TWEEDY, BROWNE AMERICAN VALUE FUND

SEMI-ANNUAL

SEPTEMBER 30, 1995

TWEEDY, BROWNE FUND INC.
52 Vanderbilt Avenue, NY, NY 10017
800-432-4789 or 800-873-8242

Investment Manager's Report

To Our Shareholders in Tweedy, Browne American Value Fund:

We are pleased to present the Semi-Annual Report of Tweedy, Browne American Value Fund (the "Fund") for the six months ended September 30, 1995. For this six-month period, the net asset value per share of your Fund increased 21.2%* to $12.98 per share. For the first nine months of calendar year 1995, the net asset value shows a gain of 32.2%*. For the same six and nine-month periods, the Standard & Poor's 500 Stock Index (the "S&P 500") increased 18.2% and 29.7%, respectively, including the reinvestment of dividends paid.

Our gains this year have come from a variety of holdings, some obvious and some not. While technology stocks have benefitted many funds this year, we only owned one true technology stock, Digital Equipment Corporation, which rose 20.1% in the past six months. However, our investment in Digital Equipment was based more on significant purchases of the stock by insiders, officers and directors, than on any great insights we had as to the company's technological position. We also had significant investments in banks and other financial services companies, which generally performed well. One of our largest positions at the end of March was Chase Manhattan Corporation, which we owned because it was selling at a modest premium to book value and at a price/earnings ratio of between 5 and 6 times. We actually considered Chase one of the less likely merger candidates among our bank stocks because of its size. However, the proposed merger with Chemical Bank lifted Chase's stock price 74% from March to September.

Our gains did not come only from our larger cap holdings. For example, at the end of March your Fund owned shares in National Education Corporation ("NEC"), which was trading then at $3.25 per share and had a total market capitalization of less than $100 million. The company was dropped from the S&P 500, which forced the index funds to liquidate their holdings in NEC, which, in turn, depressed the stock price. We increased our holdings at that time, nearly doubling our position. The stock rose to $8.00 per share at the end of September for a six-month gain of 146%. Although our cost for these shares represented approximately 1% of our net assets, its price increase added approximately 1.3% to our results over the past six months. We also own shares in Independent Insurance Group Incorporated, a life insurance company. At the end of March it was priced at $11.75 per share, had a market cap of

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* The total return for the year ended September 30, 1995 was 27.3% and the average annual total return since inception (December 8, 1993) through September 30, 1995 was 15.9%. Past performance is not a guarantee of future results and total return and principal value of investments will fluctuate with market changes; and shares, when redeemed, may be worth less than their original cost.

$154 million, and was selling at less than one-half of book value. At March 31, our holdings in this company represented 0.8% of our net assets. The company announced in July that it had hired an investment banker to explore ways of enhancing shareholder value, and the stock rose 112% to $25 per share by September 29. This relatively small investment contributed one-half of one percent to our performance over the past six months. Our experience, which has been reinforced over the past six months, has brought us to the conclusion that it remains impossible for us to predict from where our gains may come. We are content to keep looking for cheap stocks in all capitalization ranges and buy them when we find them.

The fundamental financial characteristics of the Fund have not changed in any material way over the past six months. As of October 9, 1995, 23% of the portfolio was invested in 64 issues that had a weighted average price to book value ratio of 70%. Of the 3,568 stocks in one of our databases for U.S. stocks, 225 issues, or just 6% of the total, had a price to book value ratio of 70% or less. Similarly, 37 issues in the Fund representing 53% of the portfolio, had a weighted average price/earnings ratio of 9.8 times, as compared to the database where 632 issues, or 18% of the total, had a price/earnings ratio of 9.8 or less. The total number of issues in the Fund was 119, of which 83 issues, representing approximately 35% of the amount invested in stocks, had a market capitalization of less than $1 billion. Further, 77 of these issues, representing approximately 30% of the amount invested in stocks, had a market capitalization of less than $500 million. We continue to focus our search for new investments on low price/earnings ratio and low price to book value stocks with a bias towards smaller and medium capitalization companies.

We are pleased that our results so far this year have been better than the S&P 500, especially in light of the fact that the S&P 500 is reportedly beating 85% of the mutual funds this year. However, our performance is more a function of the work we did last year identifying and buying cheap stocks. We do not know when the stock market may choose to correct what we believe are inaccuracies in the pricing of a company's assets or earning power. It is beyond our control. Nor do we have any prescience in knowing when to get into the market. Quite simply, we are in the stock market precisely so that we can participate when it begins to rise. In our opinion, what we do is very much a process based on a few investment principles, or models, that have worked for us in the past. No matter where in the world one is investing, in our opinion, it is essential to first have a set of investment principles to guide you. Here at Tweedy, Browne, we are fortunate in having a set of principles developed by individuals far smarter than we, and proven time and again in academic studies of historical stock market performance.

