEN	2.15	15,797,613.48
AMER. NAT'L INSURANCE	2.01	14,777,036.25
UNILEVER	2.00	14,669,200.00
<b>Total:</b>	<b>60.55%</b>	<b>\$444,310,844.12</b>

**NOTE:** Allocations of investments shown above reflect the Fund's investments on the date indicated and may not be representative of the Funds' current or future holdings.



## Tweedy, Browne American Value Fund ■ Results

### March 31, 2004

	<u>Tweedy, Browne American Value Fund</u>	<u>S&amp;P 500<sup>2</sup></u>	<u>Russell Mid-Cap Value<sup>3</sup></u>	<u>Russell 2000<sup>4</sup></u>	<u>Morningstar Fund Averages*</u>	
					<u>Mid-Cap Value<sup>5</sup></u>	<u>Domestic Stock<sup>6</sup></u>
1993 (December)	-0.60%	1.21%	3.30%	3.42%	2.73%	N/A
1994	-0.56	1.32	-2.13	-1.82	-0.86	-0.98%
1995	36.21	37.59	34.73	28.45	28.81	21.94
1996	22.45	22.97	20.26	16.54	19.80	20.09
1997	38.87	33.38	34.37	22.23	25.71	25.06
1998	9.59	28.58	5.08	-2.54	2.11	15.76
1999	2.00	21.04	-0.11	21.26	7.44	28.77
2000	14.45	-9.13	19.18	-3.02	18.42	-1.03
2001	-0.09	-11.88	2.33	2.49	6.92	-10.20
2002	-14.91	-22.09	-9.64	-20.48	-12.90	-22.53
2003	23.24	28.69	38.07	47.26	34.38	31.57
2004 (through 3/31)	2.14%	1.69%	5.35%	6.26%	4.17%	3.14%

### Annualized Returns For Periods Ending 3/31/2004 (%)

	<u>Tweedy, Browne American Value Fund</u>				<u>Morningstar Fund Averages*</u>			
<u>Annualized Results</u>	<u>Return Before Taxes</u>	<u>Return After Taxes on Distributions</u>	<u>Return After Taxes on Distributions &amp; Sale of Fund Shares</u>	<u>S&amp;P 500<sup>2</sup></u>	<u>Russell Mid-Cap Value<sup>3</sup></u>	<u>Russell 2000<sup>4</sup></u>	<u>Mid-Cap Value<sup>5</sup></u>	<u>Domestic Stock<sup>6</sup></u>
1 year	32.13%	31.93%	20.88%	35.12%	51.60%	63.83%	47.44%	39.80%
3 years	2.95	2.32	2.21	0.63	11.71	10.90	9.46	2.88
5 years	4.87	4.04	3.79	-1.20	10.57	9.66	10.18	3.46
10 years	12.43	11.62	10.71	11.67	13.96	10.44	12.31	9.91
Since Inception <sup>1</sup>	11.72	10.94	10.07	10.99	13.50	10.14	12.61	9.46

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Returns after taxes on distributions are adjusted for federal income taxes associated with fund distributions, but do not reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Returns after taxes on distributions and sale of fund shares are adjusted for federal income taxes associated with fund distributions and reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The performance shown, before and after taxes, represents past performance and is not a guarantee of future results. Investment 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. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.

#### Index Descriptions

<sup>1</sup> Inception date for the Fund was December 8, 1993. Index information is available at month end only; therefore the closest month end to inception date of the Fund, November 30, 1993, was used, except for the Morningstar Domestic Stock Funds Average where the closest date with data available was December 31, 1993.

<sup>2</sup> **S&P 500:** An unmanaged capitalization-weighted index which assumes reinvestment of dividends, and which is generally considered representative of U.S. large capitalization stocks.

<sup>3</sup> **Russell Mid-cap Value Index:** Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

<sup>4</sup> **Russel 2000:** An unmanaged capitalization-weighted index, which assumes reinvestment of dividends that is comprised of the smallest 2000 companies in the Russell 3000 Index and generally considered representative of U.S. small capitalization stocks.

<sup>5</sup> **Morningstar Mid-Cap Value Funds Average:** Average returns of funds in the Morningstar Universe that invest in companies with market capitalizations greater than or equal to \$1 billion but less than or equal to \$5 billion.

<sup>6</sup> **Morningstar Domestic Stock Fund Average:** Average returns of all domestic equity mutual funds in the Morningstar Universe.

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