TWEEDY, BROWNE
GLOBAL VALUE FUND

ANNUAL

MARCH 31, 1999

TWEEDY, BROWNE
AMERICAN VALUE FUND

Tweedy, Browne Fund Inc.

Investment Manager's Report

Chris Browne, John Spears and Will Browne (seated L to R)
Bob Wyckoff and Tom Shrager (back row L to R)

To Our Shareholders:

We are pleased to present the annual report for Tweedy, Browne Global Value Fund and Tweedy, Browne American Value Fund for the year ended March 31, 1999. However, while we are pleased with the long-term investment returns of both Funds since their inceptions in 1993, there is not much to be pleased about this year concerning the building of our and our shareholders' wealth. We think it is realistic to expect that good long-term returns will be formed by a somewhat random pattern of good and not-so-good annual investment returns. The current Managing Directors and retired principals and their families, as well as employees of Tweedy, Browne, have more than $388.3 million in portfolios combined with or similar to client portfolios, including approximately $40.7 million in the Global Value Fund and $31.3 million in the American Value Fund. With our own money and with clients' money, we plan to stick with the value investment approach that, on average (but not every year), has worked so well for us over the past 24 years. The underlying intrinsic value of most of the companies that the Funds own increased more than their share prices, laying the ground work, we believe (and hope), for good returns in the future. The net asset value of shares of Tweedy, Browne Global Value Fund increased 3.03%*, after adding back the calendar year-end dividend. The net asset value of shares of Tweedy, Browne American Value Fund declined 1.09%*, after adding back the calendar year-end dividend. It was a very strange year in that the stocks that did well were few in number. And those that did well, by and large, did very well. Internet stocks and technology stocks, which we do not own, did extremely well, appearing to defy all forms of fundamental financial gravity, while large value stocks and most mid-cap and small cap stocks did poorly. Our performance* for various periods ended March 31, 1999, and that of the various indices to which we compare ourselves, is set forth in the following chart:

	Tweedy, Browne Global Value	**MSCI EAFE[1] US $**	**MSCI EAFE[1] Hedged**	**Morningstar World Stock Funds Average[2]**	**Morningstar Foreign Stock Funds Average[3]**
1 Year	3.03%	6.06%	4.78%	0.15%	(0.25)%
3 Years	16.95	8.47	14.90	11.62	8.70
5 Years	13.91	8.75	12.30	11.53	7.69
Since Inception[9]	15.91	9.14	11.98	12.36	9.63

	Tweedy, Browne American Value	**S&P 500[4]**	**S&P Mid-Cap 400[5]**	**Russell 2000[6]**	**Morningstar Mid-Cap Value Funds Average[7]**	**Morningstar Domestic Stock Funds Average[8]**
1 Year	(1.09)%	18.49%	0.46%	(16.25)%	(9.79)%	3.65%
3 Years	19.39	28.05	18.30	7.73	12.71	17.18
5 Years	20.54	26.21	18.21	11.23	14.38	17.92
Since Inception[9]	18.57	23.78	17.10	10.60	13.31	16.60

See page 19 for footnotes 1 through 9, which describe the indices and inception dates of the Funds.

* Past performance is not a guarantee of future results, and total return and principal value of investments will fluctuate with market changes. Shares, when redeemed, may be worth more or less than their original cost.

The difference between the performance of the Standard & Poor's 500 Stock Index ("S&P 500"), and the Russell 2000 Index ("Russell 2000") at 3,474 basis points (34.74%) is perhaps greater than we can ever recall. The S&P 500 is an index of large cap stocks and the Russell 2000 is an index of mid and smaller cap stocks. (The 1,000 largest stocks are excluded from the Russell 2000). In calendar year 1998, 15 stocks, a mere 3% of the issues in the Index, accounted for 52% of the performance of the S&P 500. Of these 15 stocks, nine were either technology or communications companies. If you owned those stocks, you had a great 1998. Most value investors did not own those stocks. The trailing twelve-month price/earnings ratio at the end of 1998 for those stocks was 47.7 times. The projected price/earnings ratio for the group for 1999 is 44.8 times. These are not value statistics. In the first quarter of 1999, the stock market has gotten even narrower. Just five stocks accounted for more than 52% of the S&P 500's gain of 5%, and the entire gain was accounted for by only eighteen stocks. The other 482 stocks in the S&P 500 produced no net return.

In a year such as the one just past, the performance of a particular index may not be indicative of the performance of stocks in general. In calendar year 1998, the performance of the average stock in the S&P 500 was less than one-half the performance of the Index. The same phenomenon occurred in stock markets outside the U.S. The Morgan Stanley Capital International (MSCI) Europe, Australasia and Far East Index (EAFE) gained 6.06% for the year ended March 31, 1999. For the same period, EAFE Small Cap was down 8.40%. Technology stocks are less of a factor in Europe and Asia than they are in the U.S. In Europe, telecommunication stocks were the big movers. Anyone who has tried to order a phone system in Europe or has paid a phone bill there will understand why there is so much potential for growth in European telecommunication stocks.

Stock market commentators refer to this as narrowness. When market performance is "narrow", a small number of stocks account for the performance of an index and may not be representative of how stocks in general have performed. Most of the time a rising tide lifts all boats. This was not the case in 1998. Last year was the narrowest year since the 1989-1990 period when a small number of large cap consumer product companies like food and pharmaceuticals masked what was otherwise a pretty bad year for stocks. Much of the effect stems from the fact that the popular stock market indexes are capitalization weighted. The larger the market capitalization of a company, the greater is its contribution to the calculation of the performance of an index. In the S&P 500, about 50 stocks, 10% of the issues in the Index, generally account for approximately one-half of the Index's weighting. The NASDAQ Composite Index ("NASDAQ Index") is even more skewed towards a handful of large companies. Out of more than 4,700 issues in the NASDAQ Index, just five account for 50% of the performance calculation. While indexes in general are a reasonable barometer of stock market performance, capitalization weighting can distort the picture. Although the size of different stock positions within a portfolio or mutual fund can vary, generally they do not vary as much as they do in an index. For example, the market capitalization of the largest stock in the S&P 500 is 1,239 times greater than the smallest. It is rare that a money manager would build a stock portfolio with such disparities in the size of its positions.

The skewing of the indexes to large companies is further compounded by a concentration in large technology companies. The S&P 500 was historically an index of industrial America. Today, it is increasingly concentrated in technology stocks, which for the time being are measured by a different valuation model. Potential future earnings are much more important than current earnings. The NASDAQ Index is even more skewed. The five largest stocks are all technology issues. Again, stock portfolios are generally built around diversification, not concentration. A typical portfolio will have stocks in many industries; it will generally not have one-half of the assets invested in one industry. This is done for the purpose of lowering risk. While a concentrated portfolio could outperform, it could also seriously underperform if the area of concentration goes out of favor.

Last year, funds that were heavily invested in large capitalization growth stocks did best. Smaller stocks and "value" stocks in particular did poorly. In 1998, large value stocks underperformed technology stocks, but still had positive returns. Small and mid cap value stocks posted primarily negative returns. These negative returns were not a result of the companies themselves doing badly. These stocks were just ignored or sold as money flowed to where the gains were being made in technology and Internet stocks.

Internet stock valuations are particularly difficult for us to comprehend. In our opinion, these issues are truly the cork on the champagne bottle. As a group they have little or no earnings and no near term prospects for earnings that could justify their sky high stock prices. We feel as though we are sitting on the sidelines watching a wild party going on and wondering if we are missing out on all the fun. However, we remember that, at best, these parties end with a hangover or are brought to an abrupt end when the police show up and cart everyone off to jail. These parties have occurred in the past. We remember the great personal computer party of the early 1980s. The industry leaders in those days were Atari, Commodore and Tandy, names that are barely remembered today. The same happened with biotechnology companies in 1991. True financial history buffs can recall the tulip mania of the 17th Century, the railroad mania of the late 19th Century, and the birth of the automobile industry in the first part of this century.

Railroads, autos and personal computers all grew to be large, important industries. However, the stocks one could buy to participate in these great growth industries for the most part were bad investments. A friend of ours who also manages money told us of a report he read which showed that if you had invested an equal amount of money in every personal computer manufacturer in 1980, your annually compounded rate of return over the next 18 years would have been a disappointing 4%.

Great growth industries often have the common characteristic of ease of entry with low capital requirements. Despite the fact that the auto industry today is a highly capital-intensive business, the opposite was the case in the early part of this century. The same may be said for the Internet. Add to this the fact that the pace of technological change today is so rapid, what is cutting edge technology one day can be passé the next. Ease of entry and low capital requirements draw competition and while competition is good for consumers, it is bad for profits. Most Internet companies do not have any profits other than the profits reaped by selling stock to the public. Brand recognition is also important for companies selling products to the consumer. To some extent, Amazon.com has brand recognition. However, when it only takes a point and a click to compare prices at Borders or Barnes & Noble, the only reason to buy from one versus the others is price. The book is the same; price is the only difference and the price will be set by the company that is willing to accept the lowest profit margin. Companies will therefore compete on price for more customers hoping that a significant market share will ultimately lead to profits. Unless one of the competitors has a sustainable cost advantage over the others, this is not the formula for a good business.

Although we are enthusiastic users of technology and information technology in particular, we are not very good guides to what is happening in Internet technology. When we look at a company like America Online, we cannot understand the investment model which places a value of $120 billion on a company with $2.6 billion in revenues and $92 million in profits in its latest fiscal year. It may ultimately grow enough to justify its current valuation, but what about a higher value from this point forward? There is nothing particularly unique about what AOL does. There are other Internet access providers, some of which have less of the obnoxious advertising that keeps popping up on our computer screens. It has no patent protection and while it does have brand recognition, that alone does not guarantee its future survival. A Packard was once one of the best cars you could buy. AOL's current price/earnings ratio exceeds 600 times. Were it to sell at a more normal, yet rich, growth stock multiple of 35 times, its earnings must increase 17 fold. Again, it may happen, but history is full of examples of companies that never reached such great expectations. A portfolio of stocks with these characteristics has never been a formula for good investment performance.

There is a lot of talk lately about a new "paradigm" for stock valuations. One needs a new paradigm to rationally justify the valuations of stocks that soar merely by virtue of the fact that someone has added ".com" to the end of their name. A lot of money has been made in most of these issues and a lot of people are sorry they have missed out on all the fun. We even hear the occasional complaint asking why we have not invested in these new technologies. Some people may even be thinking that our time has passed, and that we are not open to new ideas and avenues of profit in the stock market. It is true we do not go mountain biking on the weekends to train for the rigors of stock investing on Monday mornings. Of course we have not heard that Warren Buffett has enrolled in karate classes either, and he seems to do okay. New ideas come and go, and it has been our experience that when they go, a lot of money is usually lost. We do not enjoy risk and we do not enjoy losing money. If history tells us that investing in new paradigms at sky high prices eventually leads to big losses, we pass. We are perfectly happy with our performance over the past three years, five years and thirty years. And after thirty years in this business doing the same thing, we are still players in the game. We see little reason to apologize and no reason to change our stripes.

We recently participated in *The Program on Investment Decisions and Behavioral Finance* at the Kennedy School of Government at Harvard University, as we have twice a year for the past several years. The speakers are some of the most prominent behavioral economists in the country along with a few investment practitioners like ourselves. We feel honored to be included. The economists are the theorists who perform all the empirical studies on people's investment behavior. We are the lab rats who put the theories into practice. We either come away with some new insights each time or feel as if we have been to a refresher course in rational behavior as it relates to investing. One insight we picked up this year was that in the investment world, ideas are dangerous. This may sound strange at first, but it is actually true. Most investment ideas are based on intuition or hunches and usually lack any empirical substantiation. Most investment ideas are derived from whatever has worked well in the recent past. What else could explain the euphoria surrounding Internet and technology stocks? However, what has worked best most recently may not always work well for long. As Ben Graham said, "In the short run, the stock market is a voting machine. In the long run, it is a weighing machine."

Meanwhile, Internet stocks continue to soar with periodic plunges. Overall, the game is still continuing. These stocks have Internet chat rooms where all sorts of information and misinformation is exchanged by day traders. Traders brag about how much money they made trading

Whatever.com, and others are suckered into the game. Stocks are bought merely because they have gone up and the approach becomes self-fulfilling. Little or no consideration is given to whether there is any investment value underlying the price that is being paid. Value does not count for anything in the new paradigm. What is forgotten is that not everyone can get out if and when the game ends. There will be just as many shares outstanding and someone will own them when the day of reckoning comes.

Perhaps as money managers, we should be smart enough to know when to jump on board these fads and when to leave. Perhaps we should be able to determine at the beginning of each year which stocks or group of stocks will be the ones that will outperform the market over the next six months or year. Would we have said let's start with the group of stocks that have no earnings and maybe no assets? Has it ever been proven that investing in stocks with no earnings and no assets has been a long-term winning investment strategy? Perhaps this explains why so many money managers today are portrayed as top athletes, building stamina on the weekends for when the stock market opens. This may also explain why the opening bell on The New York Stock Exchange is covered on television as if it were the opening kick off at the Super Bowl. You need a lot of stamina to attempt to do something that is not humanly possible long term. Many analysts and money managers bought Internet stocks and made a lot of money. However, we think they may be confusing luck with skill. That is often the case with investment fads that work for a period of time.

We view this type of investing as another form of market timing. Many people in our business market time, and the vast majority do not beat the market. The behavioral psychologists and economists call this the over-confidence factor. We suppose that if money managers did not think they could beat the market, they would not try. Therefore, they believe they can beat the market. The behavioralists have another term, "calibrated confidence", which means knowing what you can do and what you cannot do. It requires being comfortable with the knowledge of how limited your abilities really are. In a paper written by Brad Barber and Terrance Odean of the Graduate School of Management at the University of California, Davis, the authors found that over-confident investors trade more and make less. The greater the trading volume, the poorer the returns. In another study of 100,000 individual stock trades, they found that the stocks investors sold "on average" outperformed the stocks they bought by 3.4% after one year. It seems logical that a money manager who turns over his portfolio at a high rate must have confidence that all the individual investment decisions he or she is making must be right. A lack of confidence in one's abilities usually results in a lack of activity and low activity levels have been proven to produce better returns. Odean and Barber also found that investors who trade at a high rate buy riskier stocks. Perhaps all those investors who are trading Internet stocks realize they are riskier than most stocks but are confident they can get out before the game is over. We wish them luck.

In the February 1, 1999 issue of Peter L. Bernstein's newsletter, *Economics and Portfolio Strategy*, Jason Zweig, mutual fund columnist of ***Money Magazine***, wrote an excellent piece entitled *The Velocity of Learning and the Future of Active Management*. In this article, Mr. Zweig comments on the current speed of information and its influence on money management. He reports that in 1959, the turnover rate for the average mutual fund was 16.4% which equates to a six-year holding period. By 1979, the turnover rate had increased to 63.3%. Today, it exceeds 83%. And this is the average. Many funds have significantly higher turnover rates, indicating that a day trading mentality is not solely an individual investor phenomenon. While this may be great news for stockbrokers and the Internal Revenue Service, it is probably not good news for investors. Mr. Zweig points out that as the flow of data "makes the future seem closer and more knowable", investment managers make ever shorter-term bets. Pressure is exerted on money managers to abandon long-term investment principles in favor of short-term strategies, which have less risk of producing performance that deviates from whatever benchmark is used to measure performance. This behavior is understandable. Money flows into funds that have had the best recent performance, and in general future performance suffers under the weight of these ballooning assets. This is not a problem we and most of our value brethren have at this time, but it is something we think about. When "value" returns to favor, we prefer a manageable inflow of money to a flood.