In the United States, the investment business is a highly developed industry where information of all sorts is readily available to anyone. However, one of the most successful approaches to investing was developed by Benjamin Graham in the pre-Bloomberg, pre-Compustat, pre-derivatives dark ages of the 1920s and 1930s. Ben determined that there were two values to every share of stock. The first value was the most recent price at which shares of that stock had traded. The second value was that which would accrue to that share of stock in the event the business was sold or liquidated in an arms' length transaction involving knowledgeable buyers and sellers, or what Ben called **intrinsic value**. The first value, market value, is influenced by many emotional factors, such as greed and fear, and thus is more volatile. Intrinsic value has generally been more stable because it involves a pragmatic business investment decision, and the decision makers generally have a better frame of reference, a better knowledge tree, for making their valuations.

According to Ben, the essence of investment was to take advantage of discrepancies between market prices of stocks and their intrinsic values, usually at a discount of 40% to 50% or more. The determination of intrinsic value follows two models. The first is statistical, for which we like to use an analogy of an automobile insurance company. If you were going to go into the auto insurance business intelligently, and we emphasize the word intelligently, you would first set the standards for those motorists to whom you would be willing to issue a policy. For example, let's say you only insure married couples between the ages of 35 and 55, who live in the suburbs, take public transportation to work, don't have any children who drive, and whose car is a Volvo station wagon. If you only issue policies to motorists who meet these criteria, you will do far better than Allstate, which also insures Hot Rod Harry, who believes the measure of his manhood is how much rubber he can burn while racing his Camaro from 0 to 60 mph, or dear old Aunt Doris in Boca Raton who, at 86 is a tad forgetful, but is unwilling to give up her license.

In the same way that Ben Graham did before us, we have established "underwriting" criteria for stocks we are willing to buy. For example, we like to buy stocks selling at two-thirds of net current assets, or stocks selling at one-half of book value when equity is greater than all liabilities, or stocks with fairly reliable earnings that are selling at an earnings yield 50% or greater than the long-term bond yield. And like the insurance company that wants to issue as many policies as it can that meet its criteria to achieve the desired statistical result that such underwriting standards should produce, we want to own a diversified portfolio of stocks meeting our criteria. A portfolio that in total meets these criteria will be priced in total at a substantial discount to intrinsic value.

Another method we employ to determine intrinsic value is the appraisal method. This method is company specific; i.e., it is done company by company. It is analogous to putting your house on the market. You call a real estate broker and ask for an appraisal of your house based on recent comparable sales. A board of directors does the same thing when it puts the company up for sale. Basically, investment bankers are fancy real estate brokers dealing in high priced merchandise. They track sales of similar businesses, or do discounted cash flow analyses to come up with the value of a business. In this way, intrinsic valuation models can be determined for different kinds of businesses. For example, the average television station currently sells for 10 times cash flow less any debt and plus any cash. Banks are currently being acquired for approximately 15 times earnings. Branded consumer products companies are currently being acquired on average for 10 times pre-tax earnings, again adjusted for debt and cash. If we construct a portfolio of companies selling at a 40% to 50% discount from what they would be worth in a sale of the entire business, we end up making money. Value investors are successful primarily because they set up their models before setting out to buy their stocks.

Value investors also have the advantage of knowing what they **cannot** do. We recognize the futility of trying to predict stock market movements, and the absurdity of technical analysis with its shoulders and heads, etc. To us, this is no more than garbage in, garbage out. We are sure that if someone gathered the information, some correlation could probably be drawn between the weather and the stock markets, such as 52% of the time the stock market declines following five straight days of rain in the Mississippi Delta. The real beauty of value investing, beyond its financial rewards, is that it is possible to be successful without being a rocket scientist. If you have figured out what has worked, and then do that, it can be relatively easy to succeed.

Last year we sent our shareholders a collection of academic studies that we compiled on fundamental financial criteria that produced superior investment returns. A total of 44 studies were included in our booklet, which is entitled *What Has Worked in Investing**. The studies are split fairly evenly between U.S. stocks and foreign stocks and were not selected because they reached a conclusion supporting value investing. These were all the studies we found. However, the results are very similar. Low price to book value, low price/earnings ratios, low price to cash flow, stocks that had declined significantly, stocks with significant insider purchases, etc., all criteria that on the surface seem logical, did in fact provide superior investment returns.

