TWEEDY, BROWNE GLOBAL VALUE FUND

SEMI-ANNUAL

SEPTEMBER 30, 1999

TWEEDY, BROWNE AMERICAN VALUE FUND

TWEEDY, BROWNE FUND INC.
350 Park Avenue, NY, NY 10022
800-432-4789

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 semi-annual report for Tweedy, Browne Global Value Fund and Tweedy, Browne American Value Fund for the six months ended September 30, 1999. Investment results for both the past six months and twelve months present something of a mixed bag. Results of the Global Value Fund have been good on an absolute basis and relative to the relevant stock market indexes. Although the American Value Fund did better than the S&P 500 for the six-month period, it trails the Index by a wide margin over the twelve-month period. Our compounded annual return* for various periods ended September 30, 1999 and that of the indexes to which we compare ourselves is set forth in the following charts:

	Tweedy, Browne Global Value	MSCI EAFE[1] US $	MSCI EAFE[1] Hedged	Morningstar World Stock Funds Average[2]	Morningstar Foreign Stock Funds Average[3]
6 Months	13.33%	7.04%	5.58%	7.15%	11.04%
1 Year	41.60	30.95	32.70	28.33	31.80
3 Years	20.65	10.43	15.29	12.41	11.25
5 Years	16.72	9.12	13.48	12.03	9.26
Since Inception[9]	16.85	9.57	11.95	12.70	10.79

	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]
6 Months	4.06%	0.36%	4.57%	8.25%	2.23%	4.19%
1 Year	16.93	27.79	25.49	19.07	14.07	27.14
3 Years	19.24	25.09	17.81	8.70	11.43	15.81
5 Years	20.17	25.03	18.59	12.39	14.30	17.89
Since Inception[9]	17.65	21.64	16.44	11.18	12.62	15.74

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

The results of the Global Value Fund were helped in large measure by our investments in Japan and to a lesser extent in Hong Kong and Singapore. A year ago it was hard to find someone on the international investment scene who had anything nice to say about either Japan or Hong Kong. The economic uncertainties facing both were enough to scare off most investors. However, given our rather myopic approach to investing, whereby we focus on the values offered in individual stocks and not the macro-economic situation, we made fairly significant investments in all of these markets. And although we found many compelling values, this did not prevent many of these stocks from becoming even more undervalued. For example, in March of 1998, we found Shinki Company, a small business and consumer loan company selling at about 10x estimated earnings for its 1999 fiscal year end. On a stock split adjusted basis, the shares were selling for 1,025 Yen, down from a three-year high of 1,750 Yen. Six months later, the stock was at 650

* 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.

Yen. During the Asian financial crisis of last year, the stock got as low as 280 Yen. Fluctuations of this sort would scare off almost any rational investor. However, nothing fundamental had happened to the business. Actual earnings per share for Shinki's fiscal year ended March 31, 1999 came in higher than expected at 127 Yen. Next year's earnings estimates are for 150 Yen per share. As of September 30, 1999, the market price was 4,640 Yen per share. We had a similar experience with Takefuji Corp., another consumer lender, which was selling for 5,330 Yen when we found it in late 1997 and went as low as 4,600 Yen. At September 30, 1999, the shares closed at 17,730 Yen. (When we found it, the market capitalization of Takefuji was $6 billion, while Shinki was only $370 million. We are not constrained by market cap.) Another example is Mandom Corp., a $260 million market cap company that makes men's hair care products. When we found this company two years ago, the shares were trading at 1,300 Yen with 406 Yen per share of excess cash and rising earnings. Adjusting the price/earnings ratio for the excess cash, the shares were selling for 11x earnings. Again, during the Asian financial crisis, the stock got as low as 730 Yen. As of September 30, 1999, the shares closed at 3,900 Yen.

The speed with which stock prices rise or fall can be startling. Stock market sentiment is highly fickle and prone to rapid change. Although we suffered unrealized losses on our investments in Japan almost from the time we started buying Japanese stocks up through the end of 1998, we have been amply rewarded this year. If we had not accumulated our positions over a relatively long period of time, we probably would not have managed to "get in" as significantly as we did had we begun the process just after the Japanese stock market started to recover. This is especially true given the number of small and medium cap companies we bought where the values were the most compelling. In late 1997, we discovered Wing Hang Bank, a small Hong Kong bank with a market cap of $680 million at its price then of HK$17.90. In the ensuing year, the stock went as low as HK$6.65 and we bought a reasonably large position at an average cost of HK$12.93. By September 30, 1999 the stock was selling for HK$20.60, less than 10x next year's earnings. In June of 1998, we found Singapore Press Holdings, a monopoly newspaper company with holdings in cable television and cellular phones, selling for a reasonable earnings multiple of 15x at a price of SP$12.90. Again, in the Asian financial crisis of 1998, the shares sank like a lead balloon. We eventually acquired a fairly significant position at an average cost of SP$13.58. As of September 30, 1999, the stock closed at SP$26.80.

These stocks are representative of many investments we made in Asia, many of which have provided excellent returns, and many of which have not yet done so. However, rather than attempt to determine when an out of favor stock market will return to favor, which we readily acknowledge we cannot do, we try to find cheap stocks that we are comfortable owning even if they get cheaper, or even if some financial crisis occurs such as the "Asian meltdown" of last fall. Finally, the picture in Japan is showing signs of improvement. The Prime Minister, Mr. Keizo Obuchi, seems to have embraced supply side economics by pushing through tax cuts for businesses and individuals, and proposing solutions to Japan's underfunded pension system. With the Nobel Prize in Economics having been recently awarded to a supply side economist, Robert Mundell of Columbia University, Mr. Obuchi may be able to strengthen the case for his reforms.

Investments in countries along the Pacific Rim total 35.1% of net assets of the Global Value Fund, with Japan accounting for 22.5%. Europe remains the largest area of investment at 45.8% of net assets. European stock markets present another mixed bag of results. Sweden is up substantially and France and the UK are in positive territory. However, most are in negative territory. There are positive structural changes taking place in Europe, which could have a salutary effect on stock markets. The introduction of the Euro, which went more smoothly than most expected, has given rise to a desire for companies to merge across borders. Just as the U.S. economy was highly localized several decades back, the lack of a common currency was an impediment to multi-national expansion in Europe. The level of merger activity in Europe is up substantially, and unfriendly acquisition bids are becoming commonplace on the Continent, which would have been unthinkable a few years back. There is also a movement to standardize securities laws, especially as they relate to takeovers, which can only be positive for shareholders. Although the bad news is that most of Europe is way behind the U.S. in terms of corporate restructuring and consolidation, the good news is that it is beginning and, once underway, it will be impossible to reverse.

The relative underperformance of the American Value Fund, as compared to the S&P 500, over the past year is the result of having no investments in technology stocks. Despite not owning technology stocks, we have been able to compound the American Value Fund's net asset value at 20.17% annualized over the past 5 years. (See page 2 for historical performance information.) Technology stocks now account for 25% of the S&P 500 Index, up from 10% just five years ago. This is the greatest concentration of the Index in any one industry since the oil stocks accounted for a similar 25% in the early 1980s. On a calendar year basis, through the nine months ended September 30, 1999, the S&P 500 Index would have been down were it not for technology stocks. Again, on a calendar year basis (this being the only time period for which we have data) more than half of the stocks in the S&P 500 are down for the nine months ended September 30, 1999 and more than 35% of them are down more than 10%.

Some of our stocks are down, too. For example, in April we first considered buying shares of Quorum Health Group, Inc. when the stock was selling for just under $11.00 per share. The company is the largest contract manager of not-for-profit hospitals and owns and operates other hospitals directly. We first noticed the company because of significant insider buying. The chairman, who is highly respected in the hospital management industry, spent tens of millions of dollars buying stock in the open market. Earnings in the current year were expected to decline due to some operational problems at several newly acquired hospitals, but the P/E was still a reasonable 11x after the decline. We estimate the sell out value of the company at $16 to $17 per share based on comparable acquisitions. The stock was also at a modest 1.3x book value. All these facts did not prevent the stock price from declining to a low of $5 5/16 in the ensuing months. We bought a small amount of stock at $12.30 per share and bought more as the price declined. Our current position of approximately 1.5 million shares was acquired at an average price of $9.03 per share. We still think there is significant value here, well in excess of the current price, but unfortunately we have no control over what the stock market thinks for now.

Some stock market pundits are saying we are in the early-to-middle stages of a bear market, but because of technology stocks, it is not reflected in the indexes. While we have no opinion about whether we are in a bear market or a bull market, the fact that the average stock is lower provides some comfort that stock valuations in general are not excessive. The rise of technology shares is what the industry calls narrowness, and this market is particularly narrow at this stage. According to Dr. Edward Yardeni, chief economist for Deutsche Banc Alex. Brown, only seven stocks account for 15% of the S&P 500 Index. Dr. Yardeni calls these stocks "The Magnificent Seven." They are IBM, Intel, Cisco, Microsoft, Lucent, Dell and America Online. The combined market capitalization of these companies has increased 314% since the end of 1996 through September 30, 1999 while their combined earnings has increased 157%. What this means is that while earnings growth has been substantial, the group of seven stocks has been more than adequately rewarded with a doubling of its price/earnings ratio. Based on trailing earnings, the price/earnings ratio of the group is about 65x. Investment capital always flows disproportionately into whichever group of stocks has performed best in the recent past until valuations get so high that there is no room in their pricing for the disappointments that inevitably occur.