Performance is now measured and graded over shorter and shorter periods of time. An entire industry based on performance measurement has grown to the point where it influences the allocation of trillions of dollars. The yardsticks used in this industry are all based on relative performance, not absolute performance. The main yardstick is "tracking error"; e.g., how much did the manager's performance deviate from the chosen benchmark. As Mr. Zweig points out, the performance measurement industry can now track performance on a daily basis. We are sure that some participant in this industry will soon offer hourly tracking and provide this information to subscribers over the Internet. But is it of any value? Years ago, psychologists performed an experiment on kindergarten children where each child was given a marshmallow. They were told the teacher would leave the room for ten minutes. When the teacher returned, any child who had not eaten his or her marshmallow would be given a second one. The majority of children could not resist the temptation to eat their marshmallow before the teacher returned to the classroom. The psychologists then followed the lives of these children into adulthood. They observed that the children who were able to wait until the teacher returned to the classroom before eating their marshmallow, in general were more successful in life. These children were able to make better long-term choices as adults.

Our investment principles have remained constant over a long period of time and we are very pleased with the result. We think in terms of long-term absolute and relative performance, not short-term relative performance. If that means that money flows away from us and into growth stock funds in a period of relative underperformance, we have to accept that. We know that our method of investing has outperformed the indices over the last 24 years, with our stocks underperforming one-third of the years and outperforming two-thirds of the years. (Please see “Is Underperforming an Index 30% to 40% of the Time a Normal Part of Long-Term Investment Success?” in our booklet **10 Ways to Beat an Index**.) We are one-at-a-time-stock-pickers, not market forecasters. We could not have assembled at the beginning of last year and successfully predicted that technology stocks and Internet stocks would be stellar performers over the next 12 months.

While some money managers may think they can time the stock markets or segments of the stock markets, we have a much lower opinion of our prognosticating abilities. In fact, we readily accept the fact we cannot forecast stock markets. Sorry, but if that is what you are looking for, you have invested in the wrong Funds. We know one manager whose employer measures his performance against the relevant benchmark weekly. Consequently, this individual is primarily concerned with whether his stocks are up at every point in time, and he trades in and out of stocks depending on very short-term price movements. We wonder if there is any time left for basic stock research. For our part, we do not even take credit for coming up with the investment principles that have produced rather good results over time. That credit goes foremost to Ben Graham, who in the 1930s was the first to articulate the principles of value investing, and who such great investors as Warren Buffett and Walter Schloss credit with much of their success.

While our investment principles have remained constant over time, our methods have evolved principally through the addition of new, and we believe valid, measurements of value criteria. In the 1960s and early 1970s, we invested mostly in stocks selling at a discount to book value, or a discount to net current assets (current assets less all liabilities). There were plenty of those kinds of stocks in those days. At a time when manufacturing dominated the economy, book value or current assets were a significant measure of value. They still are. However, there is also value in consumer franchises and businesses that have some degree of control over their markets or the pricing of their products.

The most obvious example was in televison stations in the late 1970s. When Jim Clark joined us in 1976, he came from an investment firm that owned television stations. Before his arrival, we never invested in companies that owned televison stations because they had no tangible book value. Jim taught us that they had franchise value instead. TV stations are a semi-monopoly such as the CBS affiliate in Miami or Chicago. Moreover, stations change hands rather frequently and at fairly consistent multiples of cash flow. It is actually easier to determine the value of a TV station than it is a manufacturing company selling at one-half of book value that is not earning a reasonable return on its capital.

One of the companies we bought at that time was Storer Broadcasting, which was selling at about one-half of 10 times cash flow, the industry standard for acquisitions. In addition, Storer had one of the lowest profit margins in the industry, which meant that a good operator, as opposed to its underperforming operators, might be able to improve the bottom line. The values might even be greater. (Legend has it that when Warren Buffett bought into The Washington Post Company, he explained to Katherine Graham that she owned monopolies and could therefore raise prices for advertisements and improve earnings.) After we bought shares of Storer, we explained the acquisition pricing of TV stations to a takeover group, and the hidden value in Storer. We did not hear back from this group, but they accumulated a position in Storer and "put it in play". To our delight, the company was ultimately acquired at a significant premium to our cost. We learned the principle of appraising business values. We went on to make other successful investments in ABC and then Capital Cities Broadcasting. In the mid-1980s, we discovered the acquisition pricing model for food companies and consumer product companies, which lead to profitable investments in stocks such as General Foods, Rothmans Tobacco and Distillers Corporation, among others. We had expanded our universe of cheap stocks.

We continued to buy stocks with low price/earnings ("P/E") ratios and low price-to-book value ratios, but had added stocks with low price-to-enterprise value ratios. Many of our value brethren only buy a slice of the value menu. Some only buy low P/E stocks, which leads to a portfolio of aluminum companies, auto companies and other typically cyclical businesses. Over time this strategy has performed well. In some cases because of the amount of assets under management, it has been their only alternative. Other value managers have migrated to buying only "better businesses" at reasonable prices. Our menu is more diverse. In 1998, the "better business" managers performed better. Some years, "the not-so- good businesses but cheap-on-book or earnings" guys do better, but not in 1998. We are a combination of several value biases. Why else would we own

Johnson & Johnson, Glaxo-Wellcome, American Express and Freddie Mac? But we also own some pretty doggie companies, or at least they were when we bought them: ASARCO, ACX Technologies, British Mohair, EZCORP, etc. There is more than one standard for cheap. Why should we limit ourselves to just one category?

The other area where some money managers constrain themselves is market cap. We do not. Some managers only buy large cap stocks, which may be more a function of their assets under management. The more money one manages, the less impact a small or medium cap stock can have on your results because you can never own enough to make a difference. We are still of such a size in terms of assets under management that small and medium cap stocks can have an impact on performance. In 1998 that impact was negative. Usually, in our experience, the impact is positive. Money managers who restrict themselves to small and mid-cap stocks probably had a bad experience in 1998. Our large cap stocks, generally, carried the day last year. However, stocks that did not perform well in a given time measurement period are not necessarily bad investments. In markets when only a few segments get all the attention, perfectly good stocks may do nothing or even decline. Our experience has been that if the value is there, ultimately it is recognized.

Jason Zweig speaks to this issue in the same article we mentioned above. Along with forcing money managers to focus on the short term, the performance measurement industry also forces money managers into "style boxes". Are we value, growth, large cap or small cap? Whatever you are, just be sure you only buy stocks that fit your style. The "style police" are more active in the institutional money management business where changes in a portfolio can be seen daily. More often than not, institutional money managers are selected because they fit into some asset allocation model the client has adopted. This could be 1/3 large cap value, 1/3 large cap growth, 1/6 small cap value and 1/6 small cap growth. Add mid cap, international, market neutral strategies, arbitrage, etc., and the permutations can be mind boggling. If you find a perfectly good stock that you think is dirt cheap, you cannot buy it if it does not also fall into your style box. We prefer to think out of the box while maintaining a consistent set of values. As we have said, cheap is a different number depending on the business. To judge Alcoa and Johnson & Johnson on the same P/E and price/book value criteria just does not make any sense. It is more important that someone have sound values, honesty and integrity, than it is the particular religion which taught them those values. The same can be said for money managers.

We believe that the downside of our approach to investment management is underperformance, not the risk of permanent capital loss. We do not own “air ball” stocks that can dissolve overnight such as what is available in the Internet arena. We also do not invest such a great percentage of our assets in any one issue so that if we are wrong and the company goes belly-up we have significantly impaired our net worth. Many managers who have underperformed their benchmark have still delivered rates of return that have exceeded inflation and increased the wealth of their clients. In the long run, one of the greatest risks to your net worth is not owning stocks. Bonds do not grow. They can only return their face value at maturity. Although inflation is currently at historically low levels, it still exists. Inflation is a silent, insidious tax which erodes your net worth. Within our lifetimes, having a million dollars was considered a fortune. Also in our lifetimes, college cost $2,500 a year, an expensive car cost $8,000 and $100,000 bought a luxurious house. Our grandparents can remember going to the movies for a nickel. One of the problems with living a long time is that your point of reference for the cost of something is cheaper. Fortunately, there is an easy way to keep pace with and even beat inflation and that is equities. Historically, over time an index fund always beats inflation.

There is a great deal of talk about index funds these days, especially in a year when, according to Morgan Stanley, 86% of U.S. equity mutual funds underperformed the S&P 500. It is an alternative, and the S&P 500 is as good a barometer of equities as anything out there. However, today you have to ask what you are buying in an S&P 500 Index fund. On December 31, 1998, the 12-month trailing price/earnings ratio of the S&P 500 stood at 30.3 times. The dividend yield was barely above 1% and the price-to-book value ratio was at an historical high. These are not the fundamental financial characteristics of a portfolio of stocks that we are comfortable owning. If we go back to 1982 or even 1990, these basic ratios were quite cheap. Today, they are not. Fortunately, not every stock carries the same price-to-book value ratio. The median P/E is 20.8 which means one-half of the stocks in the S&P 500 have lower P/Es. Furthermore, the S&P 500 is a small percentage of all the stocks from which we have to choose. In terms of market cap, the 10 largest companies in the S&P 500 have an average P/E of 40.6 times. Microsoft now has the largest market cap in the S&P 500 and its trailing P/E was a lofty 61.6 times. Five years ago, Microsoft was not even among the top ten. Recently, Venator Group (the old F.W. Woolworth) was dropped from the S&P 500 and replaced with America Online which sells at more than 600 times earnings. The days when the S&P 500 was dominated by the large industrial cyclical companies are gone. There has been a migration to companies that at least for the time being have higher growth rates and returns on capital, which in some measure accounts for the higher P/E ratios. Nevertheless, P/E ratios of this magnitude do not leave much room for disappointment. Furthermore, historically, stocks that sell at these levels eventually return to earth with unpleasant consequences.

The overall financial ratios of the S&P 500 have not gone unnoticed in institutional investor circles. The response of many has been to seek "alternative investment strategies". These alternatives run the gamut from venture capital, to risk arbitrage and hedge funds, to leverage buyout funds. The overall returns from these investment vehicles have not provided value added over an S&P 500 Index fund. The average performance of the managers in the top quartile has outperformed each of these types of investments. So has the top quartile of plain vanilla equity money managers. The problem with the best alternative investment pools is getting into them. So much money has been chasing after venture capital lately that the firms with top records will not take your money. They don't need it. Many will not even take all the money their existing clients are willing to give them when they open a new fund. They ration investments in their funds. This has also enabled several to raise their fees from a 1% flat fee plus 20% of the gain to a 2% flat fee plus 30% of the gain. Generally, when too much money chases too few deals, the rates of return decline. Much the same could be said for leverage buyout funds.

Hedge funds are a bit different. At least here you can get your money back sooner than 8 or 10 years. In general, investors in hedge funds can exit once a year. In between, they may have little idea of what the hedge fund manager is doing with their money. This became painfully apparent in the collapse of Long Term Capital Management last September. No one, including the bankers who had lent these self-styled geniuses more than $100 billion, knew they were leveraged more than 25 to 1. Their strategy was bulletproof and they had the data and two Nobel Prize Laureates to prove it. Yet, somehow, in a matter of a few short weeks the whole thing dissolved in a cloud of smoke. Again, before the collapse, many investors were begging them to take their money. Long Term Capital Management had a black box strategy, a purely quantitative way of investing that was much more dependent on computers than humans. Most hedge funds depend on the manager and his or her ability to time markets. They go both long and short in their portfolios so that theoretically they will prosper irrespective of the direction of the conventional equity markets. They have also moved beyond doing this with just stocks to all sorts of financial instruments, some of which were probably created by brokers just for them. They can trade in currencies, interest rate futures, commodities and foreign debt, like Russian bonds. They go in and out of things we cannot even begin to comprehend.

We see several problems with hedge funds. First, the manager is basically making market timing bets in a whole range of financial instruments. Conventional wisdom holds that with plain old stocks you cannot successfully time the markets. How then can a hedge fund manager time a whole range of markets? To our way of thinking there is a disconnect in the logic. Second, hedge funds use leverage, and in many cases the investor does not know how much. They now have a word for this: transparency. Most hedge funds are blind pools of capital; you cannot see what they own or how much leverage they are employing. We are even told some will de-lever (i.e., reduce their borrowings), as their fiscal year end approaches to give their investors some comfort. We do not believe in deceiving our clients no matter how much more we think we know than they do. The hedge fund managers claim they need this secrecy so that no one can see where they have placed their bets and mess up their strategies. However, you also cannot tell how leveraged they are, as was the case with Long Term Capital Management. So long as a portfolio has some reasonable degree of diversification, be it even just ten stocks, it is unlikely to blow up unless it is leveraged. In our experience, when we have read about funds that crashed into a wall, they were always riding on leverage. Third, and this only affects those of us who must pay taxes, the gains are nearly always short term, which means they are taxed at the highest rates, sometimes up to 50%, depending upon where you live. Every dollar of gain from long-term capital gains, which is taxed at 20% at the Federal level, requires $1.31 of ordinary gain taxed at the top Federal rate of 39% to yield the same after tax profit of 80¢. For any gains in a given year that are unrealized, the amount you would have had to pay in taxes can continue to compound for your benefit in subsequent years. The deferral of gains and continuing investment of capital that would otherwise be paid currently to the Internal Revenue Service can have a very significant impact on your net worth.

Funds that invest in risk arbitrage, mergers and acquisitions, have the same tax hurdles to overcome and the problem of too much money chasing too few deals, which narrows the spread or profit margin. If Company A is going to acquire Company B and the transaction is expected to close in three months, you could earn an annualized rate of return of 20% if Company B's stock sells for 5% less than what you will be paid at closing. However, if another investor is willing to accept a 15% annualized rate of return, that is all you will get. The guy who is willing to accept the lowest rate of return sets the price. The more money that flows into this type of investment, the lower the rate of return. Many managers who practice risk merger arbitrage were complaining last year that Long Term Capital Management was driving spreads down to very narrow levels. Why would they do this? Leverage. If they could leverage these investments ten-to-one and borrowed money costs

5%, they could make 20% on their equity with an annualized rate of return of only 7%. On an unleveraged basis, such returns are not appealing. This is exactly what Long Term Capital Management was doing, or as one observer stated, "They were picking up dimes in front of a steam roller." What they were doing was ruining the game for everyone else. Now that they are gone, the risk arbs (as they are called) claim that spreads are wider and offer acceptable rates of return. This will be true only until the next guy comes along who is willing to settle for less profit, or leverage more to make that profit. Sooner or later, those guys always come along.

Investing is not difficult when you take the time to think about a few basic principles of success and stick with them. Sticking with them is sometimes difficult because even the best ones do not work every year. Maintaining a long-term perspective is key. It is also easier if you invest for the long term. Money managers who turn their portfolios over two and three times a year must have a harder time adhering to investment principles because they are attempting to beat the market in every time period they are measured, be it quarterly or annually. Trying to determine which group of stocks will perform best in every quarter or even every year is well beyond our capabilities. In a study by Morgan Stanley, they found that in 1998 the breadth of the stock market's performance was narrower than in any of the past ten years, with the exception of 1990. This means that rather than stocks in general rising, only a very small number of stocks performed well. We remember 1990 very well. Most value managers were down in the mid to high teens, including us, despite the fact that the S&P 500 was only down 3.2%. That year, a small number of large consumer product companies, pharmaceuticals, etc. did well, which in a weighted index was enough to make it appear that the stock market did not have such a bad year. Financial stocks in particular were a disaster in 1990, and most value managers were heavily invested in financial stocks. Morgan Stanley further found that last year, the 100 largest stocks in the S&P 500 produced 85% of the return. The other 80% of the stocks in the S&P 500 only produced 15% of the return. We still believe a long-term perspective works best. Look at Warren Buffett. It seems every stock he buys, he plans to hold for the rest of his life. He does okay without worrying about short-term performance. Last year the stocks that performed best for us were our larger cap holdings. Our small and mid-cap stocks, in which we have a significant portion of your and our assets invested, did not do much for our net worth. We also made some mistakes. We are not perfect, but we know it.