One of our favorite studies, *Contrarian Investment, Extrapolation and Risk*, by Professors Lakonishok, Vishny and Shliefer does not reach any investment conclusions that surprise us after more than 25 years of value investing. What is different and highly important about this study is that it addresses the following question: If the empirical evidence, since Ben Graham's work in the 1930s through decades of numerous other studies, many of which we have included in our booklet, demonstrates the superior performance of value investing, why don't more people do it? The reason seems to be that it runs against human nature to be a contrarian, which is key to value investing. We often buy out of favor stocks, stocks that the investment community is avoiding because of past poor performance. It is similar to drawing up a list of potential spouses and saying you only want to see the ones that all your peers have rejected. In the world of institutional money management, if you go against the consensus and perform badly, you're dead. If you go with the consensus, you have a much better chance of surviving even if you perform poorly because most others will have performed poorly, too. Being a contrarian may simply be too great a risk despite empirical evidence supporting this approach. We believe most investors who are not contrarians have not taken the time to figure out how the game is played, learn what has worked and build models for successful investing, so they lack any convictions from which to draw the strength to go against the crowd. As John Train wrote in his chapter on Ben Graham in **The Money Masters:** "*Many people, including experienced businessmen and professionals, have been financially shipwrecked because they trustingly set forth in a leaky craft captained by an incompetent. Someone who spent the few hours necessary to understand* **The Intelligent Investor** *would be unlikely to suffer this fate. Yet alas, few stockholders, let alone investors, have done it.*"

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* If you would like a copy of *What Has Worked in Investing*, call Shareholder Services at (800) 873-8242.

Every day we continue to look for undervalued stocks, and we attempt to build a diversified portfolio from these stocks. We cannot predict when we will realize gains from these investments. Our U.S. investments are doing very well in 1995. In our opinion, most market pundits were not predicting that U.S. stock markets would have such a good year. Rather than try to time stock markets, we prefer to buy cheap stocks and wait. Over time, we have been rewarded; we have no reason to believe that times have changed. As of the date of this letter, the current and retired partners and their families, as well as employees of Tweedy, Browne, have more than $16.2 million invested in the Fund.

Sincerely,

Christopher H. Browne
William H. Browne
John D. Spears

General Partners
TWEEDY, BROWNE COMPANY L.P.
Investment Adviser to the Fund

October 31, 1995

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS — DOMESTIC — 76.4%	
	Banking — 16.9%	
55,000	BancFirst Corporation	$ 1,038,125
96,780	BanPonce Corporation, New	3,750,225
5,000	Cape Cod Bank & Trust Company	196,250
83,180	Chase Manhattan Corporation	5,084,378
78,900	Comerica, Inc.	2,850,264
51,000	First Chicago Corporation	3,499,875
1,000	First Citizens BancStock Inc.	47,000
5,400	First Mortgage Corporation	30,375
32,900	Mercantile Bancorporation, Inc.	1,472,275
175,000	PNC Bank Corporation	4,878,125
42,760	Salomon Inc.	1,635,570
4,300	Suffolk Bancorp	155,875
14,500	Transworld Bancorp	195,750
600	Wells Fargo & Company	111,375
		24,945,462
	Financial Services — 12.1%	
132,930	American Express Company	5,898,769
2,000	CM Bank Holding Company	170,000
62,770	Federal Home Loan Mortgage Corporation	4,338,976
31,800	Household International Inc.	1,971,600
18,300	HPSC Inc.	84,639
247,100	Jan Bell Marketing Inc.†	942,069
19,000	Kent Financial Services Inc.	133,000
10,000	Kinnard Investments Inc.	36,250
117,450	Lehman Brothers Holdings Inc.	2,716,031
10,000	Letchworth Independent BancShares	287,500
34,900	Lomas Financial Corporation, New†	19,631
44,200	Norex American Inc.	469,625
17,500	Pure World Inc.	52,500
6,300	Stifel Financial Corporation	38,981
23,100	Value Line Inc.	762,300
		17,921,871
	Consumer Non-Durables — 11.1%	
110,500	Bairnco Corporation	580,125
57,700	Coca-Cola Bottling Company	2,033,925
37,800	Fuji Photo Film Company Ltd., ADR	1,875,825
42,235	Great Atlantic & Pacific Tea Company	1,182,580
98,035	Nestle, ADR	5,024,294
93,859	Polaroid Corporation	3,730,895
46,900	Reebok International Ltd.	1,612,188