We are not predicting that these companies' stocks must inevitably tumble (tumble is a softer, less scary word than crash), but we are saying that, from a value investor's perspective, there is not much appeal. A table from *Dun's Review*, reprinted in Byron Wein's Strategy and Economics column for Morgan Stanley, shows 23 "Glamour Stocks" of 1967-1968, which included seven computer stocks, seven technology stocks, and nine conglomerates. At their peak during that two-year period, the average price/earnings ratio was 103x. By 1970, the average price decline from the peak for these stocks was 88% and individual declines ranged from a low of 80% to a high of 96%. Obviously, in the 1967-1968 period the stock market loved these stocks. They could do no wrong and were expected to continue to grow and reward their shareholders. Predicting the future beyond the inevitability of death and taxes is a risky business.

Not all value stocks were without some favorable event surprises. We experienced an increase in takeover activity in the stocks we own over the past six months. In February 1999, we bought shares of Republic New York Corp., a bank, for an average cost of $39.00 per share. On May 10, 1999 the company announced it would be acquired by HSBC Corp. for $72.00 per share. Our position in Pinkerton's Inc., with an average cost of $19.20 per share, was acquired for $29.00 per share. Other companies in the portfolio that were acquired or are pending completion of an acquisition are O'Sullivan Corp., O'Sullivan Industries, Pilgrim Capital, Standard Products and Fingerhut Company among others.

In an ideal world, we would all love to own shares in companies that will continue to grow forever, or maybe for 30 years or so. We are all envious of those individuals who bought Microsoft or Walmart on the day they became public companies. If you hung onto your shares, you have been richly rewarded. However, are Microsoft and Walmart the exception, and will they continue to grow at the rates they have in the past? We recently completed a study of how companies with great ten year records as of December 31, 1990 did in the subsequent seven years. We wanted to see if past performance was predictive of future growth in earnings and intrinsic value. The study addresses whether or not an excellent corporate track record, as measured by a high average return on equity over the past ten years, predicts excellent corporate results in the future. A high average return on equity over a long period of time, such as ten years, conveys information about the nature of a business and suggests that the business has some kind of competitive advantage such as lower costs, uniqueness of products, etc., that has enabled the company to sustain high returns.

In our study, we ranked all industrial and financial companies in the Compustat database (utilities were excluded) with market capitalizations greater than $100 million on December 31, 1990 on the basis of return on equity over the previous ten years, and arranged them into ten equal groups, or deciles. Of the companies in the top decile; i.e., those with the highest historic return on equity, 54 were still independent companies in 1997. Over the 1980-1990 period, these 54 companies had an average return on equity of 29.1%. The average return on equity in 1990 for these 54 companies was an outstanding 41.9%. Over the ten year 1980-1990 period, these 54 highly successful companies had enjoyed an average compounded earnings per share growth rate of 18.5%. Over the next seven years through 1997, the performance of these 54 companies presents a very mixed picture. One-third (18) of the 54 companies reported lower earnings per share in 1997 than in 1990. Another 14 companies, 26% of the group, had earnings per share growth rates of 7% or less. Only 10 companies, 19% of the group, had earnings per share growth rates of greater than 15%, which average was 21.2%. A similar pattern is evident when growth is measured in terms of "intrinsic value," which we define as 10x EBIT (earnings before interest and taxes) before adding back excess cash and subtracting corporate debt.

Whatever the competitive advantage was that enabled these companies to produce superior returns on equity and superior earnings per share growth rates in the 1980-1990 period, it was not sustained, on average, over the next seven years. Past financial results were not able to predict future financial results. Others have made similar studies with similar results. On average, the performance of the "best companies" tends to revert to the mean. Moreover, companies that were in the lowest category of ten-year, 1980-1990 average return on equity, had a similar distribution of good to poor subsequent seven-year earnings per share growth rates in the 1990-1997 period as the companies with the best ten year, 1980-1990, average returns on equity. Many companies with poor return on equity track records perked up and produced significant earnings increases, and many companies with excellent return on equity track records stumbled and experienced a large decline in earnings.

You may say these are just statistics without the benefit of analysts' research. A good analyst should be able to predict future earnings and guide the investor into a portfolio of the companies that will continue to outperform. Another study, *Returns to Contrarian Investment Strategies: Tests of Naive Expectations Hypotheses* by Patricia M. Dechow and Richard G. Sloan in the January 1, 1997 issue of *Journal of Financial Economics* tests the forecasting abilities of security analysts. More than 23,000 five-year forecasts of earnings per share growth rates by analysts were ranked into deciles by rate of growth and compared to what actually happened. In every decile the analysts predictions were overly optimistic, with the degree of over optimism rising in a linear relationship from worst to best performing. For the companies predicted to perform best, the analysts' prediction was for a growth rate in earnings per share of 36.2%. The actual rate of EPS growth came in at 13.4%, meaning the analysts missed the mark by 22.8 percentage points. The only other group whose predictions are this far off the mark and remain employed are weathermen.

The difficulty for us in owning technology stocks is the extremely high valuations that are put on them. We do not see any "margin of safety" as Ben Graham would say. And these high valuations are based on analysts' predictions of high future earnings growth, about which we are at best skeptical. The evidence suggests that, on average, high returns on equity and high growth rates are not sustainable. Technology has the additional risk of obsolescence. Of the fourteen computer and technology stocks that were the glamour issues of 1967-1968, presented by Byron Wein and referred to above, only one is in existence today. Recently, a smart friend of ours attended a technology conference sponsored by Montgomery Securities, a leading brokerage and investment banking firm in this field. He was quite excited about the changes coming down the road from technology and the growth of the Internet. "I don't know who is going to own the wire connecting me to the world, but it sure is exciting," he said. When we asked how one would turn that into an investment strategy, his response was that he did not have a clue. Which company or companies will be the winners in this new wired world may be too difficult to predict. Getting it right may be more a matter of luck than skill or intelligence. If companies whose stocks sell for 50 to 100 times earnings, or an infinite multiple because they have not yet entered the earnings phase of their business model, fail to meet these predictions, the financial consequences to stockholders can be devastating. We are afraid we have to pass.

The run up in technology stocks has been a fairly recent phenomenon. This is called "skewing," which means that portfolio or even stock index returns can come from a small percentage of issues. The group or groups of stocks that outperform the overall market is constantly changing, which is why certain investment styles may underperform at certain times. We recently read the June 30, 1999 shareholder report of Sequoia Fund, which is run by a group of folks for whom we have the highest respect. We would describe their investment style as value with a bias toward better businesses whose intrinsic values are likely to grow over time. Like us, they own no technology stocks. As of June 30, 1999 Sequoia Fund was down 3.8%, as compared to a gain of 12.4% for the S&P 500. According to the Sequoia Fund, over its 29-year history, it has returned over 12,500% as compared to a gain of 4,900% for the S&P 500. By producing an average compounded annual return of 18.1% over the 29-year period, which was 3.7 percentage points higher than the S&P 500's 14.4% average annual return, Sequoia generated 7,600% more wealth for its shareholders than the wealth that was generated by the S&P 500. A $1 million initial investment in the Sequoia Fund 29 years ago would have grown to $126 million. The same initial investment in the S&P 500 would have grown to $50 million over the 29-year period. Congratulations! However, the Sequoia Fund underperformed the S&P 500 Index in 12 of those 29 years, or 41% of the time. We, and the folks at Sequoia, reach a similar conclusion: if you are consistent in your approach to investing, you do not have to outperform every year in order to outperform in the long run.

Based on our research of long-run investment success, we accept that we will not outperform in each and every period. That's not our goal, because that goal is unrealistic. Our goal is to produce wealth in excess of that produced by index funds by outperforming index returns, on average, over a very long measurement period, such as 20 years. As the Sequoia Fund track record shows, there can be a very large payoff from selecting an investment manager and a strategy that provides value above the index return over the long run. Seemingly small average annual return differences, compounded over a long period of time, will result in significant differences in the amount of money at the end of the period. Little advantages, little edges, really add up over time.

FUTURE INVESTMENT RETURNS: WHAT TO EXPECT

What is the future pattern of investment returns likely to be for Tweedy, Browne American Value Fund and Tweedy, Browne Global Value Fund? To gain perspective and understanding on this question and the whole topic of investment return expectations and measurement, we urge you to read our report, *Is Underperforming an Index 30% to 40% of the Time a Normal Part of Long-Run Investment Success? What We Learned from an Examination of the Year-by-Year Results for Nine Value-Oriented Investment Managers with Index Beating Long-Term Records*, which is part of the booklet entitled **10 Ways To Beat An Index.** You may have already received this booklet. (It is available in the Investment Research and Reports Section of our website, *www.tweedy.com*, or call us at (800) 432-4789 if you would like us to send a copy to you.) Our conclusion, based on the research that is described in this report, is perhaps a little hard to take, a little bit of a "cold shower." To gain the extra wealth that can be provided by outperforming an index, on average, over a long period of time, an investor should expect to have relatively crummy investment results compared to an index in 30% to 40% of the years. Therefore, over a 20-year period, we think you can expect 12 to 14 relatively good years and 6 to 8 crummy ones, relative to an index, and it is quite possible that several crummy years will be lumped together, not evenly sprinkled over time. Our research indicates that underperforming years, which have often caused investors to abandon a perfectly sensible long run investment program, are likely to be followed by good years. The investors who quit endured the pain, but did not reap the gain. Many of the relatively poor years in comparison to index returns could still be positive years where your wealth increases, but just not by as much as the wealth increase provided by index returns. Beating the index in 60% to 70% of the years means winning 1.5x to 2.33x as often as the index. In other words, the index loses 60% to 70% of the time versus investment strategies that have succeeded over the long run. This is about what we think you can expect from an investment program that works well in the future. Value investment managers who have generated significant wealth above index returns have performed pretty well, winning 60% to 70% of the time, but this is far from the near perfection that many consultants and other judges of investment performance seem to expect. It brings to mind the saying, "The perfect is the enemy of the good."