Our results with international stocks in the Tweedy, Browne Global Value Fund were not dissimilar from our experience with U.S. stocks. Japan was particularly disappointing. In local currency terms, Japanese stocks were down 8.9% in 1998. Much of what we have invested in Japan is in small and medium cap stocks. Overall, the values are compelling, and a number of our stocks were bought at discounts to net cash. We got the business for free. However, that did not prevent these stocks from getting even cheaper in 1998. Lately, smaller Japanese stocks have shown some signs of life. This often happens when we least expect it. Fortunately, we do not invest in emerging markets except to a tiny extent. In 1998, the Morgan Stanley Capital International Emerging Markets Free Index was down 27.5%. Generally, we do not invest in emerging markets because the financial disclosure is often poor, the stocks are growth stocks trading at high multiples, and we cannot hedge the currency back into the dollar at any reasonable rate. The collapse of the Russian stock market last summer was especially dramatic and acute. In the two or three years prior, the Russian stock market had increased five-fold. In a much shorter period of time, it dropped 80%. During its rise, there was talk of a "new paradigm," and many investors were lured in as they observed the profits being made. It was a great party. However, the end came so quickly, almost like an earthquake and with similar results, that probably few were able to avoid the crash. We never profited from the rise of the Russian market, but we also never had to give it all back as so many investors did.

Many investors invest internationally because they believe world markets are not correlated. This means if U.S. stocks go down, maybe European or Japanese stocks will go up. This is no longer completely true. In the past several years, U.S. and European stocks have shown a high degree of correlation. Japan and the emerging markets have not. As world markets, both stock and trade, continue on the path of globalization, correlation will increase. It has become impossible to remain isolated. That is good. It creates a discipline that makes politicians pursue economic policies that must compete. If something can be made cheaper in another country, it will. Trade barriers which brought on the Great Depression will no longer work. We began investing internationally for a different reason. We did it because we more than doubled the number of companies we could screen for investment opportunities. Unlike many international investors, currency devaluations are good for us. When a country devalues its currency, its stock market usually goes up because its native companies have a new price advantage selling into world markets. By hedging the currency, we avoid the pain of the devaluation and enjoy the rise in the stock market. And, to the list of other things we know we cannot predict, we must add currency fluctuations. We invest internationally simply because it just about doubles the number of stocks from which we can choose in our search for value. One exercise we perform periodically is to look at the rankings of U.S., European and Japanese stocks on a price-to-book value basis and a P/E basis. Using data from Bloomberg, we rank all stocks in these three geographic areas with market capitalizations greater than $100 million into deciles. The bottom decile of price-to-book in the U.S. begins at 1.07 times; Europe starts at .93 times; and Japan begins at .60 times. On a P/E basis, the bottom 10% in the U.S. starts at 10.2 times; Europe is 8 times; and Japan is at 14.3 times. On an earnings basis, the data for Japan may be misleading for two reasons. Because Japan is in recession, corporate earnings are lower than they would be in more normal economic times. In addition, many Japanese companies hold large stock and bond portfolios. If these cash items were deducted from the share price, the resulting P/E ratio would be much lower.

The portfolio characteristics of the Tweedy, Browne Funds as of March 31, 1999 are as follows:

TWEEDY, BROWNE GLOBAL VALUE FUND			
Price/Book Value	0.87	Based on 24.92% of portfolio assets	Cheaper than 94% of the 8,427 stocks in the Bloomberg database with a market capitalization above $100 million in those countries where the Global Value Fund has investments
Price/Earnings	11.82x	Based on 44.7% of portfolio assets	Cheaper than 86% of the 8,427 stocks in the Bloomberg database with a market capitalization above $100 million in those countries where the Global Value Fund has investments

TWEEDY, BROWNE AMERICAN VALUE FUND			
Price/Book Value	0.76	Based on 18.14% of portfolio assets	Cheaper than 97% of the 3,814 stocks in the Bloomberg database with a market capitalization above $100 million that are based in the United States
Price/Earnings	11.51x	Based on 49.22% of portfolio assets	Cheaper than 84% of the 3,814 stocks in the Bloomberg database with a market capitalization above $100 million that are based in the United States

In both Funds, the balance of the assets is either cash awaiting investment or is invested in companies that are mostly better businesses that should and often do trade at higher P/E ratios, or are stocks that have risen in price and thus P/E ratio, but are still short of our sell price targets. Overall we are comfortable with the basic fundamental financial characteristics of both portfolios. We believe both portfolios have less risk than stocks in general and Internet and technology stocks in particular. We also believe our stocks have significant potential for future gains. If only we could control the realization of those gains, we would not have to worry about being compared to the latest hot stock group. Unfortunately, stocks do not always do what they are told to do when they are told to do it. A stock doesn't know you own it—it doesn't care. However, it has been our experience that over time they do respond and provide more than acceptable rates of return.

Little has changed at Tweedy, Browne this past year. We added one analyst to our staff who was formerly an investigative reporter for ***The Wall Street Journal***. We have long believed that investment research is much like investigative reporting. It requires a nose for truth and a healthy dose of scepticism. Our goal is to stay small. We enjoy managing money, yours and ours. We do not like managing people. We give people a job and leave them alone to do it. We also enjoy promoting from within, which is happening at an increasing rate. Already, people in the firm are complaining about other departments "poaching" their best people. Our Managing Directors all started at the bottom. We believe others should have the same opportunity to advance if they have the talent.

The Year 2000. In closing, we'd like to update you on our Year 2000 progress. As we mentioned in our last letter to shareholders, we engaged an outside vendor to assist us in our applications conversion, hardware and software evaluation and testing, and survey and certification of all third party vendors and service providers. To date we are on target with our project plan. Testing of all hardware and software has been completed. Non-compliant hardware and software has been replaced.

We are regularly contacting all vendors and business associates to assess their Y2K readiness. Our critical vendors, such as the Funds' custodian, transfer agent, and fund administration and accounting providers, are all on schedule for Y2K compliance and will be participating in industry wide testing through the second quarter of 1999. Although we do not believe that we or our mission critical vendors will have any operational difficulties on January 1, 2000 or thereafter, we cannot provide any guarantees that all systems effecting the funds will be free of operational difficulties. Accordingly, we are developing a contingency plan that should minimize any adverse consequences to our or our critical vendors' respective business processes in the event of a temporary disruption.

Our website, which has been under construction for some time longer than we anticipated, should be available in the latter part of June. Please visit us at www.tweedy.com. In closing, let us say there has been no diminution in our efforts on our common behalf. We are here, we are working and we hope it pays off.

Sincerely,
TWEEDY, BROWNE COMPANY LLC

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

Footnotes to Table on page 2

(1) 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 U.S. 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.

(2) Morningstar World Stock Funds Average consists of the average returns 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.

(3) Morningstar Foreign Stock Funds Average consists of the average returns of all mutual funds in the Morningstar Universe that invest primarily in equity securities of issuers located outside the U.S.

(4) S&P 500 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.

(5) S&P Mid-Cap 400 is an unmanaged capitalization-weighted index, which assumes reinvestment of dividends and is generally considered representative of the mid-range sector of the U.S. stock market.

(6) Russell 2000 is an unmanaged capitalization-weighted index, which assumes reinvestment of dividends for most periods, that is comprised of the smallest 2000 companies in the Russell 3000 Index and is generally considered representative of U.S. small capitalization stocks.

(7) Morningstar Mid-Cap Value Funds Average consists of the average returns of all mutual funds in the Morningstar Universe classified as value funds with median market capitalizations greater than or equal to $1 billion but less than or equal to $5 billion.

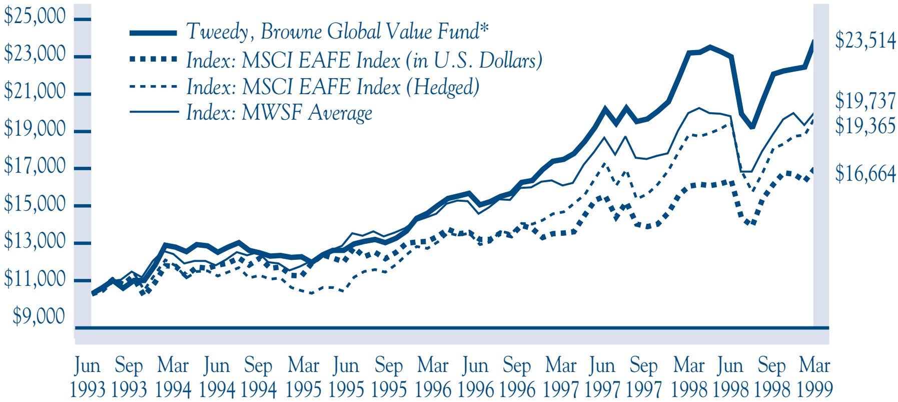
(8) Morningstar Domestic Stock Funds Average consists of the average returns of all domestic equity mutual funds in the Morningstar Universe.

(9) Inception dates for the Global Value Fund and the American Value Fund were June 15, 1993 and December 8, 1993, respectively. Index information is available at month end only; therefore the closest month end to inception date of the Funds, May 31, 1993 and November 30, 1993, respectively, were used except for the Morningstar Domestic Stock Funds Average where the closest date with data available was December 31, 1993.

Portfolio Highlights

March 31, 1999

Hypothetical Illustration of $10,000 Invested in Tweedy, Browne Global Value Fund vs. Morgan Stanley Capital International ("MSCI") Europe, Australasia and Far East ("EAFE") Index (in U.S. Dollars & Hedged) and Morningstar World Stock Funds ("MWSF") Average 6/15/93 through 3/31/99



MSCI EAFE Index represents the change in market capitalizations of Europe, Australasia and the Far East (EAFE), including dividends reinvested monthly, net after foreign withholding taxes.

MWSF Average consists of the average returns 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.

Index and Average information is available at month end only; therefore, the closest month end to inception date of the Fund, May 31, 1993, has been used.

AVERAGE ANNUAL TOTAL RETURN*

The Fund	Actual	Without Waivers**
Inception (6/15/93) through 3/31/99	15.91%	15.88%
Year Ended 3/31/99	3.03%	3.03%

AGGREGATE TOTAL RETURN*

	Year Ended 3/31/99	Inception (6/15/93)-3/31/99
The Fund	3.03%	135.14%
MSCI EAFE in (U.S. Dollar)	6.06%	66.64%
MSCI EAFE (Hedged)	4.79%	93.65%
MWSF	0.15%	97.37%

Note: The performance shown represents past performance and is not a guarantee of future results. The Fund's share price and investment return will vary with market conditions, and the principal value of shares, when redeemed, may be more or less than original cost.

** Assumes the reinvestment of all dividends and distributions and is net of foreign withholding tax.*

*** See Note 2 to Financial Statements.*

Perspective On Assessing Investment Results

March 31, 1999

In accordance with rules and guidelines set out by the Securities and Exchange Commission, we have provided a comparison of the historical investment results of Tweedy, Browne Global Value Fund to the historical investment results of the most appropriate broad-based securities indexes, including the Morgan Stanley Capital International (MSCI) Europe, Australasia and the Far East Index (EAFE) in U.S. dollars and hedged into U.S. dollars. However, the historical results of the MSCI Indices in large measure represents the investment results of stocks that we do not own. Any portfolio which does not own exactly the same stocks in exactly the same proportions as the index to which the particular portfolio is being compared is not likely to have the same results as the index. The investment behavior of a diversified portfolio of undervalued stocks tends to be correlated to the investment behavior of a broad index; i.e., when the index is up, probably more than one-half of the stocks in the entire universe of public companies in all the countries that are included in the same index will be up, albeit, in greater or lesser percentages than the index. Similarly, when the index declines, probably most of the stocks in the entire universe of public companies in all countries that are included in the index will be down in greater or lesser percentages than the index. But it is almost a mathematical truth that "different stocks equal different results."

Favorable or unfavorable historical investment results in comparison to an index are not necessarily predictive of future comparative investment results. In *Are Short-Term Performance and Value Investing Mutually Exclusive?*, Eugene Shahan analyzed the investment performance of seven money managers, about whom Warren Buffett wrote in his article, *The Super Investors of Graham and Doddsville*. Over long periods of time, the seven managers significantly outperformed the market as measured by the Dow Jones Industrial Average (the "DJIA") or the Standard & Poor's 500 Stock Index (the "S&P 500") by between 7.7% to 16.5% annually. (The goal of most institutional money managers is to outperform the market by 2% to 3%.) However, for periods ranging from 13 years to 28 years, this group of managers underperformed the market between 7.7% to 42% of the years. Six of the seven investment managers underperformed the market between 28% to 42% of the years. In today's environment, they would have lost many of their clients during their periods of underperformance. Longer term, it would have been the wrong decision to fire any of these money managers. In examining the seven long-term investment records, unfavorable investment results as compared to either index did not predict the future favorable comparative investment results which occurred, and favorable investment results in comparison to the DJIA or the S&P 500 were not always followed by future favorable comparative results. Stretches of consecutive annual underperformance ranged from one to six years. Mr. Shahan concluded "Unfortunately, there is no way to distinguish between a poor three-year stretch for a manager who will do well over 15 years, from a poor three-year stretch for a manager who will continue to do poorly. Nor is there any reason to believe that a manager who does well from the outset cannot continue to do well, and consistently."

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—95.5%	
	Australia—0.0% ††	
96,353	Carillon Development Ltd.	$ 106,012
	Belgium—0.1%	
2,726	Spadel SA	3,217,898
3,252	Uco Textiles SA	344,703
		3,562,601
	Canada—1.0%	
72,400	Canadian Western Bank	971,249
260,700	Melcor Developments Ltd.	2,979,182
1,391,000	National Bank of Canada, Toronto	20,319,013
258,600	Shirmax Fashions Ltd.†	509,662
785,883	Westfield Minerals Ltd.†	728,875
		25,507,981
	Denmark—0.3%	
11,390	Nordvestbank	1,043,374
114,800	Unidanmark A/S, Series A	7,845,407
		8,888,781
	Finland—2.5%	
568,027	Huhtamaki Group, Class I	20,253,865
6,200	Huhtamaki Group, Class K	221,070
1,036,900	Kesko Oyj	15,405,101
257,555	Kone Corporation, Class B	27,550,543
		63,430,579
	France—2.7%	
28,459	Bongrain SA	10,682,538
5,229	Christian Dior SA	671,778
128,228	Compagnie Financiere de Paribas	14,326,114
35,044	Compagnie Fives-Lille	2,480,161
57,700	Compagnie Lebon SA	2,581,078
188,692	Dollfus-Mieg & Cie SA†	1,235,524
35,155	Financiere Marc de Lacharriere SA	3,608,575
57,292	Fonciere, Financiere et de Participation	3,305,676
5,229	LVMH Moet Hennessey	1,296,661
21,145	Mecelec SA	240,581
36,372	NSC Groupe	3,085,047
18,699	Precia†	168,706
69,000	PSA Peugeot Citroen	9,930,664
994,617	Rhodia SA†	14,938,110
9,340	Signaux Girod	200,828
		68,752,041
	Germany—1.1%	
61,660	Kaufring AG	1,998,710
61,140	Lindner Holding.	1,109,838
332,075	Moebel Walther AG	5,740,915
37,085	Sinn Leffers AG	5,609,851
15,018	Springer (Axel) Verlag AG, Class A	14,441,992
		28,901,306

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Hong Kong—3.8%	
15,811,309	Asean Resources Holdings Ltd.†	$ 1,203,777
26,823,000	CDL Hotels International Ltd.	8,307,013
1,236,000	Dickson Concepts International Ltd.†	1,004,813
1,674,000	Fountain Set Holdings	226,815
1,004,000	Grand Hotel Holdings Ltd.	129,557
4,602,000	Harbour Ring International Holdings	172,214
5,404,000	Jardine International Motor Holdings Ltd.	2,074,573
13,622,500	Jardine Strategic Holdings Ltd.	23,022,025
38,873,000	South China Morning Post (Holdings) Ltd.	21,569,637
24,204,500	Swire Pacific Ltd., Class B	16,553,823
9,034,500	Wing Hang Bank Ltd.	24,015,833
		98,280,080
	Ireland—1.5%	
2,733,087	Crean (James) PLC	3,248,412
7,252,955	Independent Newspapers PLC	32,914,649
1,105,000	Unidare PLC	2,984,883
		39,147,944
	Italy—3.0%	
741,850	Banco di Sardegna Risp	13,105,658
472,500	Bassetti SPA	2,859,004
1,530,230	Burgo (Cartiere) SPA	10,747,193
323,000	Cementerie di Barletta	1,165,666
1,156,450	Cristalleria Artistica	3,548,707
276,925	IMI SPA	4,503,225
469,862	Industrie Zignago	4,721,481
1,150,500	Maffei SPA	1,529,033
237,000	Marangoni SPA	806,648
1,782,500	Mondadori (Arnoldo) Editore SPA	26,674,992
8,072,735	Montefibre SPA	4,753,814
493,000	Vincenzo Zucchi SPA	3,648,904
		78,064,325
	Japan—19.2%	
220,000	Agro-Kanesho Company Ltd.	1,672,085
634,000	Aichi Electric Company Ltd.	1,017,270
582,480	Aiful Corporation	39,696,099
477,000	Amatsuji Steel Ball Manufacturing Company	4,028,206
323,000	Belluna Company Ltd.	4,337,035
47,000	CCI Corporation	301,651
101,000	Charle Company	938,226
555,500	Chiyoda Company	4,597,305
774,040	Chofu Seisakusho Company	9,857,301
206,200	Cosel Company Ltd.	2,298,560
270,000	Credia Company Ltd.	4,742,642
349,000	Daido Metal Company	1,022,700
1,356,000	Danto Corporation	6,469,957
526,000	Denkyosha	2,332,053