Shares		Market Value (Note 1)
	Consumer Non-Durables — (Continued)	
10,800	TCC Industries Inc.†	$ 27,000
37,500	Village Super Market Inc., Class A	281,250
		16,348,082
	Insurance — 8.6%	
15,000	Allstate Financial Corporation	89,062
76,700	American Indemnity Financial Corporation	939,575
47,925	American National Insurance Company	2,791,631
5,375	Amwest Insurance Group Inc.	80,289
39,900	Independent Insurance Group Inc.	997,500
10,300	Kansas City Life Insurance Company	545,900
20,900	Merchants Group Inc.	397,100
40,100	National Western Life Insurance Company	2,245,600
30,500	Provident Life and Accident Company, Class B	827,313
14,145	ReliaStar Financial Corporation	574,640
143,500	SCOR US Corporation	2,224,250
9,000	Security-Connecticut Corporation	248,625
26,700	USLIFE Corporation	780,975
		12,742,460
	Retail — 4.6%	
100,400	Ben Franklin Retail Stores Inc.	376,500
85,000	Best Products Inc.	722,500
1,000	Dart Group Corporation, Class A	85,812
3,300	EZCorp, Inc., Class A	17,738
59,200	Forschner Group	710,400
50,600	K mart Stores	733,700
32,300	Luria (L) and Sons Inc.†	193,800
9,700	Mercantile Stores Company Inc.	436,500
52,000	Penny (J.C.) Company, Inc.	2,580,500
108,900	Syms Corporation	993,713
		6,851,163
	Leisure and Entertainment — 3.9%	
117,600	C-TEC Corporation	2,734,200
89,843	Hasbro Inc.	2,796,363
7,500	Latin American Casinos Inc.	19,219
30,000	Savoy Pictures Entertainment Inc.†	198,750
		5,748,532

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS — DOMESTIC	
	Basic Industries — 3.9%	
5,235	Binks Manufacturing Company	$ 129,566
27,000	Monarch Machine Tool Company	374,625
65,700	Tremont Corporation †	1,322,214
29,800	Unilever NV, ADR	3,874,000
		5,700,405
	Chemicals — 3.2%	
56,620	Philip Morris Companies Inc.	4,727,770
	Engineering and Construction — 2.1%	
12,500	Atkinson (Guy F.) Company California †	125,781
22,000	Devcon International Corporation †	198,000
4,080	Oilgear Company	71,400
6,000	Oriole Homes Corporation, Class A	40,500
32,600	Oriole Homes Corporation, Class B	211,900
344,300	Standard Pacific Corporation	2,410,100
		3,057,681
	Real Estate — 2.0%	
146,800	American Real Estate Partners Ltd.	1,266,150
19,700	Arizona Land Income Corporation, Class A	98,500
13,200	Mays (J.W.), Inc.	90,750
43,800	Price Enterprises Inc.	700,800
19,700	Reading Company, Class A	197,000
116,000	RPS Realty Trust	522,000
21,100	Storage Propertys Inc.	126,600
		3,001,800
	Health Care — 1.9%	
65,735	Horizon/CMS Healthcare Corporation	1,495,471
16,706	Johnson & Johnson	1,238,332
		2,733,803
	Consumer Services — 1.6%	
296,100	National Education Corporation	2,368,800
	Technology — 0.9%	
28,800	Digital Equipment Corporation †	1,314,000
11,600	LDI Corporation	37,700
		1,351,700
	Automotive Parts — 0.8%	
135,500	Capco Automotive Products, Inc.	$ 1,253,375
	Beverages — 0.6%	
21,100	Guinness PLC, Sponsored ADR	857,715
	Business Services — 0.4%	
62,400	Duplex Products Inc.†	468,000
12,500	Paris Business Forms Inc.	96,875
		564,875
	Metals and Metal Products — 0.3%	
14,000	American Metals Service, Inc.	10,920
64,600	Proler International Corporation †	476,425
		487,345
	Transportation/Transportation Services — 0.3%	
41,000	KLLM Transport Services Inc.	415,125
2,500	Petroleum Helicopters Inc.	27,500
		442,625
	Oil and Gas — 0.3%	
48,900	Pool Energy Services Company †	427,875
	Printing and Publishing — 0.2%	
30,000	Advanced Marketing Services Inc.†	236,250
	Telecommunications — 0.1%	
11,200	Falcon Cable Systems Company Ltd.	99,400
15,000	TCI International Inc.	121,875
		221,275
	Electronic Equipment — 0.1%	
8,000	Espey Manufacturing and Electronics Corporation	113,000
	Other — 0.5%	
44,600	Astrosystems Inc.†	239,725
2,180	Grey Advertising Inc.	429,460
800	Resources America, Inc.†	18,000
		687,185
	TOTAL COMMON STOCKS — DOMESTIC (Cost $93,004,679)	112,791,049