One topic we do spend a lot of time thinking about is risk. By this we do not mean the short-term risk that stock markets can go down, which they invariably do. However, they have always come back. If ever stock markets did not "come back," it would probably mean a revolution has taken place and all property has been confiscated by the government (as opposed to the partial confiscation by way of taxes), or that thermo-nuclear war has returned mankind to the stone age. We have always been optimists in the long run and it has served us well. As we write this letter, the U.S. stock market is wavering between a "correction" as they call it and maybe a bear market. And there are bulls and bears on both sides of the argument. What is perfectly clear if you listen to all this discussion, is that nothing is clear. If it were, the stock market would immediately adjust to whatever level was appropriate for the economic conditions. We think about risk on a stock-by-stock basis. At a given price, is it probable (after all, anything is possible) that we will not eventually get our money back if the overall market declines, or if specific predictions about a company's future do not come to fruition? When there is an overall decline in stock prices, the most overpriced stocks tend to fare the worst. We have seen enough bubbles burst to not want to be around those issues. The only emotion that gets stocks to crazy levels is excessive, blind enthusiasm. When that enthusiasm fades, there is no one to support those stocks.

We prefer to think in terms of whether there is a natural buyer for the entire company at a price greater than the current market price of the shares.

Ben Graham taught us to think of shares of stock as fractional interests in a business. He further taught us to buy those "fractional interests" at a discount to the value of the entire business, or what he called intrinsic value. The discount from intrinsic value he called his "margin of safety," We have difficulty determining the intrinsic value of technology companies or internet stocks, and do not buy into the emergence of a "new paradigm" for valuing businesses. If we cannot get our margin of safety from the hard assets of a business, we make appraisals of on-going businesses, compare them to similar businesses that have been acquired in the past, and finally compare each business to the price of its stock. We also look for businesses we can understand, where we do not believe that some new invention could knock them out overnight. Again, this makes technology a tough call for us. Warren Buffett has succeeded nicely without owning technology stocks, and so have we.

We also tend to avoid companies that are leveraged; i.e., owing too much money relative to their assets or earning power. When you borrow money, you get in bed with a partner whose goals may ultimately differ from yours, or whose view of the future may change, forcing you to do things you might not otherwise do, or even go bankrupt. Liquidity means freedom to pursue your business plan and think long term. It also provides downside protection to the investor. Some pretty good businesses have gone into Chapter 11 because they did not have the financial resources to hold out until conditions improved.

However, even with all this downside protection, we can still be hit by unfavorable event surprises. Even GEICO, which probably has the safest drivers, as a group, of all the automobile insurers, cannot avoid some accidents. Just as GEICO avoids most, but not all, accidents by insuring lots of drivers, we avoid most, but not all, investment "crackups" through diversification. Generally, we do not invest more than 3% of our assets in any one stock so that in the event something negative arises that we did not foresee, the impact on our portfolio is not so great because we have enough other assets working for us to restore our net worth. At Tweedy, Browne, we like diversification, not only because it reduces risk, but because it also increases the probability, through the law of large numbers, that our investment philosophy will work. In any portfolio, all stocks do not rise or fall equally in any given period. Returns are often concentrated in a few issues which outperform the rest of the portfolio. That is exactly what happened this past year to the S&P 500. Nearly all the gains were concentrated in a handful of stocks. The same happens in any actively managed portfolio.

Diversification also provides protection against the very human tendency, shared by many investment analysts and portfolio managers, to over estimate one's own abilities. Behavioral psychologists call this the "overconfidence factor." Numerous studies have demonstrated man's consistent tendency to overestimate his abilities. More than 90% of all Swedish drivers in one survey rated their driving ability above average. A similar survey of trial lawyers found 68% believed they would win their case at trial. Most money managers believe the investment decisions they make will add value over an index despite the fact that the S&P 500 Index beats 80% to 90% of the managers. We have all heard stories about investors who bet most of their money on a "sure thing" and lost. Diversification can be very forgiving.

Kenneth Fisher illustrated the investment advantages of diversification in an article in **Forbes** magazine in 1996 entitled *Why the Rich Get (Relatively) Poorer.* When the first Forbes 400 list was compiled, it took about $100 million to make the cut. Fifteen years later, it took $415 million, a rate of compounding of about 10%. Theoretically, this should have been relatively easy to accomplish, as the S&P 500 compounded at a rate of 15.6% over the same period. However, even allowing for deaths, precious few of the original 400 remained on the list. The reason, as Fisher sees it, is that most big wealth is made in concentrated investments. If these investments are not performing well, there are not other assets with "positive surprises" to offset the investments that have turned cold. Mathematicians refer to the tendency of a relatively few winners to dominate the investment returns of a portfolio comprised of many issues as "skewness," which we discussed above relative to the S&P 500. Fisher found that the lack of diversification of the super rich, and thus the lack of its companion advantage, skewness, resulted in the concentrated investors of the Forbes 400 list having relatively poor investment returns. (While few among us will shed tears for these hapless souls, we should thank them for providing us more common folk with an important lesson.)

Most wealth in this country was made through concentrated investments. Just look at Bill Gates and his fellow Microsoft founders. Warren Buffett may be more of an exception. Although his wealth is concentrated in Berkshire Hathaway, Berky (as it is fondly called) is itself rather diversified. It has also been a real wealth builder, perhaps creating one of the largest millionaires' clubs in the country. However, even Warren Buffett has made mistakes, such as his purchase in 1986 of *World Book Encyclopedia.* This is a classic example of how competing technologies can erode and even destroy a company. In 1986, *World Book Encyclopedias* sold for $650 to $850 a set. The acknowledged leader in the industry, *Encyclopedia Britannica,* sold for $1600 per set. In 1992, Microsoft decided to enter the encyclopedia business and came out with the CD version of *Funk and Wagnalls*, a second-tier encyclopedia that had been reduced to selling through supermarkets. Microsoft sold its version for $49.95. At that price, consumers were willing to settle for a lesser encyclopedia, and sales of *World Book* and *Britannica* went into a tailspin. However, the impact on Berkshire Hathaway was barely noticed because the success of other investments, such as GEICO Insurance, The Washington Post Company and Coca-Cola, more than made up for the loss of value at *World Book*. Berky's returns were skewed with greater success than most other companies.

In a hypothetical example of skewness, let us assume that an investor buys $100 of each of three stocks and holds them for 20 years. Stock A is a real winner and compounds at 20% per year. Stock B does OK at 10% compounded per year. Stock C goes belly-up, producing a total loss. The following table shows the "performance" of the portfolio:

Stock	**20-Year Investment Return**	**Initial Investment**	**Value of Investment at end of 20-Year Period**
A	20% gain per year	$100	$3,833.76
B	10% gain per year	100	672.75
C	100% loss	100	0.00
	Total	$300	$4,506.51

Despite the total loss on one-third of the portfolio, the success of the winner far outweighed this loss. By owning many stocks, not just a few, a diversified portfolio will tend to own some winners that, through skewness, can greatly offset the effect of losers and enhance overall portfolio returns.

Berkshire Hathaway has further enhanced shareholder value through tax efficient long-term ownership of its investments. We are continually amazed at the very high average portfolio turnover* rates of mutual funds, which leads us to conclude that the average fund manager does not take into consideration the effect of taxes on investment returns for tax paying individuals. At Tweedy, Browne, we are highly conscious of the effect of taxes on after-tax returns. For us the most stressful day of the year is not when the stock market tumbles a few hundred points, but April 15. We almost consider it a national day of mourning. In the tables below, we show the effect of various portfolio turnover rates on a theoretical investment of $1 million that compounds at 15% and 20% over a 20-year period, assuming capital gains tax rates of 20% at the Federal level and 7% (after the Federal deduction) at the State and local level, or a 27% total capital gains tax rate.

* "Turnover" is the percentage of a portfolio that is sold and then reinvested within the measuring period. For example, a portfolio worth $100 million, in which $85 million worth of stocks are sold and the proceeds are reinvested in other stocks within the measuring period, has 85% turnover.