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Japan—(Continued)	
189,000	Denyo Company Ltd.	$ 1,236,963
1,765,000	Dowa Fire & Marine Insurance Company	6,036,609
127,100	Fidelity Japan OTC & Regional Market Fund Ltd.†	1,060,014
650,000	Fidelity Japanese Values Trust†	512,747
1,095,000	Fuji Coca-Cola Bottling Company	13,685,766
618,000	Fuji Photo Film Ltd.	23,380,822
1,664,000	Fujisawa Pharmaceutical Company	26,207,491
2,208,000	Fujitec Company Ltd.	17,937,727
624,000	Fukuda Denshi	10,117,637
544,000	Gakken Company Ltd.†	643,162
2,431,000	Hitachi Koki Company Ltd.	7,164,793
585,000	Hitachi Medical Corporation	6,575,476
48,000	Idec Izumi Corporation	241,591
126,000	Inaba Denkisangyo Company Ltd.	1,298,146
39,900	Kahma Company Ltd.	240,583
1,418,000	Kansai Paint Company Ltd.	3,760,098
185,000	Kansui Kosiado Company Ltd.	1,204,535
150,000	Kato Sangyo Company Ltd.	899,379
318,000	Katsuragawa Electric Company	1,799,265
193,000	Kawagishi Bridge Works	503,626
3,000	Kinki Coca-Cola Bottling Company	40,713
155,100	Kita Kyushu Coca-Cola Bottling	6,562,099
1,591,000	Koito Manufacturing	7,604,662
312,000	Kokura Enterprise Company	1,659,925
180,000	Koyosha Inc.	585,230
764,000	Mandom Corporation	8,903,602
111,000	Matsumoto Yushi-Seiyaku Company	2,230,967
1,941,000	Matsushita Electric Industrial Company	37,864,375
371,000	Meito Sangyo Company	3,571,676
278,000	Mitsubishi Pencil Company Ltd.	1,922,746
495,000	Morito	2,215,513
385,000	Nankai Plywood Company Ltd.	1,648,398
342,000	Nippon Broadcasting System Inc.	13,891,990
1,155,000	Nippon Cable System	8,924,756
1,060,000	Nippon Konpo Unyu Soko	7,474,560
90,000	Nissei Plastic Industrial Company Ltd.	554,068
242,500	Nissin Company Ltd.	7,126,631
409,000	Nittetsu Mining	1,122,535
551,000	Nitto FC Company	1,907,782
342,000	Oak	456,327
319,600	Osaka Steel Company Ltd.	1,171,358
287,103	Prospect Japan Fund Ltd.	1,955,171
867,000	Riken Vitamin	9,152,134
16,000	Rock Paint	92,555
452,000	Sangetsu Company Ltd.	7,252,460
232,000	Sanko Sangyo Company	1,763,290

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Japan—(Continued)	
32,000	Sanyo Coca-Cola Bottling Company Ltd.	$ 702,614
689,960	Sanyo Shinpan Finance Company Ltd.	29,366,199
213,000	Sasakura Engineering Company Ltd.	717,705
173,000	Shaddy Company Ltd.	1,709,327
760,600	Shikoku Coca-Cola Bottling	11,561,711
455,000	Shingakukai	1,387,113
461,800	Shinki Company Ltd.	7,760,689
3,431,000	Shionogi & Company Ltd.	30,133,345
452,000	SK Kaken Company Ltd.	6,756,239
712,000	Sonton Food Industry	6,493,772
405,000	Sotoh Company Ltd.	2,052,105
252,200	Sysmex Corporation	3,918,828
337,000	Tachi-S	1,565,258
183,000	Taisei Fire & Marine Insurance Company	384,808
8,100	Takano Company Ltd.	62,931
263,200	Takefuji Corporation	20,226,492
377,000	Takigami Steel Construction Company Ltd.	974,218
261,000	Teikoku Hormone Manufacturing Company	2,160,030
269,000	TENMA Corporation	3,589,241
59,000	Tomita Electric Company Ltd.	201,790
387,000	Torii Company Ltd.	1,209,222
997,000	Torishima Pump Manufacturing	3,898,248
145,000	Toso Company Ltd.	428,577
524,000	Toyo Technical Company Ltd.	3,097,581
890,500	Tsubaki Nakashima Company Ltd.	5,978,529
232,100	Tsuchiya Home Company	931,026
793,000	U-Shin	2,517,992
356,000	Zojirushi	2,284,846
		497,543,479
	Malaysia—0.2%	
610,000	Sapura Telecommunications Berhad	117,956
5,928,000	Star Publications (Malaysia)	5,567,735
1,833,000	Tractor Malaysia Holdings Berhad	438,840
		6,124,531
	Mexico—0.0%††	
43,000	Grupo Continental SA	121,999
	Netherlands—6.3%	
815,100	Akzo NV Ord	30,208,558
132,815	Arnhemsche Maatschaappij	1,478,119
7,250	Crown Van Gelder Gemeenschappelijk Bezit NV	113,588
747,858	European Vinyls Corporation International NV	5,414,008
873,324	Holdingmaatschappij de Telegraaf NV	22,033,692
1,053,614	Koninklijke Bols Wessanen NV	14,230,381
42,425	Koninklijke Grolsch NV	960,353
69,637	Koninklijke Pakhoed NV†	1,689,201

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Netherlands—(Continued)	
386,002	Twentsche Kabel Holding	$ 11,678,110
828,400	Unilever NV CVA.	57,598,825
1,139,976	Wegener Arcade NV	17,306,013
		162,710,848
	New Zealand—1.9%	
17,078,509	Air New Zealand Ltd.	29,686,933
5,742,400	Carter Holt Harvey Ltd.	5,405,527
3,388,000	Independent Newspaper Ltd.	14,134,161
164,600	Radio Pacific Ltd.	466,592
		49,693,213
	Norway—0.6%	
1,269,100	Schibsted ASA	15,118,115
	Singapore—6.6%	
6,334,500	Cycle & Carriage Ltd.	26,783,580
8,271,000	Fraser & Neave Ltd.	29,462,294
9,801,000	Overseas Union Bank Ltd.	34,628,497
3,509,000	Robinson and Company Ord	9,349,204
4,033,800	Singapore Press Holdings Ltd.†	44,625,346
767,000	Times Publishing Ltd.	1,155,054
3,765,000	United Overseas Bank Ltd.	23,551,694
		169,555,669
	South Africa—0.6%	
3,906,770	Sappi Ltd.	16,548,334
	Spain—0.3%	
31,598	Indo Internacional SA	1,529,546
80,898	Prim SA	869,733
376,152	Unipapel SA	4,877,189
		7,276,468
	Sweden—5.2%	
149,885	BRIO AB, Class B†	894,237
204,000	Lundbergforetagen AB, Class B	2,670,157
2,049,100	Pharmacia & Upjohn Inc., Depository Shares	128,988,762
138,400	VLT AB, Class B	1,238,573
		133,791,729
	Switzerland—12.4%	
33	Bank of International Settlements America	185,939
35,528	Banque Cantonale Vaudoise	10,460,020
4,283	Bobst SA, Bearer	5,072,927
250	Bobst SA, Registered	150,592
300	Bucher Holding AG, Bearer	247,716
44,480	Compagnie Financiere Richemont AG	74,058,071
3,765	Daetwyler Holding AG, Bearer	6,396,041
85,175	Edipresse SA, Bearer	19,600,338

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Switzerland—(Continued)	
15,460	Forbo Holding AG	$ 6,435,127
2,200	Golay Buchel Holding SA, Bearer	1,459,222
10,780	Helvetia Patria Holding, Registered	8,397,821
29,327	Loeb Holding AG	5,756,230
57,089	Nestle SA, Registered	103,900,048
6,698	Novartis AG, Bearer	10,925,333
10,329	Novartis AG, Registered	16,785,062
50,900	Safra Republic Holdings SA	2,144,518
45,175	SAirGroup, Registered	9,738,232
9,811	Sarna Kunsstoff Holding AG, Registered	12,417,306
21,161	SIG Schweizerishe	12,173,841
384	Societe Europeenne de Communication SA, Class A, ADR†	4,728
3,451	Societe Europeenne de Communication SA, Class B, ADR†	43,568
3,355	Vetropack Holding AG, Bearer	408,731
19,135	Zehnder Holding, Bearer	8,029,577
9,854	Zschokke Holding AG, Registered†	2,274,257
6,950	ZZ Holding AG	5,056,684
		322,121,929
	Thailand—0.0%††	
132,300	S & J Enterprises Public Company Ltd.	81,025
	United Kingdom—13.1%	
1,866,739	Alumasc Group PLC	2,756,817
5,787,000	Arjo Wiggins Appleton PLC	12,982,896
2,147,400	Bernard Matthews PLC	4,471,013
455,000	British Mohair Holdings PLC	598,511
7,412,341	British Steel Ord	15,283,387
4,069,445	BTR PLC	17,947,281
458,000	Burtonwood Brewery PLC	1,142,082
11,431,603	Caradon PLC	25,185,066
3,979,658	Carclo Engineering Group PLC	7,482,987
1,470,000	Courtaulds Textiles PLC	3,641,908
181,905	Diageo PLC	2,043,418
7,369,666	Dowding & Mills PLC	5,352,586
1,408,668	Dyson (J&J) PLC, Class A, Non-voting	1,762,031
4,544,753	Elementis PLC	6,821,762
173,269	Ellis & Everard PLC	514,567
1,933,000	European Motor Holdings PLC	2,027,909
803,000	Folkes Group PLC	693,382
427,800	Glaxo Wellcome PLC, Units, Sponsored ADR	28,635,863
3,079,000	Glynwed International PLC	9,591,142
1,098,479	Hardys & Hansons PLC	4,441,225
976,239	HSBC Holdings	31,087,554
101,733	HSBC Holdings PLC	3,280,656
515,000	Intercare Group PLC	610,939
350,000	Johnston Group PLC	1,821,802

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS	
	United Kingdom—(Continued)	
4,545,154	McAlpine (Alfred) PLC	$ 12,470,987
6,900,000	Mirror Group PLC	23,498,214
1,777,545	Molins PLC	3,944,814
3,027,120	Nycomed Amersham PLC	26,383,154
584,000	Partridge Fine Art Ord.	692,793
19,107,025	Pilkington PLC	25,441,946
1,947,500	Regal Hotel Group PLC	895,830
4,562,511	Rexam PLC	15,132,792
3,493,490	Sherwood Group PLC	1,409,623
277,100	SmithKline Beecham PLC, Units, ADR	19,812,650
779,500	Swan Hill Group PLC	754,867
153,509	Thistle Hotels PLC	415,004
3,001,672	Time Products PLC	4,190,662
1,200,000	Union PLC	406,728
1,537,500	Wolverhampton & Dudley Breweries PLC	12,134,651
37,500	Young & Company's Brewery PLC, Class A	459,990
		338,221,489
	United States—13.1%	
221,000	American Express Company	25,967,500
75,700	American National Insurance Company	5,048,245
333,097	Bank One Corporation	18,341,154
514,800	Chase Manhattan Corporation	41,859,675
81,500	Coca-Cola Bottling Company	4,513,063
348,300	Comerica, Inc.	21,746,981
230,400	Federal Home Loan Mortgage Corporation	13,161,600
70,000	GATX Corporation	2,305,625
200,000	Harland (John H.) Company	2,587,500
197,100	Household International Inc.	8,992,688
454,000	MBIA Inc.	26,332,000
73,125	Mercantile Bancorp Inc.	3,473,438
79,700	NAC Re Corporation	4,278,894
2,679,334	Panamerican Beverages Inc., Class A	47,055,803
319,600	Philip Morris Companies Inc.	11,245,925
460,000	PNC Bank Corporation	25,558,750
596,000	Popular Inc.	18,420,125
118,400	Standard Motor Products Inc.	2,449,400
74,100	Syms Corporation†	551,119
294,600	Transatlantic Holdings Inc.	22,095,000
20,000	Tremont Corporation	352,500
551,000	UST Inc.	14,394,875
525,000	Wells Fargo & Company	18,407,813
		339,139,673
	TOTAL COMMON STOCKS (Cost $2,058,323,719)	2,472,690,151

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	PREFERRED STOCKS—0.8%	
23,044	KSB AG	$ 2,987,887
136,187	Moebel Walther AG	2,339,687
160,556	Villeroy & Boch AG	15,786,757
	TOTAL PREFERRED STOCKS (Cost $26,907,456)	21,114,331
Face Value		
	CONVERTIBLE CORPORATE BOND—0.0%†† **(Cost $104,039)**	
JPY 9,000,000	Shikoku Coca-Cola Bottling, 2.400% due 3/29/02	103,365
	COMMERCIAL PAPER—1.6% **(Cost $40,000,000)**	
$40,000,000	General Electric Capital Corporation, 5.060% due 4/1/99	40,000,000
	U.S. TREASURY BILLS—0.5%	
3,000,000	5.330%** due 7/22/99	2,959,110
10,000,000	4.501%** due 1/6/00	9,656,200
	TOTAL U.S. TREASURY BILLS (Cost $12,618,764)	12,615,310
	REPURCHASE AGREEMENT—1.8% **(Cost $47,659,000)**	
47,659,000	Agreement with UBS Securities Inc., 4.880% dated 3/31/99, to be repurchased at $47,665,460 on 4/1/99, collateralized by $36,933,000 U.S. Treasury Notes, 11.750% due 2/15/10 (market value $48,347,605)	47,659,000

TOTAL INVESTMENTS (Cost $2,185,612,978*)	100.2%	2,594,182,157
OTHER ASSETS AND LIABILITIES (Net)	(0.2)	(4,608,186)
NET ASSETS	100.0%	$ 2,589,573,971

* *Aggregate cost for Federal tax purposes was $2,215,192,866.*
** *Rate represents annualized yield at date of purchase (unaudited).*
† *Non-income producing security.*
†† *Amount represents less than 0.1% of net assets.*

Abbreviations:
ADR American Depository Receipt
JPY Japanese Yen
Ord Ordinary Share

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

March 31, 1999

Sector Diversification	Percentage of Net Assets	Market Value (Note 1)
COMMON STOCKS:		
Food and Beverages	12.5%	$ 324,605,165
Banking	12.1	313,026,481
Pharmaceuticals	11.2	290,031,690
Printing and Publishing	10.3	266,505,575
Financial Services	8.3	214,308,368
Manufacturing	3.9	101,653,882
Tobacco	3.4	88,452,946
Machinery	3.0	77,237,753
Chemicals	3.0	76,907,093
Consumer Non-Durables	2.6	66,502,427
Retail	2.5	64,878,388
Consumer Durables	2.4	63,167,943
Autos	2.4	61,662,453
Holdings	2.0	52,424,851
Forest Products	2.0	50,674,728
Engineering and Construction	1.8	46,924,113
Transportation	1.8	46,899,725
Insurance	1.6	41,962,482
Building Materials	1.5	39,665,285
Glass Products	1.1	29,399,384
Mining and Metal Fabrication	0.9	22,184,606
Electronics	0.9	21,823,636
Construction Materials	0.7	18,852,433
Wholesale	0.7	17,700,015
Textiles	0.6	16,526,759
Radio	0.6	14,358,582
Leisure	0.4	10,813,856
Health Care	0.3	8,105,022
Real Estate	0.3	6,342,721
Medical Research and Supplies	0.2	5,399,500
Other	0.5	13,692,289
Total Common Stocks	95.5	2,472,690,151
Preferred Stocks	0.8	21,114,331
Convertible Corporate Bond	0.0††	103,365
Commercial Paper	1.6	40,000,000
U.S. Treasury Bills	0.5	12,615,310
Repurchase Agreement	1.8	47,659,000
Other Assets and Liabilities (Net)	(0.2)	(4,608,186)
Net Assets	100.0%	$2,589,573,971