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS — FOREIGN — 5.9%	
	Netherlands — 1.6%	
16,388	Heineken Holdings NV, Class A . .	$ 2,437,867
	United Kingdom — 1.3%	
145,000	McAlpine (Alfred) PLC	277,229
32,000	SmithKline Beacham, PLC units, ADR	1,620,000
		1,897,229
	Finland — 0.8%	
11,000	Kone Corporation, Class B	1,221,779
	Switzerland — 0.7%	
2,000	Danzas PC	371,972
500	Magazine Zum Globus, (Ptg)	330,882
500	Swissair AG, Registered	346,021
		1,048,875
	Japan — 0.7%	
17,000	Fuji Photo Film Ltd. Ord.	423,906
19,000	Matsushita Electric Industrial Company	291,555
10,000	Nissan Fire & Marine Insurance Company	60,471
5,000	Sankyo Company	114,078
10,000	Toyo Technical Company Ltd. . . .	97,925
		987,935
	France — 0.6%	
7,200	Compagnie Financiere de Suez	277,502
2,725	Klepierre	320,946
2,300	Peugeot SA	314,326
		912,774
	Singapore — 0.2%	
78,000	Robinson and Company	328,836
	TOTAL COMMON STOCKS — FOREIGN (Cost $7,578,171)	8,835,295
	PREFERRED STOCK — 0.0%†† **(Cost $16,100)**	
1,400	Grant Geophysical Inc., Preferred . . .	23,275

Face Value			Market Value (Note 1)
	COMMERCIAL PAPER — 11.6%		
$6,000,000	Ford Motor Credit Corporation, 6.000% due 10/2/95		$ 6,000,000
4,133,000	General Electric Capital Corporation, 6.500% due 10/2/95.		4,133,000
7,000,000	Prudential Funding Corporation, 6.500% due 10/2/95		7,000,000
	TOTAL COMMERCIAL PAPER (Cost $17,133,000)		17,133,000
	U.S. TREASURY BILLS — 0.3%		
150,000	6.140%** due 5/2/96		144,826
315,000	5.630%** due 8/22/96		299,928
	TOTAL U.S. TREASURY BILLS (Cost $444,754)		444,754
	REPURCHASE AGREEMENT — 4.1% (Cost $6,000,000)		
6,000,000	Agreement with UBS Securities, Inc., 6.420%, dated 9/29/95 to be repurchased at $6,003,210 on 10/2/95, collaterized by $6,000,000 U.S. Treasury Notes, 5.875% due 3/31/99		6,000,000
TOTAL INVESTMENTS (Cost $124,176,704*)		98.3%	145,227,373
OTHER ASSETS AND LIABILITIES (Net)		1.7	2,523,414
NET ASSETS		100.0%	$147,750,787

* *Aggregate cost for Federal tax purposes.*
** *Rate represents annualized yield at date of purchase.*
† *Non-income producing security.*
†† *Amount represents less than 0.1% of net assets.*

Abbreviation:
ADR — American Depository Receipt

SEE NOTES TO FINANCIAL STATEMENTS

Schedule of Forward Exchange Contracts

September 30, 1995 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY			
(Contract Amount $164,492)			
810,322	French Franc	10/31/95	$ 164,495
FORWARD EXCHANGE CONTRACTS TO SELL			
3,681,860	Finnish Markka	6/28/96	$ (860,486)
1,316,790	Finnish Markka	9/13/96	(307,715)
3,048,600	French Franc	9/13/96	(616,732)
31,776,000	Japanese Yen	4/30/96	(331,517)
29,036,000	Japanese Yen	6/28/96	(305,506)
18,720,000	Japanese Yen	9/13/96	(199,238)
1,522,000	Netherlands Guilder	4/29/96	(960,885)
1,083,740	Netherlands Guilder	6/28/96	(684,105)
1,235,025	Netherlands Guilder	9/13/96	(785,326)
885,975	Swiss Franc	9/13/96	(791,437)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL			
(Contract Amount $5,900,000)			$(5,842,947)