$1,000,000 Initial Investment Compounded at a 15% and 20% Pre-Tax Annual Rate of Return Over a 20-Year Period, Assuming a 27% Tax Rate on All Realized Gains

Pre-Tax Rate of Return	Annual Turnover	Value of $1,000,000 Initial Investment at the End of 20 Years	After-Tax Rate of Return
15%	—0—	$16,366,500	15.0%
15	3%	14,780,800	14.4
15	10	12,386,300	13.4
15	30	9,694,000	12.0
15	85	8,136,600	11.1
15	100	7,990,800	11.0
20	—0—	38,337,600	20.0
20	3	34,211,200	19.3
20	10	27,808,500	18.1
20	30	20,250,200	16.2
20	85	15,695,500	14.8
20	100	15,264,800	14.6

We have, over the years, invested larger portions of our portfolios in "double dip" stocks, as Warren Buffett has called them, whose underlying value tends to grow at above-average rates, which consequently raises our sell targets in tandem for these securities. The effect has been a declining portfolio turnover rate for the assets we manage. Based on certain data we found in Morningstar, an excellent resource for information on mutual funds, for the year ended June 30, 1999, the average portfolio turnover rate for 1,984 "growth" funds in our study was 124%. The average for 1,911 value funds over the same period was 97%*. Over the same period, the portfolio turnover rate

* The growth, value, and actively managed fund samples contained in our study consisted of funds with the following characteristics: (i) the growth fund sample included all equity funds from the Morningstar database that were characterized by a growth equity style and excluded funds that had more than 10% of assets invested in fixed income securities, (ii) the value fund sample included all equity funds from the Morningstar database that were characterized by a value equity style and excluded funds that had more than 10% of assets invested in fixed income securities, and (iii) the actively managed fund sample included all equity funds from the Morningstar database and excluded funds, characterized as index funds, funds with a 0% turnover ratio, and funds that had more than 10% of assets invested in fixed income securities. Morningstar does not calculate turnover ratios and culls the figures directly from the financial highlights of each fund's annual report.

for our American Value Fund was 16% and for our Global Value Fund was 23%. The American Value Fund had a lower turnover rate than 92% of the funds in our sample of 4,463 actively managed funds; the Global Value Fund was lower than 88% of the funds in the sample. What is even more amazing to us is that nearly 32% of the mutual funds in the sample have turnover rates greater than 100%, which means that investors in those funds would not even be getting the benefit of long-term capital gains tax treatment on their profits if the turnover affected all stocks in the portfolio equally.

Portfolio turnover is of no consequence to tax exempt investors such as retirement plans and charitable institutions. However, most investment money is taxable. While tax exempt investors should not care about turnover, there is no evidence to suggest that all this buying and selling improves pre-tax results. On the contrary, there is circumstantial evidence that the opposite is true. Lots of buying and selling, in addition to increasing tax costs because high-bracket taxpayers "share" anywhere from 20% to 50% of realized capital gains with Uncle Sam and the States, also increases commission costs and "market impact cost," which is the effect that large orders to purchase or sell blocks of stock can have on transaction prices.

Why do money managers engage in so much buying and selling? The industry tends to attract energetic, intelligent, well-educated and self-confident individuals who are generally highly paid. It appears that it is very difficult for individuals with these characteristics to do very little, even though the empirical data on investment performance, both pre-tax and after-tax, suggests that the best course and the most rational decision would be to sit tight and do very little. But they do not. Charles Munger, Warren Buffett's partner, has described this irrational and often lemming-like behavior of people in business as the "Institutional Imperative." Even though it may not make sense at certain times for bank loan officers to make new loans, or for a chief executive officer to acquire another company, or a fund manager to buy and sell stocks with such frequency, it is ingrained in human beings to be busy and active, to "take charge" and be "in control."

You can observe similar behavior on the part of drivers who weave in and out of lanes on the turnpike. In the investment business, behavioral psychologists have called this ingrained tendency to weave in and out of stocks the "illusion of control." Why would investment management firms want to pay high salaries to people who appear to be doing very little and who do not appear to have much control over what they are doing? Investment management firms, in general, must believe lots of activity is productive because they willingly pay for it, and high compensation ensures that they will get it. Everyone involved must believe it all makes sense. The illusion of control is shared. The words of Blaise Pascal come to mind: "All men's miseries come from their inability to sit quiet and alone."

The only thing an investment manager really controls is investment strategy or philosophy and its implementation. Investment returns are dependent on what someone else is willing to pay for the stocks you own, and over that we have no control. However, what is measured will be managed. So long as the industry applauds activity, believes it is beneficial, and so long as money managers are measured by pre-tax returns, that will be their focus. We cannot ever recall reading an article about an acclaimed hedge fund or mutual fund manager that described the taxable short and long-term gain portions of their investment returns.

The growth of e-trading in recent times does not serve to restrain money managers. John C. Bogle, founder and senior chairman of Vanguard Group, calls this phenomenon "The Wall Street Casino." Individuals are sitting at their computers day-trading stocks that they hear about in Internet chat rooms where there is no control over the quality or accuracy of information they are receiving. Many have no idea what the companies whose shares they are trading even do. And the e-brokers obviously encourage this behavior with advertisements that could often be called deceptive at best. As Mr. Bogle said in ***The New York Times***, "The sad fact is that investors today, by incurring all of these costs, are acting directly counter to their own best interests. In the long run, the best way to capture as much of the stock market's return as is possible is to buy and hold and minimize the costs of investing." Hyper-activity is not confined to individual stocks, but has also spread to mutual funds, which some individuals trade as frequently as they trade Internet stocks. This has become a problem for some funds, which have taken steps to exclude such investors by imposing redemption fees on shareholders of less than a specified duration. So far, this has not been a problem for the Tweedy, Browne Funds, and we have no intention of instituting redemption fees at this time. We prefer to think that if our investors read what we say, they will invest with us because they share our long-term view of the process.

Following are the stock price-to-book value and stock price-to-earnings characteristics as of September 30, 1999 of the portions of the Tweedy, Browne Funds that are currently held on the basis of those characteristics:

TWEEDY, BROWNE GLOBAL VALUE FUND			
Price/Book Value	0.79	Based on 20.76% of portfolio assets	Cheaper than 92% of the 7,474 stocks in the Bloomberg database with market capitalizations above $100 million in those countries where the Global Value Fund has investments
Price/Earnings	13.00x	Based on 46.55% of portfolio assets	Cheaper than 77% of the 7,474 stocks in the Bloomberg database with market capitalizations above $100 million in those countries where the Global Value Fund has investments

TWEEDY, BROWNE AMERICAN VALUE FUND			
Price/Book Value	0.75	Based on 19.46% of portfolio assets	Cheaper than 92% of the 3,609 stocks in the Bloomberg database with market capitalizations above $100 million that are based in the United States
Price/Earnings	11.40x	Based on 49.00% of portfolio assets	Cheaper than 84% of the 3,609 stocks in the Bloomberg database with market capitalizations above $100 million that are based in the United States

In both Funds, the balance of our assets is either invested in cash awaiting stock investment, or in securities that trade at a higher price-to-book value or price-to-earnings ratio because they have risen above our buy range, or because they are better businesses that deserve to trade at fundamentally higher ratios. The latter category comprises stocks that, although at higher fundamental price-to-book and price-to-earnings ratios, are still at a discount to their intrinsic value in our estimation. In many situations, we have been drawn to investment ideas because of the added value confirmation of significant insider buying. Although not a fool-proof indication of value, it is a "leading indicator" that a company's profits may be improving. Just as we hope our investors take comfort in our personal financial commitment to the investments we make on your behalf, we take comfort in the personal investment commitment the officers and directors of the companies we own make to them. As of September 30, 1999, the current Managing Directors, retired principals and their families, as well as employees of Tweedy, Browne, have more than $43.1 million invested in the Global Value Fund and $31.6 million invested in the American Value Fund.

YEAR 2000 OUTLOOK

As you have probably read in the media, the securities industry seems to be well prepared for the millenium. Industry regulators and trade organizations have mounted a coordinated effort to head off serious problems that could adversely affect the financial markets. So far, the securities industry seems to be on target with its testing and preparations for the Year 2000. Here at Tweedy, Browne, we are on target with our project plan and we believe our internal systems are Y2K compliant. In addition, we continue to monitor our critical vendors and receive periodic updates from them as to their preparedness. Although we do not feel there is anything amiss so far and industry-wide testing has not unearthed any substantial problems, we cannot provide any guarantees that all systems affecting the Funds will be free of operational difficulties. Notwithstanding the predictions from the U.S. securities regulators that it will be business as usual on January 3, 2000, we have developed a contingency plan to help us minimize any adverse consequences to our or our critical vendors' respective business processes in the event of a temporary disruption.

We recently moved our offices and our new address is 350 Park Avenue, New York, New York 10022. While we are not buyers of technology stocks, we are buyers of technology. With the transfer of information to electronic databases, we decided to move to new quarters that we could wire for the next ten years rather than risk the disruption of rewiring our old offices. After a few glitches, such as transferring telephone lines, we are now fully functioning. We hope that none of our shareholders were inconvenienced.

Sincerely,

TWEEDY, BROWNE COMPANY LLC

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

October 19, 1999

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 portfolio 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 each Fund, May 31, 1993 and November 30, 1993, respectively, was used except for the Morningstar Domestic Stock Funds Average where the closest date with data available was December 31, 1993.