†† *Amount represents less than 0.1% of net assets.*

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY			
2,574,000	Canadian Dollar	5/6/99	$ 1,705,395
956,410	Canadian Dollar	7/23/99	633,923
12,300,000	Danish Krona	7/2/99	1,796,293
5,069,250	Danish Krona	7/23/99	741,121
4,782,375	European Economic Union Euro	4/6/99	5,168,619
20,526,608	European Economic Union Euro	4/12/99	22,192,531
2,039,920	European Economic Union Euro	5/6/99	2,208,657
18,790,845	European Economic Union Euro	6/8/99	20,383,730
89,724	Great Britain Pound Sterling	4/9/99	144,803
23,991,000	Hong Kong Dollar	4/12/99	3,095,064
19,833,750	Hong Kong Dollar	4/23/99	2,558,059
53,127,650	Hong Kong Dollar	5/6/99	6,850,078
38,947,625	Hong Kong Dollar	6/1/99	5,018,886
3,354,454	New Zealand Dollar	5/6/99	1,794,904
15,500,000	Norwegian Krone	8/27/99	1,997,582
22,700,000	South African Rand	6/8/99	3,618,687
12,864,000	Singapore Dollar	5/6/99	7,473,504
10,378,800	Singapore Dollar	5/25/99	6,039,329
22,454,900	Singapore Dollar	6/8/99	13,081,660
1,262,800	Singapore Dollar	6/17/99	736,231
2,620,200	Singapore Dollar	7/2/99	1,529,495
13,987,800	Swiss Franc	4/12/99	9,477,825
32,754,990	Swiss Franc	5/17/99	22,278,850
15,577,650	Swiss Franc	6/8/99	10,620,039
38,899,350	Swiss Franc	7/23/99	26,646,638
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY (Contract Amount $187,770,563)			$ 177,791,903
FORWARD EXCHANGE CONTRACTS TO SELL			
153,971	Australian Dollar	12/23/99	$ (97,827)
2,574,000	Canadian Dollar	5/6/99	(1,705,395)
15,104,775	Canadian Dollar	5/17/99	(10,008,066)
7,920,550	Canadian Dollar	6/1/99	(5,248,290)
1,754,400	Canadian Dollar	7/2/99	(1,162,655)
956,410	Canadian Dollar	7/23/99	(633,923)
8,267,860	Canadian Dollar	12/23/99	(5,488,130)
2,250,750	Canadian Dollar	3/27/00	(1,495,595)
4,517,400	Canadian Dollar	3/29/00	(3,001,816)
67,890,000	Danish Krona	7/2/99	(9,914,664)
5,069,250	Danish Krona	7/23/99	(741,121)
9,366,000	Danish Krona	12/23/99	(1,381,003)
9,496	European Economic Union Euro	4/1/99	(10,261)
55,781	European Economic Union Euro	4/8/99	(60,293)

TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
22,687	European Economic Union Euro	4/9/99	$ (24,523)
24,672,350	European Economic Union Euro	4/12/99	(26,674,738)
10,044,334	European Economic Union Euro	4/23/99	(10,866,801)
10,250,555	European Economic Union Euro	5/6/99	(11,098,459)
19,205,407	European Economic Union Euro	5/17/99	(20,807,169)
5,360,415	European Economic Union Euro	5/25/99	(5,810,148)
18,377,028	European Economic Union Euro	6/1/99	(19,926,838)
20,133,741	European Economic Union Euro	6/8/99	(21,840,463)
22,158,655	European Economic Union Euro	6/17/99	(24,049,424)
11,490,619	European Economic Union Euro	7/2/99	(12,482,007)
15,806,432	European Economic Union Euro	7/15/99	(17,184,108)
8,271,479	European Economic Union Euro	8/2/99	(9,002,507)
1,700,382	European Economic Union Euro	8/13/99	(1,851,929)
6,861,561	European Economic Union Euro	8/27/99	(7,479,608)
14,005,616	European Economic Union Euro	10/27/99	(15,327,457)
23,462,883	European Economic Union Euro	11/5/99	(25,692,808)
10,029,764	European Economic Union Euro	11/12/99	(10,988,156)
4,003,750	European Economic Union Euro	11/15/99	(4,387,210)
17,009,988	European Economic Union Euro	11/22/99	(18,647,872)
17,767,622	European Economic Union Euro	12/10/99	(19,501,955)
19,649,003	European Economic Union Euro	12/23/99	(21,585,749)
8,868,601	European Economic Union Euro	12/31/99	(9,747,967)
2,531,815	European Economic Union Euro	1/4/00	(2,783,601)
9,630,684	European Economic Union Euro	1/18/00	(10,598,350)
21,620,687	European Economic Union Euro	2/11/00	(23,831,200)
39,268,184	European Economic Union Euro	2/25/00	(43,323,379)
19,715,028	European Economic Union Euro	3/27/00	(21,795,903)
16,197,246	European Economic Union Euro	3/29/00	(17,909,222)
910,747	Great Britain Pound Sterling	5/6/99	(1,469,458)
8,098,679	Great Britain Pound Sterling	5/25/99	(13,065,911)
13,083,297	Great Britain Pound Sterling	6/8/99	(21,106,571)
11,990,408	Great Britain Pound Sterling	7/2/99	(19,341,799)
24,843,949	Great Britain Pound Sterling	7/23/99	(40,075,910)
9,319,664	Great Britain Pound Sterling	8/27/99	(15,033,592)
17,925,430	Great Britain Pound Sterling	10/20/99	(28,923,471)
4,866,180	Great Britain Pound Sterling	11/5/99	(7,853,287)
4,276,637	Great Britain Pound Sterling	11/15/99	(6,902,672)
3,644,094	Great Britain Pound Sterling	11/22/99	(5,882,209)
5,442,671	Great Britain Pound Sterling	12/31/99	(8,789,494)
19,680,197	Great Britain Pound Sterling	2/11/00	(31,797,833)
12,503,126	Great Britain Pound Sterling	2/25/00	(20,204,995)
12,309,965	Great Britain Pound Sterling	3/13/00	(19,896,856)
12,174,337	Great Britain Pound Sterling	3/27/00	(19,680,905)
14,729,348	Great Britain Pound Sterling	3/29/00	(23,811,878)
23,991,000	Hong Kong Dollar	4/12/99	(3,095,064)
19,833,750	Hong Kong Dollar	4/23/99	(2,558,059)
53,127,650	Hong Kong Dollar	5/6/99	(6,850,077)
77,895,250	Hong Kong Dollar	6/1/99	(10,037,772)

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date		Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL				
30,765,500	Hong Kong Dollar	7/2/99	$	(3,961,548)
32,712,400	Hong Kong Dollar	7/23/99		(4,208,334)
93,345,500	Hong Kong Dollar	8/2/99		(12,003,255)
35,110,757	Hong Kong Dollar	9/14/99		(4,506,286)
158,880,000	Hong Kong Dollar	10/20/99		(20,346,784)
56,100,100	Hong Kong Dollar	11/5/99		(7,176,314)
127,448,000	Hong Kong Dollar	11/12/99		(16,295,091)
55,548,500	Hong Kong Dollar	1/18/00		(7,068,746)
31,663,200	Hong Kong Dollar	3/6/00		(4,015,573)
94,668,000	Hong Kong Dollar	3/27/00		(11,988,146)
3,972,040	Japanese Yen	4/1/99		(33,543)
3,633,718	Japanese Yen	4/2/99		(30,686)
45,628,893	Japanese Yen	4/5/99		(385,514)
3,416,175,000	Japanese Yen	4/12/99		(28,895,014)
3,714,900,000	Japanese Yen	4/23/99		(31,476,551)
4,131,270,000	Japanese Yen	5/6/99		(35,069,969)
3,815,400,000	Japanese Yen	5/25/99		(32,466,625)
5,156,000,000	Japanese Yen	6/1/99		(43,913,134)
2,475,605,000	Japanese Yen	6/8/99		(21,103,136)
379,288,000	Japanese Yen	7/2/99		(3,243,157)
4,761,792,500	Japanese Yen	7/15/99		(40,790,653)
2,407,984,000	Japanese Yen	8/2/99		(20,679,363)
2,302,420,000	Japanese Yen	8/13/99		(19,803,179)
2,235,400,000	Japanese Yen	11/12/99		(19,475,158)
466,720,000	Japanese Yen	11/15/99		(4,067,878)
2,919,000,000	Japanese Yen	12/10/99		(25,532,327)
559,500,000	Japanese Yen	12/24/99		(4,903,646)
329,130,000	Japanese Yen	1/4/00		(2,889,104)
544,050,000	Japanese Yen	2/16/00		(4,804,735)
1,275,010,000	Japanese Yen	2/25/00		(11,274,406)
7,505,550,000	Japanese Yen	3/6/00		(66,461,833)
2,684,405,000	Japanese Yen	3/13/00		(23,793,818)
2,810,250,000	Japanese Yen	3/29/00		(24,965,714)
3,354,454	New Zealand Dollar	5/6/99		(1,794,903)
12,514,440	New Zealand Dollar	6/8/99		(6,698,677)
1,829,268	New Zealand Dollar	7/2/99		(979,417)
9,914,733	New Zealand Dollar	8/2/99		(5,309,959)
2,067,825	New Zealand Dollar	8/27/99		(1,107,696)
1,359,487	New Zealand Dollar	9/14/99		(728,370)
7,517,384	New Zealand Dollar	10/27/99		(4,029,066)
6,753,497	New Zealand Dollar	11/5/99		(3,619,926)
9,293,680	New Zealand Dollar	11/12/99		(4,981,779)
28,790,787	New Zealand Dollar	12/23/99		(15,438,376)
3,723,008	New Zealand Dollar	3/13/00		(1,997,749)
12,025,902	New Zealand Dollar	3/27/00		(6,454,592)
96,660,880	Norwegian Krone	8/27/99		(12,457,294)

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date		Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL				
11,738,250	Norwegian Krone	12/23/99	$	(1,512,077)
26,956,300	Norwegian Krone	2/11/00		(3,472,408)
347,625	Singapore Dollar	4/5/99		(201,401)
219,154	Singapore Dollar	4/7/99		(126,993)
12,864,000	Singapore Dollar	5/6/99		(7,473,503)
10,378,800	Singapore Dollar	5/25/99		(6,039,329)
22,454,900	Singapore Dollar	6/8/99		(13,081,660)
1,262,800	Singapore Dollar	6/17/99		(736,231)
2,620,200	Singapore Dollar	7/2/99		(1,529,495)
56,464,000	Singapore Dollar	7/15/99		(32,992,019)
32,740,200	Singapore Dollar	8/2/99		(19,155,980)
48,300,000	Singapore Dollar	10/20/99		(28,419,315)
12,796,000	Singapore Dollar	11/5/99		(7,536,604)
16,337,000	Singapore Dollar	11/15/99		(9,628,206)
14,447,700	Singapore Dollar	11/22/99		(8,518,475)
32,456,000	Singapore Dollar	12/10/99		(19,157,834)
5,667,200	Singapore Dollar	12/23/99		(3,347,898)
29,745,000	Singapore Dollar	1/18/00		(17,600,358)
33,900,000	Singapore Dollar	2/25/00		(20,106,375)
28,210,000	South African Rand	6/8/99		(4,497,056)
35,490,000	South African Rand	6/17/99		(5,644,608)
19,600,000	South African Rand	8/2/99		(3,084,874)
5,865,840	South African Rand	8/27/99		(918,193)
21,966,000	South African Rand	11/12/99		(3,383,966)
20,160,000	South African Rand	3/29/00		(3,022,829)
31,834,000	Swedish Krona	4/12/99		(3,878,245)
78,088,000	Swedish Krona	4/23/99		(9,519,158)
22,860,000	Swedish Krona	5/25/99		(2,791,771)
34,749,450	Swedish Krona	6/1/99		(4,245,454)
26,928,000	Swedish Krona	6/17/99		(3,292,872)
23,613,000	Swedish Krona	7/2/99		(2,889,980)
37,240,450	Swedish Krona	7/23/99		(4,563,511)
41,257,000	Swedish Krona	8/27/99		(5,066,189)
84,808,900	Swedish Krona	11/12/99		(10,463,605)
24,066,900	Swedish Krona	11/22/99		(2,971,212)
11,893,050	Swedish Krona	12/23/99		(1,471,140)
38,448,500	Swedish Krona	1/18/00		(4,763,755)
32,340,000	Swedish Krona	3/29/00		(4,024,762)
154,507	Swiss Franc	4/6/99		(104,620)
13,987,800	Swiss Franc	4/12/99		(9,477,825)
1,454,300	Swiss Franc	4/23/99		(986,616)
32,754,990	Swiss Franc	5/17/99		(22,278,850)
31,281,800	Swiss Franc	6/1/99		(21,310,575)
15,577,650	Swiss Franc	6/8/99		(10,620,039)
5,892,000	Swiss Franc	7/2/99		(4,027,053)
38,899,350	Swiss Franc	7/23/99		(26,646,638)
64,250,000	Swiss Franc	10/27/99		(44,464,362)

TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
22,207,100	Swiss Franc	11/5/99	$ (15,383,177)
19,731,000	Swiss Franc	11/12/99	(13,678,107)
18,706,800	Swiss Franc	12/10/99	(13,006,633)
18,785,200	Swiss Franc	12/31/99	(13,090,163)
10,496,000	Swiss Franc	1/18/00	(7,327,866)
18,305,300	Swiss Franc	3/6/00	(12,844,625)
18,292,300	Swiss Franc	3/13/00	(12,844,923)
42,141,000	Swiss Franc	3/27/00	(29,634,744)
35,362,500	Swiss Franc	3/29/00	(24,872,922)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL (Contract Amount $1,977,528,730)			$(1,969,502,506)

Statement of Assets and Liabilities

March 31, 1999

ASSETS		
Investments, at value (Cost $2,185,612,978) (Note 1) See accompanying schedule		$ 2,594,182,157
Cash and foreign currency (Cost $3,336,516)		4,155,388
Dividends and interest receivable		8,984,646
Receivable for investment securities sold		4,762,849
Receivable for Fund shares sold		4,371,980
Prepaid expenses		18,321
Total Assets		2,616,475,341
LIABILITIES		
Payable for Fund shares redeemed	$14,247,746	
Payable for investment securities purchased	8,148,969	
Net unrealized depreciation of forward exchange contracts (Note 1)	1,952,436	
Investment advisory fee payable (Note 2)	1,786,317	
Transfer agent fees payable (Note 2)	137,206	
Custodian fees payable (Note 2)	96,500	
Accrued expenses and other payables	532,196	
Total Liabilities		26,901,370
NET ASSETS		$ 2,589,573,971
NET ASSETS consist of		
Undistributed net investment income		$ 7,038,576
Accumulated net realized gain on securities, forward exchange contracts and foreign currencies		111,916,063
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets		406,590,505
Par value		14,324
Paid-in capital in excess of par value		2,064,014,503
Total Net Assets		$ 2,589,573,971
NET ASSET VALUE, offering and redemption price per share ($2,589,573,971 ÷ 143,236,350 shares of common stock outstanding)		$18.08

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Statement of Operations

For the Year Ended March 31, 1999

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $7,003,850)		$ 57,247,952
Interest (net of foreign withholding taxes of $176)		9,513,420
Total Investment Income		66,761,372
EXPENSES		
Investment advisory fee (Note 2)	$31,308,970	
Custodian fees (Note 2)	1,237,622	
Administration fee (Note 2)	1,042,815	
Transfer agent fees (Note 2)	767,007	
Legal and audit fees	103,500	
Directors' fees and expenses (Note 2)	49,783	
Amortization of organization costs (Note 5)	3,785	
Other	721,493	
Total Expenses		35,234,975
NET INVESTMENT INCOME		31,526,397
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3):		
Net realized gain on:		
Securities		140,754,141
Forward exchange contracts		52,729,457
Foreign currencies and net other assets		3,682,421
Net realized gain on investments during the year		197,166,019
Net change in unrealized appreciation (depreciation) of:		
Securities		(96,602,157)
Forward exchange contracts		(80,115,865)
Foreign currencies and net other assets		113,168
Net unrealized depreciation of investments during the year		(176,604,854)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		20,561,165
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 52,087,562

Statements of Changes in Net Assets

	Year Ended 3/31/99	Year Ended 3/31/98
Net investment income	$ 31,526,397	$ 19,920,077
Net realized gain on securities, forward exchange contracts and currency transactions during the year	197,166,019	182,967,157
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the year	(176,604,854)	356,433,551
Net increase in net assets resulting from operations	52,087,562	559,320,785
Distributions:		
Dividends to shareholders from net investment income	(51,902,775)	(87,707,202)
Dividends in excess of net investment income	–	(8,964,368)
Distributions to shareholders from net realized gain on investments	(135,825,791)	(54,368,991)
Net increase in net assets from Fund share transactions (Note 4)	197,274,233	678,450,026
Net increase in net assets	61,633,229	1,086,730,250
NET ASSETS		
Beginning of year	2,527,940,742	1,441,210,492
End of year (including undistributed net investment income of $7,038,576 and $16,475,676, respectively)	$2,589,573,971	$2,527,940,742

TWEEDY, BROWNE GLOBAL VALUE FUND

Financial Highlights

For a Fund share outstanding throughout each year.