Statement of Assets and Liabilities

September 30, 1995 (Unaudited)

ASSETS		
Investments, at value (Cost $124,176,704) (Note 1) See accompanying schedule		$145,227,373
Cash and foreign currency (Cost $1,062,997)		1,045,444
Receivable for Fund shares sold		8,808,807
Dividends and interest receivable		239,562
Unamortized organization costs (Note 5)		61,627
Net unrealized appreciation of forward exchange contracts (Note 1)		57,056
Prepaid expense		1,681
Total Assets		155,441,550
LIABILITIES		
Payable for investment securities purchased	$7,470,486	
Investment advisory fee payable (Note 2)	121,578	
Payable for Fund shares redeemed	14,101	
Administration fee payable (Note 2)	12,505	
Transfer agent fees payable (Note 2)	9,400	
Accrued expenses and other payables	62,693	
Total Liabilities		7,690,763
NET ASSETS		$147,750,787
NET ASSETS consist of		
Undistributed net investment income		$ 881,400
Accumulated net realized gain on securities, forward exchange contracts and foreign currencies		230,111
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets		21,090,172
Par value		1,138
Paid-in capital in excess of par value		125,547,966
Total Net Assets		$147,750,787
NET ASSET VALUE, offering and redemption price per share ($147,750,787 ÷ 11,384,472 shares of common stock outstanding)		$12.98

SEE NOTES TO FINANCIAL STATEMENTS

Statement of Operations

For the six months ended September 30, 1995 (Unaudited)

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $39,708)		$ 957,332
Interest		496,599
Total Investment Income		1,453,931
EXPENSES		
Investment advisory fee (Note 2)	$629,314	
Administration fee (Note 2)	79,794	
Transfer agent fees (Note 2)	28,005	
Custodian fees (Note 2)	22,243	
Legal and audit fees	14,510	
Amortization of organization costs (Note 5)	9,761	
Directors' fees and expenses (Note 2)	4,675	
Other	60,206	
Waiver of fees by investment adviser and administrator (Note 2)	(90,621)	
Waiver of fees by custodian (Note 2)	(20,681)	
Total Expenses		737,206
NET INVESTMENT INCOME		716,725
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3)		
Net realized gain (loss) on:		
Securities		284,066
Forward exchange contracts		(10,354)
Foreign currencies		10,536
Net realized gain on investments during the period		284,248
Net change in unrealized appreciation (depreciation) of:		
Securities		17,719,516
Forward exchange contracts		121,298
Foreign currencies and net other assets		(18,067)
Net unrealized appreciation of investments during the period		17,822,747
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		18,106,995
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$18,823,720

SEE NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Net Assets

	Six Months Ended 9/30/95 (Unaudited)	Year Ended 3/31/95
Net investment income	$ 716,725	$ 382,282
Net realized gain (loss) on securities, forward exchange contracts and foreign currencies during the period	284,248	(54,613)
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets during the period	17,822,747	3,809,073
Net increase in net assets resulting from operations	18,823,720	4,136,742
Distributions to shareholders from net investment income	—	(236,230)
Net increase in net assets from Fund share transactions (Note 4)	70,071,035	38,822,437
Net increase in net assets	88,894,755	42,722,949
NET ASSETS		
Beginning of period	58,856,032	16,133,083
End of period (including undistributed net investment income of $881,400 and $164,675, respectively)	$147,750,787	$58,856,032

Financial Highlights

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/95 (Unaudited)	Year Ended 3/31/95*(f)*	Period Ended 3/31/94*(a)*
Net asset value, beginning of period	$ 10.71	$ 9.71	$ 10.00
Income from investment operations:			
Net investment income*(c)*	0.05	0.13	0.01
Net realized and unrealized gain (loss) on investments	2.22	0.93	(0.30)
Total from investment operations	2.27	1.06	(0.29)
Dividends from net investment income	—	(0.06)	—
Net asset value, end of period	$ 12.98	$ 10.71	$ 9.71
Total return*(d)*	21.20%	11.02%	(2.90)%
Ratios/Supplemental Data			
Net assets, end of period (in 000's)	$147,751	$58,856	$16,133
Ratio of operating expenses to average net assets*(e)*	1.46%*(b)*	1.74%	2.26%*(b)*
Ratio of net investment income to average net assets	1.42%*(b)*	1.25%	0.64%*(b)*
Portfolio turnover rate	2%	4%	0%