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—92.2%	
	Belgium—0.1%	
2,726	Spadel SA	$ 3,307,305
3,252	Uco Textiles SA	380,703
		3,688,008
	Canada—0.7%	
72,400	Canadian Western Bank	876,740
260,700	Melcor Developments Ltd.	3,148,122
1,391,000	National Bank of Canada, Toronto	16,560,650
258,600	Shirmax Fashions Ltd.†	369,454
785,883	Westfield Minerals Ltd.†	986,430
		21,941,396
	Denmark—0.3%	
25,000	Hojgaard Holding A/S, Series A	504,660
53,250	Hojgaard Holding A/S, Series B	1,044,432
11,390	Nordvestbank	1,071,344
114,800	Unidanmark A/S, Series A	7,773,970
		10,394,406
	Finland—2.3%	
568,027	Huhtamaki Group, Class I	17,954,322
6,200	Huhtamaki Group, Class K	204,483
1,320,800	Kesko Oyj	15,883,971
286,463	Kone Corporation, Class B	37,712,196
		71,754,972
	France—2.4%	
185,919	Banque Nationale de Paris	14,829,927
28,459	Bongrain SA	10,906,524
5,229	Christian Dior SA	851,439
35,044	Compagnie Fives-Lille	3,173,853
57,700	Compagnie Lebon SA	2,886,139
35,155	Financiere Marc de Lacharriere SA	4,283,869
33,404	GFI Industries SA	813,744
5,229	LVMH Moet Hennessey	1,566,537
21,145	Mecelec SA	173,277
18,699	Precia†	252,735
69,000	PSA Peugeot Citroen	13,820,135
994,617	Rhodia SA†	21,276,271
9,340	Signaux Girod	248,005
19,893	Sylea SA	1,125,245
		76,207,700
	Germany—3.1%	
52,550	Altana AG	3,775,027
61,660	Kaufring AG	1,082,757
1,800	Krones AG	52,680
61,140	Lindner Holding KGaA	1,431,501
1,643,942	Merck KGaA	59,485,210
527,115	Moebel Walther AG	6,872,030

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Germany—(Continued)	
37,085	Sinn Leffers AG	$ 5,841,220
15,018	Springer (Axel) Verlag AG, Class A	17,101,707
		95,642,132
	Hong Kong—4.3%	
15,811,309	Asean Resources Holdings Ltd.†	1,831,921
27,889,452	CDL Hotels International Ltd.	9,514,418
24,644,000	Fountain Set Holdings	3,172,543
1,004,000	Grand Hotel Holdings Ltd.	146,052
4,602,000	Harbour Ring International Holdings	201,429
5,404,000	Jardine International Motor Holdings Ltd.	2,626,205
13,622,500	Jardine Strategic Holdings Ltd.	27,789,900
47,724,000	South China Morning Post (Holdings) Ltd.	31,947,476
38,014,000	Swire Pacific Ltd., Class B	27,894,257
9,034,500	Wing Hang Bank Ltd.	30,239,447
		135,363,648
	Ireland—1.4%	
2,733,087	Crean (James) PLC	1,236,192
7,252,955	Independent News & Media PLC	38,208,833
2,733,087	OakHill Group PLC†	1,396,170
1,105,000	Unidare PLC	2,440,192
		43,281,387
	Italy—2.6%	
741,850	Banco di Sardegna Risp	14,392,835
472,500	Bassetti SPA	2,816,005
1,530,230	Burgo (Cartiere) SPA	12,051,248
1,156,450	Cristalleria Artistica	3,692,255
276,925	IMI SPA	3,595,552
469,862	Industrie Zignago	4,225,427
1,150,500	Maffei SPA	1,493,792
237,000	Marangoni SPA	802,083
1,782,500	Mondadori (Arnoldo) Editore SPA	31,111,215
8,072,735	Montefibre SPA	5,713,286
381,000	Vincenzo Zucchi SPA	2,732,930
		82,626,628
	Japan—22.5%	
220,000	Agro-Kanesho Company Ltd.	2,265,599
446,080	Aiful Corporation	75,797,894
625,000	Amatsuji Steel Ball Manufacturing Company	5,939,007
14,500	Belluna Company Ltd.	488,695
53,000	CCI Corporation	419,276
101,000	Charle Company	1,153,583
555,500	Chiyoda Company	4,160,464
774,040	Chofu Seisakusho Company	14,746,725
77,208	Coca-Cola West Japan Company, Ltd.	3,541,817
147,500	Cosel Company Ltd.	4,073,632
270,000	Credia Company Ltd.	9,554,838

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Japan—(Continued)	
351,000	Daido Metal Company	$ 1,189,552
1,379,000	Danto Corporation	6,545,457
526,000	Denkyosha	2,491,747
189,000	Denyo Company Ltd.	1,371,296
1,511,000	Dowa Fire & Marine Insurance Company	4,866,208
1,263,000	Fuji Coca-Cola Bottling Company	21,283,528
618,000	Fuji Photo Film Ltd.	21,117,821
1,663,000	Fujisawa Pharmaceutical Company	32,227,777
2,223,000	Fujitec Company Ltd.	29,760,708
627,000	Fukuda Denshi	14,087,909
86,000	Glory Ltd.	1,771,287
2,431,000	Hitachi Koki Company Ltd.	9,058,072
585,000	Hitachi Medical Corporation	8,045,359
48,000	Idec Izumi Corporation	661,031
126,000	Inaba Denkisangyo Company Ltd.	2,052,521
39,900	Kahma Company Ltd.	282,772
1,418,000	Kansai Paint Company Ltd.	3,982,587
150,000	Kato Sangyo Company Ltd.	1,095,352
318,000	Katsuragawa Electric Company	1,786,266
30,000	Kawasumi Laboratories, Inc.	467,631
1,591,000	Koito Manufacturing	8,653,944
241,000	Kokura Enterprise Company	1,398,867
111,000	Kosaido Company, Ltd.	2,078,360
764,000	Mandom Corporation	27,894,959
159,000	Matsumoto Yushi-Seiyaku Company	3,572,532
1,941,000	Matsushita Electric Industrial Company	41,158,686
371,000	Meito Sangyo Company	3,990,816
493,000	Morito	2,307,728
385,000	Nankai Plywood Company Ltd.	2,162,618
342,000	Nippon Broadcasting System Inc.	25,614,380
1,155,000	Nippon Cable System	16,219,632
1,060,000	Nippon Konpo Unyu Soko	8,593,924
242,500	Nissin Company Ltd.	16,187,099
409,000	Nittetsu Mining	1,221,467
552,000	Nitto FC Company	2,945,654
10,200	Osaka Steel Company Ltd.	55,195
867,000	Riken Vitamin	12,986,940
80,000	Rock Paint	681,552
452,000	Sangetsu Company Ltd.	9,690,399
232,000	Sanko Sangyo Company	2,302,298
689,960	Sanyo Shinpan Finance Company Ltd.	44,505,214
213,000	Sasakura Engineering Company Ltd.	1,451,706
760,600	Shikoku Coca-Cola Bottling	10,681,084
462,000	Shingakukai	2,076,113
461,800	Shinki Company Ltd.	20,060,404
461,800	Shinki Company Ltd., New†	21,270,945
3,501,000	Shionogi & Company Ltd.	28,646,482
452,000	SK Kaken Company Ltd.	8,632,495
712,000	Sonton Food Industry	7,065,674

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Japan—(Continued)	
73,000	Sotoh Company Ltd.	$ 423,723
56,300	Sysmex Corporation	1,950,194
351,000	Tachi-S	2,513,832
183,000	Taisei Fire & Marine Insurance Company	402,612
21,700	Takano Company Ltd.	264,101
263,200	Takefuji Corporation	43,688,021
254,000	Teikoku Hormone Manufacturing Company	1,949,913
269,000	TENMA Corporation	3,956,364
59,000	Tomita Electric Company Ltd.	202,715
387,000	Torii Company Ltd.	1,793,428
1,073,000	Torishima Pump Manufacturing	6,017,198
145,000	Toso Company Ltd.	556,570
524,000	Toyo Technical Company Ltd.	3,963,788
890,500	Tsubaki Nakashima Company Ltd.	12,071,750
232,100	Tsuchiya Home Company	869,166
793,000	U-Shin	3,801,114
356,000	Zojirushi	2,333,006
		707,151,073
	Malaysia—0.5%	
610,000	Sapura Telecommunications Berhad	266,474
5,928,000	Star Publications (Malaysia)	13,728,000
1,833,000	Tractor Malaysia Holdings Berhad	940,618
		14,935,092
	Mexico—0.0% ††	
86,000	Grupo Continental SA	103,953
	Netherlands—5.7%	
868,758	Akzo NV Ord.	36,983,021
7,250	Crown Van Gelder Gemeenschappelijk Bezit NV	102,235
747,858	European Vinyls Corporation International NV	5,571,354
1,844,388	Holdingmaatschappij de Telegraaf NV	35,920,880
1,337,173	Koninklijke Bols Wessanen NV	15,369,330
42,425	Koninklijke Grolsch NV	970,742
73,302	Koninklijke Pakhoed NV†	2,040,004
57,423	Stork NV	1,194,748
393,425	Twentsche Kabel Holding	11,430,578
739,643	Unilever NV CVA	50,063,690
1,328,705	Wegener Arcade NV	18,524,370
		178,170,952
	New Zealand—1.5%	
16,785,509	Air New Zealand Ltd.	26,915,146
5,742,400	Carter Holt Harvey Ltd.	6,920,698
3,388,000	Independent Newspaper Ltd.	12,004,235
164,600	RadioWorks New Zealand Ltd.	617,260
		46,457,339