	Year Ended 3/31/99	Year Ended 3/31/98	Year Ended 3/31/97	Year Ended 3/31/96(a)	Year Ended 3/31/95
Net asset value, beginning of year	$ 18.98	$ 15.46	$ 14.28	$ 11.52	$ 12.26
Income from investment operations:					
Net investment income (b)	0.23	0.26	0.12	0.15	0.10
Net realized and unrealized gain (loss) on investments	0.24	4.62	2.18	2.81	(0.68)
Total from investment operations.	0.47	4.88	2.30	2.96	(0.58)
Distributions:					
Dividends from net investment income.	(0.38)	(0.79)	(0.19)	—	—
Dividends in excess of net investment income.	—	(0.08)	(0.36)	—	—
Distributions from net realized gains.	(0.99)	(0.49)	(0.57)	(0.05)	(0.06)
Distributions in excess of net realized gains.	—	—	—	(0.15)	(0.10)
Total distributions	(1.37)	(1.36)	(1.12)	(0.20)	(0.16)
Net asset value, end of year	$ 18.08	$ 18.98	$ 15.46	$ 14.28	$ 11.52
Total return (c)	3.03%	33.09%	16.66%	25.88%	(4.74)%
Ratios/Supplemental Data:					
Net assets, end of year (in 000's)	$2,589,574	$2,527,941	$1,441,210	$950,911	$655,035
Ratio of operating expenses to average net assets (d)	1.41%	1.42%	1.58%	1.60%	1.65%
Ratio of net investment income to average net assets	1.26%	1.05%	0.73%	1.15%	1.08%
Portfolio turnover rate	23%	16%	20%	17%	16%

(a) 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.

(b) Net investment income for a Fund share outstanding, before the waiver of fees by the administrator for the years ended March 31, 1998 and 1997 were $0.26 and $0.11, respectively.

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

(d) Annualized expense ratio before the waiver of fees by the administrator for the years ended March 31, 1998 and 1997 were 1.43% and 1.58%, respectively.

1. Significant Accounting Policies

Tweedy, Browne Global 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 June 15, 1993. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. 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, by the Investment Adviser or, at fair value as determined by or under the direction of the Company's Board of Directors. Portfolio securities and other assets, listed on a U.S. national securities exchange or through any system providing for same day publication of actual prices (and not subject to restrictions against sale by the Fund on such exchange or system) are valued at the last quoted sale price prior to the close of regular trading. Portfolio securities and other assets listed on a foreign exchange or through any system providing for same day publication of actual prices are valued at the last quoted sale price available before the time when assets are valued. Portfolio securities and other assets for which there are no reported sales on the valuation date are valued at the mean between the last asked price and the last bid price prior to the close of regular trading. When the Investment Adviser determines that the last sale price prior to valuation does not reflect current market value, the Investment Adviser will determine the market value of those securities or assets in accordance with industry practice and other factors considered relevant by the Investment Adviser. All other securities and assets for which current market quotations are not readily available and those securities which are not readily marketable due to significant legal or contractual restrictions will be valued by the Investment Adviser or at fair value as determined by or under the direction of the Board of Directors. Debt securities with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, or by reference to other factors (i.e., pricing services or dealer quotations) by the Investment Adviser.

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 investments, 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.

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. The Fund's custodian applies for refunds where available. If the Fund meets the requirements of Section 853 of the Internal Revenue Code of 1986, as amended, the Fund may elect to pass through to its shareholders credits for foreign taxes paid.

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, Other Related Party Transactions and Administration Fee

The Company, on behalf of the Fund, has entered into an investment advisory agreement (the “Advisory Agreement”) with Tweedy, Browne Company LLC (“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 Investment Adviser not to exceed 75% of the amount of the fee then accrued on the books of the Fund and unpaid.

The current and retired general partners and their families, as well as employees of Tweedy, Browne, the Investment Adviser to the Fund, have approximately $40.7 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 First Data Investor Services Group, Inc. (the "Administrator"), a wholly owned subsidiary of First Data Corporation. Under the Administration Agreement, the Company pays the Administrator 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 $500 Million	**Between $500 Million and $1 Billion**	**Exceeding $1 Billion**
Administration Fees	0.06%	0.04%	0.02%
	Up to $100 Million	**Exceeding $100 Million**	
Accounting Fees	0.03%	0.01%	

Under the terms of the Administration Agreement, the Company will pay for fund administration services a minimum fee of $40,000 per annum, not to be aggregated with fees for fund accounting services. The Company will pay a minimum monthly fee of $4,000 for fund accounting services for the Fund, not to be aggregated with fees for fund administration services. From time to time, the Administrator may voluntarily waive a portion of its fee otherwise payable to it. For the year ended March 31, 1999, the Administrator did not waive any administrative fees.

No officer, director or employee of Tweedy, Browne, the Administrator 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 Fund pays each director who is not an officer, director or employee of Tweedy, Browne, the Administrator or any of their affiliates $8,000 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 Trust, serves as the Fund's custodian pursuant to a custody agreement (the "Custody Agreement"). First Data Investor Services Group, 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.

3. Securities Transactions

Cost of purchases and proceeds from sales of investment securities, excluding short-term investments, for the year ended March 31, 1999, aggregated $818,186,260 and $545,726,790, respectively.

At March 31, 1999, the aggregate gross unrealized appreciation for all securities, in which there was an excess of value over tax cost, was $590,050,617 and the aggregate gross unrealized depreciation for all securities, in which there was an excess of tax cost over value, was $211,061,326.

4. Capital Stock

The Company is authorized to issue one billion shares of $0.0001 par value capital stock, of which 600,000,000 of the unissued shares have been designated as shares of the Fund. Changes in shares outstanding for the Fund were as follows:

	Year Ended 3/31/99		Year Ended 3/31/98	
	Shares	**Amount**	**Shares**	**Amount**
Sold	68,156,263	$1,217,805,048	58,530,975	$1,007,774,368
Reinvested	10,128,684	170,060,040	8,222,804	133,167,149
Redeemed	(68,246,032)	(1,190,590,855)	(26,794,022)	(462,491,491)
Net increase	10,038,915	$ 197,274,233	39,959,757	$ 678,450,026

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. At March 31, 1999, all such costs have been fully amortized.

6. Foreign Securities

Investing in securities of foreign companies and foreign governments involves economic and political risks and considerations not typically associated with investing in U.S. companies and the U.S. Government. These considerations include changes in exchange rates and exchange rate controls (which may include suspension of the ability to transfer currency from a given country), costs incurred in conversions between currencies, non-negotiable brokerage commissions, less publicly available information, different accounting standards, lower trading volume, delayed settlements and greater market volatility, the difficulty of enforcing obligations in other countries, less securities regulation, different tax provisions (including withholding on dividends paid to the Fund), war, expropriation, political and social instability and diplomatic developments.

7. Line of Credit

Effective October 1, 1996, the Company and Mellon Trust, N.A. have entered into a Line of Credit Agreement (the "Agreement") which provides the Fund and the Tweedy, Browne American Value Fund with a $50 million line of credit, primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. The Fund may borrow up to one-third of its net assets; however, the total credit available to the Fund and the Tweedy, Browne American Value Fund is $50 million. Interest is payable at the bank's money market rate plus 0.75% on an annualized basis. Under the Agreement, the Fund and the Tweedy, Browne American Value Fund pay a facility fee equal to 0.10% annually of the unutilized credit. The Agreement requires, among other provisions, the Fund to maintain a ratio of net assets (not including funds borrowed pursuant to the Agreement) to aggregated amount of indebtedness pursuant to the Agreement of no less than three to one. For the year ended March 31, 1999, the Fund did not borrow under this Agreement.

Report of Ernst & Young LLP, Independent Auditors

To the Shareholders and Board of Directors of
Tweedy, Browne Fund Inc.:

We have audited the accompanying statement of assets and liablities, including the portfolio of investments and the schedule of forward exchange contracts, of Tweedy, Browne Global Value Fund (the "Fund") (a series of Tweedy, Browne Fund Inc.) as of March 31, 1999, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of March 31, 1999 by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Tweedy, Browne Global Value Fund, a series of Tweedy, Browne Fund Inc., at March 31, 1999, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and financial highlights for each of the five years in the period then ended, in conformity with generally accepted accounting principles.

Ernst + Young LLP

Boston, Massachusetts
May 7, 1999

Tax Information (unaudited)

Year Ended March 31, 1999

For the fiscal year ended March 31, 1999, the amount of long-term capital gain designated by the Fund was $106,373,560, which is taxable as a 20% rate gain for Federal income tax purposes.

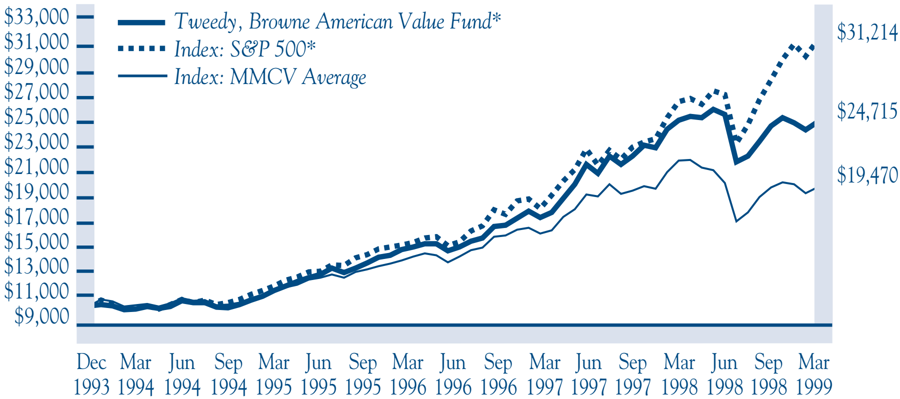
Of the ordinary income (including short-term capital gain) distributions made by the Fund during the fiscal year ended March 31, 1999, 6.06% qualify for the dividend received deduction available to corporate shareholders.

TWEEDY, BROWNE AMERICAN VALUE FUND

Portfolio Highlights

March 31, 1999

Hypothetical Illustration of $10,000 Invested in Tweedy, Browne American Value Fund vs. Standard & Poor's 500 Stock Index ("S&P 500") and Morningstar Mid-Cap Value Funds ("MMCV") Average 12/8/93 through 3/31/99



The S&P 500 is an 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.

MMCV Average consists of the average returns of all mutual funds in the Morningstar Universe classified as value funds with median market capitalizations greater than or equal to $1 billion but less than or equal to $5 billion.

Index and Average information is available at month end only; therefore, the closest month end to inception date of the Fund, November 30, 1993, has been used.

AVERAGE ANNUAL TOTAL RETURN*		
The Fund	**Actual**	**Without Waivers****
Inception (12/8/93) through 3/31/99	18.57%	18.37%
Year Ended 3/31/99	(1.09)%	(1.11)%

AGGREGATE TOTAL RETURN*		
	Year Ended 3/31/99	**Inception (12/8/93)-3/31/99**
The Fund	(1.09)%	147.15%
S&P 500	18.49%	212.14%
MMCV	(9.79)%	94.70%

Note: The performance shown represents past performance and is not a guarantee of future results. The Fund's share price and investment return will vary with market conditions, and the principal value of shares, when redeemed, may be more or less than original cost.

* *Assumes the reinvestment of all dividends and distributions.*

** *See Note 2 to Financial Statements.*

TWEEDY, BROWNE AMERICAN VALUE FUND

Perspective On Assessing Investment Results

March 31, 1999

In accordance with rules and guidelines set out by the Securities and Exchange Commission, we have provided a comparison of the historical investment results of Tweedy, Browne American Value Fund to the historical investment results of the most appropriate broad-based securities market indexes, including the Standard & Poor's 500 Stock Index (the "S&P 500"). However, the historical results of the S&P 500 in large measure represent the investment results of stocks that we do not own. Any portfolio which does not own exactly the same stocks in exactly the same proportions as the index to which the particular portfolio is being compared is not likely to have the same results as the index. The investment behavior of a diversified portfolio of undervalued stocks tends to be correlated to the investment behavior of a broad index; i.e., when the index is up, probably more than one-half of the stocks in the entire universe of public companies that are included in the same index will be up, albeit, in greater or lesser percentages than the index. Similarly, when the index declines, probably most of the stocks in the entire universe of public companies that are included in the index will be down in greater or lesser percentages than the index. But it is almost a mathematical truth that "different stocks equal different results."

Favorable or unfavorable historical investment results in comparison to an index are not necessarily predictive of future comparative investment results. In *Are Short-Term Performance and Value Investing Mutually Exclusive?*, Eugene Shahan analyzed the investment performance of seven money managers, about whom Warren Buffett wrote in his article, *The Super Investors of Graham and Doddsville*. Over long periods of time, the seven managers significantly outperformed the market as measured by the Dow Jones Industrial Average (the "DJIA") or the S&P 500 by between 7.7% to 16.5% annually. (The goal of most institutional money managers is to outperform the market by 2% to 3%.) However, for periods ranging from 13 years to 28 years, this group of managers underperformed the market between 7.7% to 42% of the years. Six of the seven investment managers underperformed the market between 28% to 42% of the years. In today's environment, they would have lost many of their clients during their periods of underperformance. Longer term, it would have been the wrong decision to fire any of these money managers. In examining the seven long-term investment records, unfavorable investment results as compared to either index did not predict the future favorable comparative investment results which occurred, and favorable investment results in comparison to the DJIA or the S&P 500 were not always followed by future favorable comparative results. Stretches of consecutive annual underperformance ranged from one to six years. Mr. Shahan concluded "Unfortunately, there is no way to distinguish between a poor three-year stretch for a manager who will do well over 15 years, from a poor three-year stretch for a manager who will continue to do poorly. Nor is there any reason to believe that a manager who does well from the outset cannot continue to do well, and consistently."