(a) *The Fund commenced operations on December 8, 1993.*

(b) *Annualized.*

(c) *Net investment income (loss) for a Fund share outstanding, before the waiver of fees by the investment adviser and/or administrator and/or custodian for the six months ended September 30, 1995, the year ended March 31, 1995 and the 3.75-month period ended March 31, 1994 was $0.04, $0.11 and $(0.01), respectively.*

(d) *Total return represents aggregate total return for the periods indicated.*

(e) *Annualized expense ratios before waiver of fees by investment adviser and/or administrator and/or custodian for the six months ended September 30, 1995, the year ended March 31, 1995 and the 3.75-month period ended March 31, 1994 were 1.68%, 1.94% and 3.51%, respectively.*

(f) *Per share amounts have been calculated using the monthly average share method, which more appropriately presents the per share data for the period since the use of the undistributed income method does not accord with results of operations.*

1. Significant Accounting Policies

Tweedy, Browne American Value Fund (the "Fund") is a diversified series of Tweedy, Browne Fund Inc. (the "Company"). The Company is an open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. The Company was organized as a Maryland corporation on January 28, 1993. The Fund commenced operations on December 8, 1993. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

Portfolio Valuation Generally, the Fund's investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value as determined by or under the direction of the Company's Board of Directors. Portfolio securities that are traded primarily on a domestic exchange are valued at the last sale price on that exchange or, if there were no sales during the day, at the mean between the last ask price and the last bid price prior to the close of regular trading. Over-the-counter securities and securities listed or traded on certain foreign exchanges whose operations are similar to the United States ("U.S.") over-the-counter market are valued at the mean between the current bid and ask prices. Portfolio securities that are traded primarily on foreign exchanges generally are valued at the preceding closing values of such securities on their respective exchanges, except that when an occurrence subsequent to the time that a value was so established is likely to have changed such value, then the fair value of those securities will be determined by consideration of other factors by or under the direction of the Company's Board of Directors. Short-term investments that mature in 60 days or less are valued at amortized cost.

Repurchase Agreements The Fund engages in repurchase agreement transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. This arrangement results in a fixed rate of return that is not subject to market fluctuations during the Fund's holding period. The value of the collateral is at least equal at all times to the total amount of the repurchase obligations, including interest. In the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred. There is potential loss to the Fund in the event the Fund is delayed or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the value of the underlying securities during the period while the Fund seeks to assert its rights. The Fund's investment adviser, acting under the supervision of the Company's Board of Directors, reviews the value of the collateral and the creditworthiness of those banks and dealers with which the Fund enters into repurchase agreements to evaluate potential risks.

Foreign Currency The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions. Unrealized gains and losses which result from changes in foreign currency exchange rates have been included in the unrealized appreciation (depreciation) of currencies and net other assets. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amount actually received. The portion of foreign currency gains and losses related to fluctuation in the exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gains and losses on investment securities sold.

Forward Exchange Contracts The Fund has entered into forward exchange contracts for non-trading purposes in order to reduce its exposure to fluctuations in foreign currency exchange on its portfolio holdings. Forward exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is recorded by the Fund as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time that it was opened and the value of the contract at the time that it was closed.

The use of forward exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's investment securities, but it does establish a rate of exchange that can be achieved in the future. Although forward exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. The Fund currently enters into such contracts with Mellon Bank Corporation (''Mellon Bank'') and Brown Brothers Harriman & Co.

Securities Transactions and Investment Income Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Dividend income and interest income may be subject to foreign withholding taxes.

Dividends and Distributions to Shareholders Dividends from net investment income, if any, and distributions from realized capital gains after utilization of capital loss carryforwards, if any, will be declared and paid annually. Additional distributions of net investment income and capital gains from the Fund may be made at the discretion of the Board of Directors in order to avoid the application of a 4% non-deductible Federal excise tax on certain undistributed amounts of ordinary income and capital gains. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund.

Federal Income Taxes The Fund intends to qualify as a regulated investment company, if such qualification is in the best interest of its shareholders, by complying with the requirements of the Internal Revenue Code of

1986, as amended, applicable to regulated investment companies and by distributing substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

Expenses Expenses directly attributable to each Fund as a diversified series of the Company are charged to that Fund. Other expenses of the Company are allocated to each Fund based on the average net assets of each Fund.