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Norway—0.7%	
262,800	SAS Norge ASA	$ 2,561,668
1,895,300	Schibsted ASA	18,719,314
		21,280,982
	Singapore—6.3%	
6,265,500	Cycle & Carriage Ltd.	21,007,853
8,271,000	Fraser & Neave Ltd.	27,002,382
12,312,016	Overseas Union Bank Ltd.	54,679,837
3,509,000	Robinson and Company Ord.	11,455,853
3,448,800	Singapore Press Holdings Ltd.†	54,369,365
767,000	Times Publishing Ltd.	1,380,600
3,765,000	United Overseas Bank Ltd.	28,569,706
		198,465,596
	South Africa—1.2%	
3,941,770	Sappi Ltd.	38,416,251
	Spain—0.2%	
189,588	Indo Internacional SA	1,341,764
80,898	Prim SA	878,176
376,152	Unipapel SA	3,803,037
		6,022,977
	Sweden—3.4%	
149,885	BRIO AB, Class B†	823,242
204,000	Lundbergforetagen AB, Class B	2,838,521
2,049,100	Pharmacia & Upjohn Inc., Depository Shares	101,792,225
138,400	VLT AB, Class B	1,503,430
		106,957,418
	Switzerland—11.3%	
33	Bank of International Settlements America	199,948
35,328	Banque Cantonale Vaudoise	10,934,913
4,283	Bobst SA, Bearer	5,288,534
250	Bobst SA, Registered	153,931
300	Bucher Holding AG, Bearer	245,623
44,480	Compagnie Financiere Richemont AG	89,948,905
4,315	Daetwyler Holding AG, Bearer	5,974,306
85,175	Edipresse SA, Bearer	37,986,587
19,020	Forbo Holding AG	8,292,685
1,855	Golay Buchel Holding SA, Bearer	1,580,510
10,780	Helvetia Patria Holding, Registered	8,826,067
29,327	Loeb Holding AG	5,056,043
57,089	Nestle SA, Registered	107,163,003
17,027	Novartis AG, Registered	25,229,383
50,900	Safra Republic Holdings SA	2,913,799
45,175	SAirGroup, Registered	9,757,896
9,811	Sarna Kunsstoff Holding AG, Registered	10,514,351
21,161	SIG Schweizerishe	12,113,732

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Switzerland—(Continued)	
3,355	Vetropack Holding AG, Bearer	$ 381,884
19,135	Zehnder Holding, Bearer	10,482,663
4,164	Zschokke Holding AG, Registered†	1,455,169
		354,499,932
	Thailand—0.0%††	
132,300	S & J Enterprises Public Company Ltd.	102,161
	United Kingdom—11.1%	
2,006,739	Alumasc Group PLC	4,030,505
5,787,000	Arjo Wiggins Appleton PLC	18,768,453
2,147,400	Bernard Matthews PLC	4,047,876
455,000	British Mohair Holdings PLC	737,830
360,341	British Steel Ord.	915,056
639,000	Burtonwood Brewery PLC	1,814,674
11,431,603	Caradon PLC	28,700,254
3,979,658	Carclo Engineering Group PLC	10,318,940
4,708,165	Courtaulds Textiles PLC	10,890,223
7,369,666	Dowding & Mills PLC	5,641,694
1,408,668	Dyson (J&J) PLC, Class A, Non-voting	1,634,958
4,544,753	Elementis PLC	7,631,664
173,269	Ellis & Everard PLC	636,113
1,933,000	European Motor Holdings PLC	1,893,466
837,282	Folkes Group PLC	971,784
427,800	Glaxo Wellcome PLC, Units, Sponsored ADR	22,245,600
3,079,000	Glynwed International PLC	11,392,477
1,098,479	Hardys & Hansons PLC	4,222,673
3,292,056	HSBC Holdings	37,721,176
515,000	Intercare Group PLC	737,624
4,090,818	Invensys PLC	19,934,743
350,000	Johnston Group PLC	2,088,742
4,545,154	McAlpine (Alfred) PLC	17,472,066
3,356,500	Mirror Group PLC	14,809,153
1,136,045	Molins PLC	2,337,837
3,027,122	Nycomed Amersham PLC	18,364,376
584,000	Partridge Fine Art Ord.	552,827
19,750,533	Pilkington PLC	33,165,592
1,947,500	Regal Hotel Group PLC	609,172
4,562,511	Rexam PLC	19,491,715
3,493,490	Sherwood Group PLC	1,135,888
277,100	SmithKline Beecham PLC, Units, ADR	15,967,888
779,500	Swan Hill Group PLC	827,722
136,452	Thistle Hotels PLC	386,382
3,001,672	Time Products PLC	4,941,650
3,255,529	TT Group PLC	7,356,016
1,200,000	Union PLC	503,768
1,537,500	Wolverhampton & Dudley Breweries PLC	14,301,195
37,500	Young & Company's Brewery PLC, Class A	509,324
		349,709,096

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	United States—10.6%	
221,000	American Express Company	$ 29,752,125
75,700	American National Insurance Company	5,090,825
333,097	Bank One Corporation	11,595,939
514,800	Chase Manhattan Corporation	38,803,050
81,500	Coca-Cola Bottling Company	4,571,641
348,300	Comerica Inc.	17,632,688
230,400	Federal Home Loan Mortgage Corporation	11,980,800
70,000	GATX Corporation	2,174,375
200,000	Harland (John H.) Company	3,887,500
594,000	Hollinger International Inc.	7,053,750
197,100	Household International Inc.	7,908,638
704,000	MBIA Inc.	32,824,000
2,679,334	Panamerican Beverages Inc., Class A	44,376,469
319,600	Philip Morris Companies Inc.	10,926,325
460,000	PNC Bank Corporation	24,236,250
596,000	Popular Inc.	16,520,375
95,500	Standard Motor Products Inc.	1,856,282
74,100	Syms Corporation†	551,119
294,600	Transatlantic Holdings Inc.	20,695,650
20,000	Tremont Corporation	477,500
551,000	UST Inc.	16,633,314
525,000	Wells Fargo & Company	20,803,127
		330,351,742
	TOTAL COMMON STOCKS	
	(Cost $2,125,974,318)	2,893,524,841
	PREFERRED STOCKS—1.1%	
5,400	Krones AG	186,776
75,245	KSB AG	8,608,544
136,187	Moebel Walther AG	1,724,750
125,276	ProSieben Media AG	5,399,661
828,400	Unilever NV†	4,434,572
165,135	Villeroy & Boch AG	15,992,785
	TOTAL PREFERRED STOCKS	
	(Cost $44,956,141)	36,347,088
	COMMON STOCK WARRANTS—0.0%††	
	(Cost $0)	
83,343	Banque Nationale de Paris, Expires 7/15/02†	691,843

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1999 (Unaudited)

Face Value			Market Value (Note 1)
	CONVERTIBLE CORPORATE BOND—0.0%†† **(Cost $104,000)**		
JPY 9,000,000	Shikoku Coca-Cola Bottling, 2.400% due 3/29/02		$ 103,047
	COMMERCIAL PAPER—3.5% **(Cost $110,000,000)**		
$ 110,000,000	General Electric Capital Corporation, 5.600% due 10/1/99		110,000,000
	U.S. TREASURY BILLS—0.4%		
10,000,000	4.501%** due 1/6/00		9,872,500
3,000,000	4.898%** due 7/20/00		2,880,600
	TOTAL U.S. TREASURY BILLS **(Cost $12,770,492)**		12,753,100
	REPURCHASE AGREEMENT—3.1% **(Cost $96,933,000)**		
96,933,000	Agreement with Warburg Dillon Read, 5.280% dated 9/30/99, to be repurchased at $96,947,217 on 10/1/99, collateralized by $98,136,000, U.S. Treasury Notes, 6.125% due 8/15/07 (market value $98,872,020)		96,933,000
TOTAL INVESTMENTS (Cost $2,390,737,951*)		100.3 %	3,150,352,919
OTHER ASSETS AND LIABILITIES (Net)		(0.3)	(10,648,302)
NET ASSETS		100.0 %	$3,139,704,617

* *Aggregate cost for Federal tax purposes.*

** *Rate represents annualized yield at date of purchase.*

† *Non-income producing security.*

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

Abbreviations:

ADR—American Depository Receipt

JPY—Japanese Yen

Ord—Ordinary Share

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

September 30, 1999 (Unaudited)

Sector Diversification	Percentage of Net Assets	Market Value (Note 1)
COMMON STOCKS:		
Printing and Publishing	11.0%	$ 344,589,813
Financial Services	10.7	335,261,986
Banking	10.6	332,723,033
Food and Beverages	10.5	330,066,130
Pharmaceuticals	9.9	309,683,881
Manufacturing	3.9	123,065,710
Tobacco	3.4	106,582,219
Chemicals	3.1	97,267,993
Machinery	3.1	96,523,417
Forest Products	2.5	80,061,922
Consumer Non-Durables	2.5	77,958,649
Holdings	2.3	72,893,541
Autos	2.2	70,135,870
Consumer Durables	2.0	62,276,507
Retail	2.0	62,147,146
Engineering and Construction	2.0	61,348,595
Transportation	1.5	47,828,634
Insurance	1.3	39,881,362
Building Materials	1.2	39,557,516
Glass Products	1.2	37,239,731
Electronics	1.0	29,869,625
Radio	0.8	26,231,640
Textiles	0.7	22,659,299
Wholesale	0.6	19,431,524
Construction Materials	0.6	18,807,036
Leisure	0.4	11,680,695
Health Care	0.3	9,387,123
Real Estate	0.2	6,958,427
Mining and Metal Fabrication	0.2	6,338,992
Medical Research and Supplies	0.1	4,033,625
Other	0.4	11,033,200
Total Common Stocks	92.2	2,893,524,841
Preferred Stocks	1.1	36,347,088
Common Stock Warrants	0.0††	691,843
Convertible Corporate Bond	0.0††	103,047
Commercial Paper	3.5	110,000,000
U.S. Treasury Bills	0.4	12,753,100
Repurchase Agreement	3.1	96,933,000
Other Assets and Liabilities (Net)	(0.3)	(10,648,302)
Net Assets	100.0%	$3,139,704,617