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC—74.6%	
	Advertising—0.2%	
6,680	Grey Advertising Inc.	$ 2,317,543
	Apparel/Textiles—0.0%††	
45,900	Chic by H.I.S. Inc.†	109,013
	Automotive Parts—1.7%	
739,000	Dollar Thrifty Automotive Group Inc.†	12,747,750
170,400	Standard Motor Products Inc.	3,525,150
95,300	Standard Products Company	1,548,625
5,200	Woodward Governor Company	129,838
		17,951,363
	Banking—11.8%	
45,300	BancFirst Corporation	1,585,500
252,898	Bank One Corporation	13,925,196
20,400	Cape Cod Bank & Trust Company	331,500
541,814	Chase Manhattan Corporation	44,056,251
112,650	Comerica Inc.	7,033,584
4,500	Community Financial Group—Bank of Nashville	57,656
20,400	First Mortgage Corporation†	89,250
50,850	Mercantile Bancorp Inc.	2,415,375
43,342	Mid-America Bancorp	1,064,588
18,000	Peoples Bank Corporation of Indianapolis	654,750
246,700	PNC Bank Corporation	13,707,269
802,520	Popular Inc.	24,802,884
118,000	Republic New York Corporation	5,442,750
360,000	Wells Fargo & Company	12,622,500
		127,789,053
	Basic Industries—4.5%	
298,600	ACX Technologies Inc.†	3,919,125
219,200	Alamo Group Inc.	1,726,200
141,700	Gorman-Rupp Company	2,214,063
724,000	Rayonier Inc.	29,005,250
70,200	Sequa Corporation, Class A†	3,527,550
66,000	Tecumseh Products Company, Class A	3,339,188
66,100	Tecumseh Products Company, Class B	3,061,256
78,000	Tremont Corporation	1,374,750
		48,167,382
	Business and Commercial Services—1.3%	
716,000	Harland (John H.) Company	9,263,250
24,400	HUB Group Inc., Class A†	579,500
5,200	IIC Industries Inc.†	55,250
12,500	Paris Corporation	27,734
198,000	Wallace Computer Services Inc.	3,922,875
		13,848,609

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Chemicals—1.4%	
680,700	Lilly Industries Inc., Class A	$ 10,508,306
232,900	Oil-Dri Corporation of America	3,391,606
77,500	Stepan Chemical Company	1,724,375
		15,624,287
	Consumer Non-Durables—6.1%	
142,400	Bairnco Corporation	676,400
130,400	Coca-Cola Bottling Company	7,220,900
209,200	EKCO Group Inc.†	706,050
347,500	M & F Worldwide Corporation†	2,432,500
869,470	Philip Morris Companies Inc.	30,594,476
910,900	UST Inc.	23,797,263
57,200	Village Super Market Inc., Class A†	818,675
		66,246,264
	Consumer Services—1.9%	
512,900	Jones Intercable Inc., Class A†	20,227,494
	Electronic Equipment—0.2%	
100,000	Regal Beloit	1,806,250
	Engineering and Construction—1.9%	
42,700	Devcon International Corporation†	70,055
107,300	Harding Lawson Associates Group Inc.†	764,513
150,500	Hovnanian Enterprises Inc., Class A†	1,128,750
22,900	Liberty Homes Inc., Class A	226,138
10,000	Liberty Homes Inc., Class B	113,750
51,300	M/I Schottenstein Homes Inc.	910,575
162,800	Oakwood Homes Corporation	2,289,375
13,700	Oriole Homes Corporation, Class A†	27,400
64,437	Oriole Homes Corporation, Class B †	118,806
269,000	RDO Equipment Company, Class A†	2,421,000
309,621	Ryland Group Inc.	7,837,282
271,300	Standard-Pacific Corporation	3,492,988
158,000	Washington Homes Inc.†	809,750
		20,210,382
	Financial Services—17.5%	
382,230	American Express Company	44,912,025
885,300	Credit Acceptance Corporation†	5,062,809
789,380	Federal Home Loan Mortgage Corporation	45,093,333
543,500	Household International Inc.	24,797,188
41,600	Kent Financial Services Inc.†	156,000
30,000	Letchworth Independent Bancshares Corporation	406,875
632,700	MBIA Inc.	36,696,600
142,000	Morgan, (J.P.) & Company Inc.	17,519,250
756,000	Phoenix Duff & Phelps Corporation	6,520,500
109,030	ReliaStar Financial Corporation	4,647,404
29,800	Value Line Inc.	1,029,031
39,004	Whitney Holding Corporation	1,439,491
		188,280,506

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Food and Beverages—1.5%	
950,050	Panamerican Beverages Inc., Class A	$ 16,685,253
	Furniture—1.1%	
29,900	Flexsteel Industries Inc.	396,175
75,000	HON Industries Inc.	1,645,313
152,350	O' Sullivan Corporation	1,256,888
598,400	O' Sullivan Industries Holdings Inc.†	8,265,400
		11,563,776
	Health Care—0.7%	
158,500	Angelica Corporation	2,219,000
33,412	Johnson & Johnson	3,130,287
45,300	Sola International Inc.	546,431
106,600	Spacelabs Medical Inc.†	1,775,556
10,666	Wyant Corporation†	25,998
		7,697,272
	Insurance—8.7%	
15,200	Allstate Financial Corporation†	65,550
463,500	American Annuity Group Inc.	10,081,125
77,400	American Indemnity Financial Corporation	967,500
155,125	American National Insurance Company	10,344,898
8,260	Kansas City Life Insurance Company	677,320
488,000	Leucadia National Corporation	14,762,000
21,600	Merchants Group Inc.	456,300
389,500	MMI Companies Inc.	5,988,563
100,500	NAC Re Corporation	5,395,593
102,500	National Western Life Insurance Company, Class A†	10,807,344
31,500	Navigators Group Inc.†	442,969
16,500	RLI Corporation	482,624
201,000	SCPIE Holdings Inc.	5,464,688
379,700	Transatlantic Holdings Inc.	28,477,500
		94,413,974
	Investment Companies—0.1%	
190,500	Ampal-American Israel Corporation, Class A†	773,906
10,000	PEC Israel Economic Corporation†	301,250
5,000	Pilgrim America Capital Corporation†	95,000
		1,170,156
	Metals and Metal Products—1.3%	
724,100	ASARCO Inc.	9,956,375
88,700	Lawson Products Inc.	1,818,350
11,900	Mestek Inc.†	226,100
165,000	Schnitzer Steel Industies Inc.	1,974,844
		13,975,669

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Oil and Gas—0.3%	
5,600	Lufkin Industries Inc.	$ 92,400
41,460	Matrix Service Company†	136,041
175,200	Penn Virginia Corporation	3,060,525
		3,288,966
	Real Estate—1.6%	
716,500	American Real Estate Partners L.P.†	5,866,344
26,100	Arizona Land Income Corporation, Class A	159,863
596,700	Castle & Cooke Inc.†	7,980,863
85,800	Echelon International Corporation Inc.†	1,683,825
102,000	Koger Equity Inc.	1,370,625
13,200	Mays (J.W.) Inc.†	99,000
36,025	Ramco-Gershenson Properties Trust	574,147
		17,734,667
	Restaurant Chains—4.7%	
1,106,800	McDonald's Corporation	50,151,875
	Retail—1.9%	
217,000	Discount Auto Parts Inc.†	4,665,500
117,900	EZCORP Inc., Class A	810,562
90,100	Government Technology Services Inc.†	318,166
654,000	Jan Bell Marketing Inc.†	2,779,500
39,600	Penney (J.C.) Company Inc.	1,603,800
130,100	Swiss Army Brands Inc.†	1,268,475
182,700	Syms Corporation†	1,358,831
765,600	Value City Department Stores Inc.†	7,464,600
		20,269,434
	Technology—0.0%††	
44,600	Astrosystems Inc.†	132,406
	Telecommunications—1.2%	
93,600	Commonwealth Telephone Enterprises Inc.†	3,460,275
280,800	RCN Corporation†	9,433,125
15,300	TCI International Inc. †	43,748
		12,937,148
	Transportation/Transportation Services—3.0%	
636,400	GATX Corporation	20,961,425
53,100	KLLM Transport Services Inc.†	331,874
53,600	Maritrans Inc.	308,200
800,000	Wisconsin Central Transportation Corporation†	10,625,000
		32,226,499
	TOTAL COMMON STOCKS—DOMESTIC (Cost $648,732,414)	804,825,241

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN—19.8%	
	Finland—0.2%	
18,300	Huhtamaki Group, Class I	$ 652,514
15,500	Kone Corporation, Class B	1,658,028
		2,310,542
	France—0.0%††	
900	Bongrain SA	337,829
	Hong Kong—0.3%	
1,210,000	CDL Hotels International Ltd.	374,734
478,000	Jardine Strategic Holdings Ltd.	807,820
1,506,000	South China Morning Post (Holdings) Ltd.	835,641
525,000	Swire Pacific Ltd., Class B	359,055
182,000	Wing Hang Bank Ltd.	483,799
		2,861,049
	Ireland—0.0%††	
202,592	Crean (James) PLC	240,791
	Japan—7.4%	
56,000	Agro-Kanesho Company Ltd.	425,622
63,000	Aichi Electric Company Ltd.	101,084
93,600	Aiful Corporation	6,378,854
67,000	Amatsuji Steel Ball Manufacturing Company	565,807
104,000	Belluna Company Ltd.	1,396,445
33,000	CCI Corporation	211,797
1,000	Charle Company	9,289
89,000	Chiyoda Company	736,562
247,700	Chofu Seisakusho Company	3,154,428
70,500	Credia Company Ltd.	1,238,357
131,000	Daido Metal Company	383,879
140,000	Danto Corporation	667,990
179,000	Denkyosha	793,607
61,000	Denyo Company Ltd.	399,232
93,000	Fuji Coca-Cola Bottling Company	1,162,353
76,800	Fuji Photo Film Company Ltd., ADR	2,889,600
17,000	Fuji Photo Film Ltd.	643,162
326,000	Fujitec Company Ltd.	2,648,414
293,000	Fukuda Denshi	4,750,749
275,000	Gakken Company Ltd.†	325,127
206,000	Hitachi Koki Company Ltd.	607,136
78,000	Hitachi Medical Corporation	876,730
109,000	Inaba Denkisangyo Company Ltd.	1,123,000
16,000	Kansai Paint Company Ltd.	42,427
112,000	Katsuragawa Electric Company	633,704
262,000	Kawagishi Bridge Works	683,680
130,000	Koito Manufacturing	621,374
53,000	Koyosha Inc.	172,318
389,000	Mandom Corporation	4,533,378

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN	
	Japan—(Continued)	
95,000	Matsumoto Yushi-Seiyaku Company	$ 1,909,386
19,000	Matsushita Electric Industrial Company	370,646
44,000	Meito Sangyo Company	423,595
91,000	Mitsubishi Pencil Company Ltd.	629,388
200,000	Morito	895,157
58,000	Nankai Plywood Company Ltd.	248,330
107,000	Nippon Cable System	826,796
118,000	Nippon Konpo Unyu Soko	832,074
19,000	Nissie Plastic Industrial Company Ltd.	116,970
48,300	Nissin Company Ltd.	1,419,449
52,000	Nitto FC Company	180,045
72,000	Oak	96,069
116,000	Osaka Steel Company Ltd.	425,149
185,000	Prospect Japan Fund Ltd.	1,259,850
119,000	Riken Vitamin	1,256,175
19,000	Sangetsu Company Ltd.	304,860
31,000	Sanko Sangyo Company	235,612
130,600	Sanyo Shinpan Finance Company Ltd.	5,558,620
63,800	Shikoku Coca-Cola Bottling	969,810
82,000	Shinki Company Ltd.	1,378,034
192,000	Shionogi & Company Ltd.	1,686,273
73,000	SK Kaken Company Ltd.	1,091,162
220,000	Sonton Food Industry	2,006,503
196,000	Sotoh Company Ltd.	993,117
125,900	Sysmex Corporation	1,956,306
186,000	Tachi-S	863,911
103,700	Takefuji Corporation	7,969,176
1,000	Takigami Steel Construction Company Ltd.	2,584
141,000	Teikoku Hormone Manufacturing Company	1,166,913
111,000	Tomita Electric Company Ltd.	379,639
10,000	Torii Company Ltd.	31,246
162,000	Torishima Pump Manufacturing	633,417
64,000	Toso Company Ltd.	189,165
78,000	Toyo Technical Company Ltd.	461,090
188,000	Tsubaki Nakashima Company Ltd.	1,262,171
220,800	Tsuchiya Home Company	885,699
214,000	U-Shin	679,509
45,000	Zojirushi	288,815
		80,058,816
	Malaysia—0.1%	
485,000	Star Publications (Malaysia)	455,525
	Netherlands—1.6%	
218,600	Akzo Nobel NV, Sponsored ADR	8,115,525
21,000	European Vinyls Corporation International NV	152,026
36,500	Holdingmaatschappij de Telegraaf NV	920,885

Portfolio of Investments

March 31, 1999

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN	
	Netherlands—(Continued)	
120,800	Unilever NV, ADR	$ 8,025,650
		17,214,086
	Singapore—0.4%	
518,000	Cycle & Carriage Ltd.	2,190,211
264,000	Fraser & Neave Ltd.	940,400
266,000	Overseas Union Bank Ltd.	939,820
94,800	Robinson and Company Ord	252,580
		4,323,011
	Spain—0.0%††	
32,000	Unipapel SA	414,912
	Sweden—4.7%	
804,300	Pharmacia & Upjohn Inc., Depository Shares	50,629,867
	Switzerland—3.0%	
3,650	Compagnie Financiere Richemont AG	6,077,157
2,000	Edipresse SA, Bearer	460,237
269,000	Nestle SA, Registered, ADR	24,478,542
10,666	Novartis AG, ADR	866,635
		31,882,571
	United Kingdom—2.1%	
875,000	British Steel Ord	1,804,148
315,000	Caradon PLC	693,979
274,000	Carclo Engineering Group PLC	515,205
445,000	Dowding & Mills PLC	323,203
61,145	Elementis PLC	91,780
163,670	Glaxo Wellcome PLC, Units, Sponsored ADR	10,955,661
142,000	Hardys & Hansons PLC	574,116
41,711	HSBC Holdings	1,328,254
189,385	McAlpine (Alfred) PLC	519,634
50,000	Molins PLC	110,962
508,505	Pilkington PLC	677,099
93,333	Rexam PLC	309,564
63,800	SmithKline Beecham PLC, Units, ADR	4,561,700
131,579	Thistle Hotels PLC	355,717
		22,821,022
	TOTAL COMMON STOCKS—FOREIGN (Cost $156,723,872)	213,550,021

Portfolio of Investments

March 31, 1999

Face Value			Market Value (Note 1)
	COMMERCIAL PAPER—1.9% **(Cost $20,000,000)**		
$20,000,000	General Electric Capital Corporation, 5.060% due 4/1/99		$ 20,000,000
	U.S. TREASURY BILL—0.1% **(Cost $966,594)**		
1,000,000	4.501%** due 1/6/00		965,620
	REPURCHASE AGREEMENT—1.6% **(Cost $17,230,000)**		
17,230,000	Agreement with UBS Securities Inc., 4.880% dated 3/31/99, to be repurchased at $17,232,336 on 4/1/99, collateralized by $17,209,000 U.S. Treasury Notes, 6.000% due 2/15/26 (market value $17,483,268).		17,230,000
TOTAL INVESTMENTS **(Cost $843,652,880*)**		98.0%	1,056,570,882
OTHER ASSETS AND LIABILITIES **(Net)**		2.0	21,643,609
NET ASSETS		100.0%	$ 1,078,214,491

* *Aggregate cost for Federal tax purposes was $849,570,415.*
** *Rate represents annualized yield at date of purchase (unaudited).*
† *Non-income producing security.*
†† *Amount represents less than 0.1% of net assets.*