2. Investment Advisory Fee, Administration Fee and Other Party Transactions

The Company on behalf of the Fund has entered into an investment advisory agreement (the "Advisory Agreement") with Tweedy, Browne Company L.P. ("Tweedy, Browne"). Under the Advisory Agreement, the Company pays Tweedy, Browne a fee at the annual rate of 1.25% of the value of its average daily net assets. The fee is payable monthly, provided the Fund will make such interim payments as may be requested by the adviser not to exceed 75% of the amount of the fee then accrued on the books of the Fund and unpaid. From time to time, Tweedy, Browne may voluntarily waive a portion of its fee otherwise payable to it. For the six months ended September 30, 1995, Tweedy, Browne voluntarily waived fees of $63,621.

The current and retired general partners and their families, as well as employees of Tweedy, Browne, the investment adviser to the Fund have approximately $16.2 million of their own money invested in the Fund.

The Company on behalf of the Fund has entered into an administration agreement (the "Administration Agreement") with The Shareholder Services Group Inc. ("TSSG"), a wholly owned subsidiary of First Data Corporation. Under the Administration Agreement, the Company pays TSSG an administrative fee and a fund accounting fee computed daily and payable monthly at the following annual rates of the value of the average daily net assets of the Fund.

	Fees on Assets		
	Up to $200 Million	**Between $200 and $500 Million**	**Exceeding $500 Million**
Administration Fees	0.10%	0.08%	0.06%
	Up to $100 Million	**Exceeding $100 Million**	
Accounting Fees	0.06%	0.04%	

For the six months ended September 30, 1995, TSSG voluntarily waived administration fees of $27,000.

Under the terms of the Administration Agreement, the Company will pay for Fund Administration Services, a minimum fee of $40,000 per Fund per annum, not to be aggregated with fees for Fund Accounting Services. The

Company will pay for Fund Accounting Services a minimum fee of $40,000 per Fund per annum, not to be aggregated with fees for Fund Administration Services.

No officer, director or employee of Tweedy, Browne, TSSG or any parent or subsidiary of those corporations receives any compensation from the Company for serving as a director or officer of the Company. The Company pays each director who is not an officer, director or employee of Tweedy, Browne, TSSG or any of their affiliates $2,000 per annum plus $500 per Regular or Special Board Meeting attended in person or by telephone, plus out-of-pocket expenses.

Boston Safe Deposit and Trust Company ("Boston Safe"), an indirect wholly owned subsidiary of Mellon Bank serves as the Fund's custodian pursuant to a custody agreement (the "Custody Agreement"). From time to time, Boston Safe may voluntarily waive a portion of its fee otherwise payable to it. For the six months ended September 30, 1995, Boston Safe voluntarily waived fees of $20,681. Unified Advisers, Inc., serves as the Fund's transfer agent. Tweedy, Browne also serves as the distributor to the Fund and pays all distribution fees. No distribution fees are paid by the Fund.

For the six months ended September 30, 1995, the Fund incurred total brokerage commissions of $90,755.

3. Purchases and Sales of Securities

Cost of purchase and proceeds from sales of investment securities, excluding short-term investments for the six months ended September 30, 1995, aggregated $53,626,903 and $1,849,048, respectively.

At September 30, 1995, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $21,983,821 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $933,152.

4. Capital Stock

The Company is authorized to issue one billion shares of $.0001 par value capital stock, of which 400,000,000 of the unissued shares have been designated as shares of the Fund. Changes in shares outstanding for the Fund were as follows:

	Six Months Ended 9/30/95		Year Ended 3/31/95	
	Shares	Amount	Shares	Amount
Sold	7,181,700	$ 85,644,915	4,305,320	$43,591,028
Reinvested	—	—	22,466	224,083
Redeemed	(1,293,312)	(15,573,880)	(492,575)	(4,992,674)
Net Increase	5,888,388	$ 70,071,035	3,835,211	$38,822,437

5. Organization Costs

The Fund bears all costs in connection with its organization including the fees and expenses of registering and qualifying its shares for distribution under Federal and state securities regulations. All such costs have been deferred and are being amortized over a five-year period using the straight-line method from the commencement of operations of the Fund. In the event that any of the initial shares of the Fund are redeemed during such amortization period, the Fund will be reimbursed for any unamortized organization costs in the same proportion as the number of shares redeemed bears to the number of initial shares held at the time of redemption.

6. Capital Loss Carryforward

At March 31, 1995, the Fund had for Federal tax purposes unused capital losses of $54,137, expiring on March 31, 2003, which can be used to offset future net capital gains.

7. Subsequent Event

As of November 1, 1995, The Shareholder Services Group, Inc. will be known as First Data Investor Services Group, Inc.