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

SEE NOTES TO FINANCIAL STATEMENTS

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY			
1,500,000	Canadian Dollar	12/23/99	$ 1,023,019
2,495,222	European Economic Union Euro	10/1/99	2,655,539
1,271,102	European Economic Union Euro	10/4/99	1,353,003
347,415	Great Britain Pound Sterling	10/4/99	571,951
1,505,503	Great Britain Pound Sterling	10/5/99	2,478,520
1,433,549	Hong Kong Dollar	10/4/99	184,546
32,000,000	Hong Kong Dollar	10/20/99	4,119,177
122,093,700	Japanese Yen	10/1/99	1,143,039
2,750,490	Japanese Yen	10/4/99	25,758
8,205,378	Japanese Yen	10/5/99	76,856
7,517,384	New Zealand Dollar	10/27/99	3,890,514
1,800,000	New Zealand Dollar	11/5/99	931,853
7,530,023	Norwegian Krone	10/4/99	972,162
17,318,651	Norwegian Krone	10/5/99	2,235,901
21,966,000	South African Rand	11/12/99	3,632,379
20,160,000	South African Rand	3/29/00	3,262,204
37,000,000	Singapore Dollar	10/20/99	21,792,745
84,808,900	Swedish Krona	11/12/99	10,381,597
7,500,000	Swiss Franc	10/27/99	5,008,396
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY (Contract Amount $65,908,800)			$ 65,739,159
FORWARD EXCHANGE CONTRACTS TO SELL			
153,971	Australian Dollar	12/23/99	$ (100,724)
8,267,860	Canadian Dollar	12/23/99	(5,638,783)
2,250,750	Canadian Dollar	3/27/00	(1,538,050)
4,517,400	Canadian Dollar	3/29/00	(3,087,078)
14,504,000	Canadian Dollar	5/15/00	(9,919,476)
1,471,800	Canadian Dollar	6/5/00	(1,006,937)
4,393,800	Canadian Dollar	6/12/00	(3,006,386)
9,366,000	Danish Krona	12/23/99	(1,349,997)
49,325,500	Danish Krona	7/3/00	(7,186,501)
10,528,500	Danish Krona	9/11/00	(1,539,773)
340,696	European Economic Union Euro	10/5/99	(362,680)
14,005,616	European Economic Union Euro	10/27/99	(14,937,618)
692,594	European Economic Union Euro	10/29/99	(738,810)
23,462,883	European Economic Union Euro	11/5/99	(25,043,535)
10,029,764	European Economic Union Euro	11/12/99	(10,711,863)
4,003,750	European Economic Union Euro	11/15/99	(4,277,131)
17,009,988	European Economic Union Euro	11/22/99	(18,182,330)
17,767,622	European Economic Union Euro	12/10/99	(19,021,387)
19,649,003	European Economic Union Euro	12/23/99	(21,058,856)
8,868,601	European Economic Union Euro	12/31/99	(9,511,164)

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
2,531,815	European Economic Union Euro	1/4/00	$ (2,716,034)
9,630,684	European Economic Union Euro	1/18/00	(10,341,801)
21,620,687	European Economic Union Euro	2/11/00	(23,257,056)
39,268,184	European Economic Union Euro	2/25/00	(42,282,511)
19,715,028	European Economic Union Euro	3/27/00	(21,275,431)
16,197,246	European Economic Union Euro	3/29/00	(17,481,642)
36,281,179	European Economic Union Euro	4/13/00	(39,197,556)
27,573,529	European Economic Union Euro	4/25/00	(29,813,907)
32,189,828	European Economic Union Euro	5/8/00	(34,835,566)
22,939,989	European Economic Union Euro	5/15/00	(24,837,087)
10,144,794	European Economic Union Euro	5/22/00	(10,988,890)
27,955,607	European Economic Union Euro	6/5/00	(30,309,970)
1,414,961	European Economic Union Euro	6/12/00	(1,534,843)
43,876,027	European Economic Union Euro	6/16/00	(47,606,101)
13,216,899	European Economic Union Euro	6/23/00	(14,347,215)
42,975,838	European Economic Union Euro	7/14/00	(46,716,461)
4,637,789	European Economic Union Euro	7/24/00	(5,044,819)
1,826,484	European Economic Union Euro	8/14/00	(1,989,559)
4,585,053	European Economic Union Euro	8/21/00	(4,996,745)
4,652,028	European Economic Union Euro	8/28/00	(5,072,090)
14,174,411	European Economic Union Euro	9/11/00	(15,468,671)
306,885	Great Britain Pound Sterling	10/1/99	(505,224)
17,925,430	Great Britain Pound Sterling	10/20/99	(29,511,434)
4,866,180	Great Britain Pound Sterling	11/5/99	(8,012,008)
4,276,637	Great Britain Pound Sterling	11/15/99	(7,042,043)
3,644,094	Great Britain Pound Sterling	11/22/99	(6,000,893)
5,442,671	Great Britain Pound Sterling	12/31/99	(8,965,977)
19,680,197	Great Britain Pound Sterling	2/11/00	(32,420,148)
12,503,126	Great Britain Pound Sterling	2/25/00	(20,597,009)
12,309,965	Great Britain Pound Sterling	3/13/00	(20,278,805)
12,174,337	Great Britain Pound Sterling	3/27/00	(20,055,378)
14,729,348	Great Britain Pound Sterling	3/29/00	(24,264,042)
6,225,100	Great Britain Pound Sterling	4/13/00	(10,252,669)
12,448,649	Great Britain Pound Sterling	4/25/00	(20,498,584)
6,159,153	Great Britain Pound Sterling	5/8/00	(10,140,591)
9,332,421	Great Britain Pound Sterling	6/12/00	(15,357,794)
12,484,940	Great Britain Pound Sterling	6/16/00	(20,544,579)
12,636,634	Great Britain Pound Sterling	7/3/00	(20,789,365)
4,474,845	Great Britain Pound Sterling	7/14/00	(7,360,757)
25,345,330	Great Britain Pound Sterling	7/24/00	(41,685,310)
3,083,470	Great Britain Pound Sterling	8/21/00	(5,069,421)
9,425,663	Great Britain Pound Sterling	8/28/00	(15,494,908)
2,288,896	Great Britain Pound Sterling	9/11/00	(3,762,009)
499	Hong Kong Dollar	10/5/99	(64)

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
158,880,000	Hong Kong Dollar	10/20/99	$ (20,451,712)
56,100,100	Hong Kong Dollar	11/5/99	(7,220,439)
127,448,000	Hong Kong Dollar	11/12/99	(16,401,583)
55,548,500	Hong Kong Dollar	1/18/00	(7,139,982)
31,663,200	Hong Kong Dollar	3/6/00	(4,065,124)
94,668,000	Hong Kong Dollar	3/27/00	(12,147,886)
47,178,000	Hong Kong Dollar	4/13/00	(6,050,279)
78,345,000	Hong Kong Dollar	4/25/00	(10,041,803)
78,200,000	Hong Kong Dollar	5/8/00	(10,019,593)
31,360,800	Hong Kong Dollar	5/15/00	(4,017,172)
62,879,200	Hong Kong Dollar	6/16/00	(8,045,207)
78,491,000	Hong Kong Dollar	7/3/00	(10,036,506)
94,239,600	Hong Kong Dollar	7/14/00	(12,045,447)
31,474,000	Hong Kong Dollar	7/24/00	(4,021,461)
78,763,000	Hong Kong Dollar	8/28/00	(10,050,843)
157,408,554	Japanese Yen	10/1/99	(1,473,656)
71,706,301	Japanese Yen	10/4/99	(671,534)
71,482,749	Japanese Yen	10/5/99	(669,550)
2,235,400,000	Japanese Yen	11/12/99	(21,070,808)
466,720,000	Japanese Yen	11/15/99	(4,401,542)
2,919,000,000	Japanese Yen	12/10/99	(27,645,991)
559,500,000	Japanese Yen	12/24/99	(5,311,663)
329,130,000	Japanese Yen	1/4/00	(3,130,238)
544,050,000	Japanese Yen	2/16/00	(5,209,371)
1,275,010,000	Japanese Yen	2/25/00	(12,225,658)
7,505,550,000	Japanese Yen	3/6/00	(72,080,919)
2,684,405,000	Japanese Yen	3/13/00	(25,808,372)
2,810,250,000	Japanese Yen	3/29/00	(27,085,929)
8,651,625,000	Japanese Yen	4/17/00	(83,644,140)
4,555,800,000	Japanese Yen	4/25/00	(44,102,689)
5,568,360,000	Japanese Yen	5/1/00	(53,957,172)
1,156,400,000	Japanese Yen	5/15/00	(11,230,828)
1,761,450,000	Japanese Yen	5/22/00	(17,126,321)
4,594,800,000	Japanese Yen	6/5/00	(44,775,339)
4,037,950,000	Japanese Yen	6/12/00	(39,393,234)
1,142,200,000	Japanese Yen	6/16/00	(11,150,175)
5,763,750,000	Japanese Yen	6/23/00	(56,329,026)
1,146,300,000	Japanese Yen	7/3/00	(11,220,726)
8,038,800,000	Japanese Yen	7/14/00	(78,827,498)
672,360,000	Japanese Yen	7/24/00	(6,603,613)
652,380,000	Japanese Yen	8/14/00	(6,428,840)
3,152,550,000	Japanese Yen	8/21/00	(31,101,185)
2,843,628,000	Japanese Yen	9/11/00	(28,147,090)
7,517,384	New Zealand Dollar	10/27/99	(3,890,514)