Abbreviations:
ADR American Depository Receipt
Ord Ordinary Shares

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date		Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY				
1,234,088	European Economic Union Euro	4/23/99	$	1,335,140
894,964	European Economic Union Euro	6/8/99		970,829
442,945	European Economic Union Euro	6/17/99		480,741
399,067	European Economic Union Euro	8/27/99		435,013
1,299,206	European Economic Union Euro	11/5/99		1,422,683
5,075,350	European Economic Union Euro	12/10/99		5,570,765
558,989	Great Britain Pound Sterling	7/23/99		901,708
172,000,000	Japanese Yen	5/6/99		1,460,092
1,925,298	New Zealand Dollar	6/8/99		1,030,567
928,333	New Zealand Dollar	1/18/00		497,906
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY (Contract Amount $14,502,408)			$	14,105,444
FORWARD EXCHANGE CONTRACTS TO SELL				
1,234,088	European Economic Union Euro	4/23/99	$	(1,335,140)
894,964	European Economic Union Euro	6/8/99		(970,829)
442,945	European Economic Union Euro	6/17/99		(480,741)
399,067	European Economic Union Euro	8/27/99		(435,013)
1,299,206	European Economic Union Euro	11/5/99		(1,422,683)
5,075,350	European Economic Union Euro	12/10/99		(5,570,765)
840,401	European Economic Union Euro	12/23/99		(923,237)
1,792,275	European Economic Union Euro	3/27/00		(1,981,446)
373,808	Great Britain Pound Sterling	6/8/99		(603,045)
614,893	Great Britain Pound Sterling	7/2/99		(991,887)
558,989	Great Britain Pound Sterling	7/23/99		(901,708)
4,788,699	Great Britain Pound Sterling	12/23/99		(7,732,646)
968,230	Great Britain Pound Sterling	1/18/00		(1,563,951)
1,537,515	Great Britain Pound Sterling	2/11/99		(2,484,206)
1,240,156	Great Britain Pound Sterling	3/6/00		(2,004,324)
306,861	Great Britain Pound Sterling	3/29/00		(496,081)
5,553,450	Hong Kong Dollar	4/23/99		(716,257)
7,935,500	Hong Kong Dollar	1/18/00		(1,009,821)
5,160,675	Hong Kong Dollar	2/11/00		(655,599)
3,946,500	Hong Kong Dollar	3/29/00		(499,693)
4,070,240	Japanese Yen	4/1/99		(34,373)
681,065,000	Japanese Yen	4/23/99		(5,770,701)
1,877,850,000	Japanese Yen	5/6/99		(15,940,895)
912,065,000	Japanese Yen	6/8/99		(7,774,840)
361,530,000	Japanese Yen	7/23/99		(3,100,422)
168,735,000	Japanese Yen	11/5/99		(1,468,579)
817,320,000	Japanese Yen	12/10/99		(7,149,051)
559,500,000	Japanese Yen	12/23/99		(4,902,951)
685,503,000	Japanese Yen	2/11/00		(6,049,707)
692,820,000	Japanese Yen	3/6/00		(6,134,938)
1,679,400,000	Japanese Yen	3/27/00		(14,915,116)

TWEEDY, BROWNE AMERICAN VALUE FUND

Schedule of Forward Exchange Contracts

March 31, 1999

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
337,230,000	Japanese Yen	3/29/00	$ (2,995,886)
1,925,298	New Zealand Dollar	6/8/99	(1,030,566)
928,333	New Zealand Dollar	1/18/00	(497,906)
1,381,840	Singapore Dollar	6/8/99	(805,025)
1,599,500	Singapore Dollar	11/5/99	(942,075)
1,622,800	Singapore Dollar	12/10/99	(957,892)
1,322,000	Singapore Dollar	1/18/00	(782,238)
842,150	Singapore Dollar	3/27/00	(500,386)
2,376,000	Swedish Krona	6/17/99	(290,547)
43,579,250	Swedish Krona	7/23/99	(5,340,279)
14,027,380	Swedish Krona	8/27/99	(1,722,504)
32,084,000	Swedish Krona	12/10/99	(3,965,466)
13,875,225	Swedish Krona	12/23/99	(1,716,330)
24,133,500	Swedish Krona	1/4/00	(2,987,505)
15,379,400	Swedish Krona	1/18/00	(1,905,502)
27,097,350	Swedish Krona	2/11/00	(3,362,409)
20,212,500	Swedish Krona	3/29/00	(2,515,476)
1,745,160	Swiss Franc	4/23/99	(1,183,939)
5,381,370	Swiss Franc	6/8/99	(3,668,742)
2,201,850	Swiss Franc	7/23/99	(1,508,300)
2,672,400	Swiss Franc	12/10/99	(1,858,090)
8,050,800	Swiss Franc	12/31/99	(5,610,070)
10,496,000	Swiss Franc	1/18/00	(7,327,867)
8,150,400	Swiss Franc	2/11/00	(5,704,656)
3,511,750	Swiss Franc	3/27/00	(2,469,562)
2,121,750	Swiss Franc	3/29/00	(1,492,375)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL (Contract Amount $170,158,834)			$ (169,162,238)

TWEEDY, BROWNE AMERICAN VALUE FUND

Statement of Assets and Liabilities

March 31, 1999

ASSETS		
Investments, at value (Cost $843,652,880) (Note 1) *See accompanying schedule*		$1,056,570,882
Cash and foreign currency (Cost $14,541,433)		14,542,119
Receivable for investment securities sold		7,696,792
Dividends and interest receivable		2,035,095
Receivable for Fund shares sold		1,269,537
Net unrealized appreciation of forward exchange contracts (Note 1)		599,632
Prepaid expenses		7,396
Total Assets		1,082,721,453
LIABILITIES		
Payable for Fund shares redeemed	$ 2,545,220	
Payable for investment securities purchased	971,250	
Investment advisory fee payable (Note 2)	641,953	
Transfer agent fees payable (Note 2)	77,091	
Custodian fees payable (Note 2)	13,000	
Accrued expenses and other payables	258,448	
Total Liabilities		4,506,962
NET ASSETS		$1,078,214,491
NET ASSETS consist of		
Undistributed net investment income		$ 29,374
Accumulated net realized gain on securities, forward exchange contracts and foreign currencies		22,346,297
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets		213,523,309
Par value		4,814
Paid-in capital in excess of par value		842,310,697
Total Net Assets		$1,078,214,491
NET ASSET VALUE, offering and redemption price per share ($1,078,214,491 ÷ 48,136,058 shares of common stock outstanding)		$22.40

■ ■ ■ ■ ■ SEE NOTES TO FINANCIAL STATEMENTS ■ ■ ■ ■ ■

Statement of Operations

For the Year Ended March 31, 1999

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $349,281)		$ 16,835,642
Interest		4,243,339
Total Investment Income		21,078,981
EXPENSES		
Investment advisory fee (Note 2)	$ 13,594,779	
Administration fee (Note 2)	437,177	
Transfer agent fees (Note 2)	466,894	
Custodian fees (Note 2)	204,656	
Legal and audit fees	70,087	
Directors' fees and expenses (Note 2)	27,815	
Amortization of organization costs (Note 5)	12,980	
Other	444,616	
Waiver of fees by investment adviser (Note 2)	(121,000)	
Total Expenses		15,138,004
NET INVESTMENT INCOME		5,940,977
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3)		
Net realized gain:		
Securities		29,526,022
Forward exchange contracts		1,132,217
Foreign currencies and net other assets		66,414
Net realized gain on investments during the year		30,724,653
Net change in unrealized appreciation (depreciation) of:		
Securities		(50,963,605)
Forward exchange contracts		(3,506,282)
Foreign currencies and net other assets		4,708
Net unrealized depreciation of investments during the year		(54,465,179)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS		(23,740,526)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		$(17,799,549)

Statements of Changes in Net Assets

	Year Ended 3/31/99	Year Ended 3/31/98
Net investment income	$ 5,940,977	$ 4,232,973
Net realized gain on securities, forward exchange contracts and currency transactions during the year	30,724,653	15,187,523
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the year	(54,465,179)	203,651,397
Net increase (decrease) in net assets resulting from operations	(17,799,549)	223,071,893
Distributions:		
Dividends to shareholders from net investment income	(7,030,923)	(5,448,502)
Distributions to shareholders from net realized gain on investments	(12,518,672)	(13,982,759)
Net increase in net assets from Fund share transactions (Note 4)	104,325,915	465,129,709
Net increase in net assets	66,976,771	668,770,341
NET ASSETS		
Beginning of year	1,011,237,720	342,467,379
End of year (including undistributed net investment income of $29,374 and $1,863,348, respectively)	$1,078,214,491	$1,011,237,720

TWEEDY, BROWNE AMERICAN VALUE FUND

Financial Highlights

For a Fund share outstanding throughout each year.

	Year Ended 3/31/99	Year Ended 3/31/98	Year Ended 3/31/97	Year Ended 3/31/96(a)	Year Ended 3/31/95(a)
Net asset value, beginning of year	$ 23.04	$ 16.22	$ 14.29	$ 10.71	$ 9.71
Income from investment operations:					
Net investment income (b)	0.12	0.11	0.13	0.15	0.13
Net realized and unrealized gain (loss) on investments	(0.37)	7.31	2.39	3.56	0.93
Total from investment operations	(0.25)	7.42	2.52	3.71	1.06
Distributions:					
Dividends from net investment income.	(0.14)	(0.17)	(0.17)	(0.11)	(0.06)
Distributions from net realized gains.	(0.25)	(0.43)	(0.42)	(0.02)	–
Total distributions	(0.39)	(0.60)	(0.59)	(0.13)	(0.06)
Net asset value, end of year	$ 22.40	$ 23.04	$ 16.22	$ 14.29	$ 10.71
Total return (c)	(1.09)%	46.14%	17.75%	34.70%	11.02%
Ratios/Supplemental Data:					
Net assets, end of year (in 000's).	$ 1,078,214	$1,011,238	$ 342,467	$ 201,599	$ 58,856
Ratio of operating expenses to average net assets (d)	1.39%	1.39%	1.39%	1.39%	1.74%
Ratio of net investment income to average net assets	0.55%	0.69%	0.92%	1.13%	1.25%
Portfolio turnover rate.	16%	6%	16%	9%	4%

(a) 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.

(b) Net investment income for a Fund share outstanding, before the waiver of fees by the investment adviser and/or administrator and/or custodian for the years ended March 31, 1999, 1998, 1997, 1996 and 1995 were $0.12, $0.11, $0.11, $0.12 and $0.11, respectively.

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

(d) Annualized expense ratios before the waiver of fees by the investment adviser and/or administrator and/or custodian for the years ended March 31, 1999, 1998, 1997, 1996 and 1995 were 1.40%, 1.41%, 1.52%, 1.61% and 1.94%, respectively.

■ ■ ■ ■ ■ SEE NOTES TO FINANCIAL STATEMENTS ■ ■ ■ ■ ■

Notes to Financial Statements

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 preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. 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, by the Investment Adviser or, at fair value as determined by or under the direction of the Company's Board of Directors. Portfolio securities and other assets, listed on a U.S. national securities exchange or through any system providing for same day publication of actual prices (and not subject to restrictions against sale by the Fund on such exchange or system) are valued at the last quoted sale price prior to the close of regular trading. Portfolio securities and other assets listed on a foreign exchange or through any system providing for same day publication of actual prices are valued at the last quoted sale price available before the time when assets are valued. Portfolio securities and other assets for which there are no reported sales on the valuation date are valued at the mean between the last asked price and the last bid price prior to the close of regular trading. When the Investment Adviser determines that the last sale price prior to valuation does not reflect current market value, the Investment Adviser will determine the market value of those securities or assets in accordance with industry practice and other factors considered relevant by the Investment Adviser. All other securities and assets for which current market quotations are not readily available and those securities which are not readily marketable due to significant legal or contractual restrictions will be valued by the Investment Adviser or at fair value as determined by or under the direction of the Board of Directors. Debt securities with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, or by reference to other factors (i.e., pricing services or dealer quotations) by the Investment Adviser.

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 investments, 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.

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. The Fund's custodian applies for refunds where available. If the Fund meets the requirements of Section 853 of the Internal Revenue Code of 1986, as amended, the Fund may elect to pass through to its shareholders credits for foreign taxes paid.

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, Other Related Party Transactions and Administration Fee

The Company, on behalf of the Fund, has entered into an investment advisory agreement (the "Advisory Agreement") with Tweedy, Browne Company LLC ("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 Investment 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 year ended March 31, 1999, Tweedy, Browne voluntarily waived fees of $121,000.

The current and retired general partners and their families, as well as employees of Tweedy, Browne, the Investment Adviser to the Fund, have approximately $31.3 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 First Data Investor Services Group, Inc. (the "Administrator"), a wholly owned subsidiary of First Data Corporation. Under the Administration Agreement, the Company pays the Administrator 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 Between	
	Up to $500 Million	**$500 Million and $1 Billion**	**Exceeding $1 Billion**
Administration Fees	0.06%	0.04%	0.02%
	Up to $100 Million	**Exceeding $100 Million**	
Accounting Fees	0.03%	0.01%	

Under the terms of the Administration Agreement, the Company will pay for fund administration services a minimum fee of $40,000 per annum, not to be aggregated with fees for fund accounting services. The Company will pay a minimum monthly fee of $3,000 for fund accounting services for the Fund, not to be aggregated with fees for fund administration services.

No officer, director or employee of Tweedy, Browne, the Administrator 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 Fund pays each director who is not an officer, director or employee of Tweedy, Browne, the Administrator or any of their affiliates $8,000 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 Trust, 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 year ended March 31, 1999, Boston Safe did not waive any custody fees. First Data Investor Services Group, 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.

3. Securities Transactions

Cost of purchases and proceeds from sales of investment securities, excluding short-term investments, for the year ended March 31, 1999, aggregated $299,601,595 and $161,292,069, respectively.

At March 31, 1999, the aggregate gross unrealized appreciation for all securities, in which there was an excess of value over tax cost, was $263,849,104 and the aggregate gross unrealized depreciation for all securities, in which there was an excess of tax cost over value, was $56,848,637.

4. Capital Stock

The Company is authorized to issue one billion shares of $0.0001 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:

	Year Ended 3/31/99		Year Ended 3/31/98	
	Shares	Amount	Shares	Amount
Sold	24,992,421	$560,483,799	29,306,959	$598,418,949
Reinvested	771,582	17,467,680	854,761	17,761,820
Redeemed	(21,518,449)	(473,625,564)	(7,390,306)	(151,051,060)
Net Increase	4,245,554	$104,325,915	22,771,414	$465,129,709

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. At March 31, 1999, all such costs have been fully amortized.

6. Line of Credit

Effective October 1, 1996, the Company and Mellon Trust, N.A. have entered into a Line of Credit Agreement (the "Agreement") which provides the Fund and the Tweedy, Browne Global Value Fund with a $50 million line of credit, primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. The Fund may borrow up to one-third of its net assets; however, the total credit available to the Fund and the Tweedy, Browne Global Value Fund is $50 million. Interest is payable at the bank's Money Market Rate plus 0.75% on an annualized basis. Under the Agreement, the Fund and the Tweedy, Browne Global Value Fund pay a facility fee equal to 0.10% annually of the unutilized credit. The Agreement requires, among other provisions, the Fund to maintain a ratio of net assets (not including funds borrowed pursuant to the Agreement) to aggregated amount of indebtedness pursuant to the Agreement of no less than three to one. For the year ended March 31, 1999, the Fund did not borrow under this Agreement.

Report of Ernst & Young LLP, Independent Auditors

To the Shareholders and Board of Directors of
Tweedy, Browne Fund Inc.:

We have audited the accompanying statement of assets and liablities, including the portfolio of investments and the schedule of forward exchange contracts, of Tweedy, Browne American Value Fund (the "Fund") (a series of Tweedy, Browne Fund Inc.) as of March 31, 1999, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of March 31, 1999, by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Tweedy, Browne American Value Fund, a series of Tweedy, Browne Fund Inc., at March 31, 1999, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and financial highlights for each of the five years in the period then ended, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Boston, Massachusetts
May 7, 1999

Tax Information (unaudited)

Year Ended March 31, 1999

For the fiscal year ended March 31, 1999, the amount of long-term capital gain designated by the Fund was $10,442,851, which is taxable as a 20% rate gain for Federal income tax purposes.

Of the ordinary income (including short-term capital gain) distributions made by the Fund during the fiscal year ended March 31, 1999, 76.68% qualify for the dividend received deduction available to corporate shareholders.

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