SEE NOTES TO FINANCIAL STATEMENTS

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
6,753,497	New Zealand Dollar	11/5/99	$ (3,496,258)
9,293,680	New Zealand Dollar	11/12/99	(4,812,667)
28,790,787	New Zealand Dollar	12/23/99	(14,933,893)
3,723,008	New Zealand Dollar	3/13/00	(1,933,889)
12,025,902	New Zealand Dollar	3/27/00	(6,248,140)
8,914,245	New Zealand Dollar	5/8/00	(4,632,514)
12,151,804	New Zealand Dollar	6/12/00	(6,316,141)
1,882,176	New Zealand Dollar	7/3/00	(978,405)
9,421,519	New Zealand Dollar	7/31/00	(4,898,265)
11,738,250	Norwegian Krone	12/23/99	(1,515,102)
26,956,300	Norwegian Krone	2/11/00	(3,479,245)
23,490,000	Norwegian Krone	5/22/00	(3,032,648)
79,559,000	Norwegian Krone	8/28/00	(10,276,784)
6,328,800	Norwegian Krone	9/11/00	(817,564)
695,629	Singapore Dollar	10/5/99	(409,281)
48,300,000	Singapore Dollar	10/20/99	(28,448,367)
12,796,000	Singapore Dollar	11/5/99	(7,546,615)
16,337,000	Singapore Dollar	11/15/99	(9,644,483)
14,447,700	Singapore Dollar	11/22/99	(8,535,033)
32,456,000	Singapore Dollar	12/10/99	(19,207,531)
5,667,200	Singapore Dollar	12/23/99	(3,358,152)
29,745,000	Singapore Dollar	1/18/00	(17,659,683)
33,900,000	Singapore Dollar	2/25/00	(20,177,644)
33,740,000	Singapore Dollar	4/13/00	(20,145,713)
41,650,000	Singapore Dollar	4/28/00	(24,892,339)
16,532,000	Singapore Dollar	5/8/00	(9,886,699)
8,300,500	Singapore Dollar	5/15/00	(4,966,183)
11,554,900	Singapore Dollar	6/23/00	(6,930,360)
49,629,000	Singapore Dollar	7/14/00	(29,805,804)
13,161,600	Singapore Dollar	7/31/00	(7,912,970)
8,179,000	Singapore Dollar	8/14/00	(4,921,687)
17,148,560	Singapore Dollar	8/28/00	(10,328,186)
21,966,000	South African Rand	11/12/99	(3,632,379)
20,160,000	South African Rand	3/29/00	(3,262,204)
65,775,000	South African Rand	4/28/00	(10,598,371)
51,332,000	South African Rand	6/23/00	(8,205,528)
19,570,800	South African Rand	7/14/00	(3,119,050)
98,017,500	South African Rand	7/31/00	(15,583,261)
84,808,900	Swedish Krona	11/12/99	(10,381,597)
24,066,900	Swedish Krona	11/22/99	(2,948,256)
11,893,050	Swedish Krona	12/23/99	(1,460,280)
38,448,500	Swedish Krona	1/18/00	(4,727,760)
32,340,000	Swedish Krona	3/29/00	(3,990,894)
81,385,000	Swedish Krona	4/13/00	(10,048,898)

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
73,989,000	Swedish Krona	4/28/00	$ (9,140,815)
24,981,000	Swedish Krona	5/22/00	(3,088,995)
33,746,000	Swedish Krona	6/5/00	(4,175,003)
24,927,600	Swedish Krona	7/3/00	(3,087,229)
65,504,000	Swedish Krona	7/24/00	(8,118,884)
40,856,000	Swedish Krona	8/28/00	(5,070,498)
4,893,000	Swedish Krona	9/11/00	(607,570)
125,769	Swiss Franc	10/5/99	(83,750)
64,250,000	Swiss Franc	10/27/99	(42,905,253)
22,207,100	Swiss Franc	11/5/99	(14,845,638)
19,731,000	Swiss Franc	11/12/99	(13,201,066)
18,706,800	Swiss Franc	12/10/99	(12,556,486)
18,785,200	Swiss Franc	12/31/99	(12,639,647)
10,496,000	Swiss Franc	1/18/00	(7,076,467)
18,305,300	Swiss Franc	3/6/00	(12,407,678)
18,292,300	Swiss Franc	3/13/00	(12,408,504)
42,141,000	Swiss Franc	3/27/00	(28,630,574)
35,362,500	Swiss Franc	3/29/00	(24,030,358)
43,395,900	Swiss Franc	4/25/00	(29,569,958)
29,128,000	Swiss Franc	5/8/00	(19,873,847)
14,627,000	Swiss Franc	6/5/00	(10,008,066)
8,863,200	Swiss Franc	6/13/00	(6,069,241)
29,386,000	Swiss Franc	6/16/00	(20,128,672)
19,301,100	Swiss Franc	6/23/00	(13,230,057)
5,774,000	Swiss Franc	8/21/00	(3,981,245)
8,475,330	Swiss Franc	9/11/00	(5,856,082)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL (Contract Amount $2,480,007,007)			$(2,516,309,010)

Statement of Assets and Liabilities

September 30, 1999 (Unaudited)

ASSETS		
Investments, at value (Cost $2,390,737,951) (Note 1) *See accompanying schedule*		$3,150,352,919
Receivable for investment securities sold		246,956,596
Receivable for Fund shares sold		34,011,054
Dividends and interest receivable		10,348,969
Total Assets		3,441,669,538
LIABILITIES		
Payable for investment securities purchased	$254,952,069	
Net unrealized depreciation of forward exchange contracts (Note 1)	36,471,644	
Due to custodian	5,069,792	
Payable for Fund shares redeemed	2,444,233	
Investment advisory fee payable (Note 2)	2,028,627	
Custodian fees payable (Note 2)	349,982	
Transfer agent fees payable (Note 2)	54,174	
Accrued expenses and other payables	594,400	
Total Liabilities		301,964,921
NET ASSETS		$3,139,704,617
NET ASSETS consist of		
Undistributed net investment income		$ 33,879,717
Accumulated net realized gain on securities, forward exchange contracts and foreign currencies		119,412,321
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets		723,208,681
Par value		15,322
Paid-in capital in excess of par value		2,263,188,576
Total Net Assets		$3,139,704,617
NET ASSET VALUE, offering and redemption price per share ($3,139,704,617 ÷ 153,222,557 shares of common stock outstanding)		$20.49

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

Statement of Operations

For the Six Months Ended September 30, 1999 (Unaudited)

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $4,963,071)		$ 43,690,913
Interest (net of foreign withholding taxes of $92)		4,232,121
Total Investment Income		47,923,034
EXPENSES		
Investment advisory fee (Note 2)	$19,022,570	
Custodian fees (Note 2)	686,392	
Administration fee (Note 2)	575,478	
Transfer agent fees (Note 2)	316,962	
Legal and audit fees	83,248	
Directors' fees and expenses (Note 2)	39,712	
Other	357,531	
Total Expenses		21,081,893
NET INVESTMENT INCOME		26,841,141
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3):		
Net realized gain (loss) on:		
Securities		24,929,555
Forward exchange contracts		(17,404,124)
Foreign currencies and net other assets		(29,173)
Net realized gain on investments during the period		7,496,258
Net change in unrealized appreciation (depreciation) of:		
Securities		351,045,789
Forward exchange contracts		(34,519,208)
Foreign currencies and net other assets		91,595
Net unrealized appreciation of investments during the period		316,618,176
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		324,114,434
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$350,955,575

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

Statements of Changes in Net Assets

	Six Months Ended 9/30/99 (Unaudited)	Year Ended 3/31/99
Net investment income	$ 26,841,141	$ 31,526,397
Net realized gain on securities, forward exchange contracts and currency transactions during the period	7,496,258	197,166,019
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the period	316,618,176	(176,604,854)
Net increase in net assets resulting from operations	350,955,575	52,087,562
Distributions:		
Dividends to shareholders from net investment income	—	(51,902,775)
Distributions to shareholders from net realized gain on investments	—	(135,825,791)
Net increase in net assets from Fund share transactions (Note 4)	199,175,071	197,274,233
Net increase in net assets	550,130,646	61,633,229
NET ASSETS		
Beginning of period	2,589,573,971	2,527,940,742
End of period (including undistributed net investment income of $33,879,717 and $7,038,576, respectively)	$3,139,704,617	$2,589,573,971

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

Financial Highlights

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/99 (Unaudited)	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 period	$18.08	$18.98	$15.46	$14.28	$11.52	$12.26
Income from investment operations:						
Net investment income *(b)*	0.17	0.23	0.26	0.12	0.15	0.10
Net realized and unrealized gain (loss) on investments	2.24	0.24	4.62	2.18	2.81	(0.68)
Total from investment operations	2.41	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)	(0.12)	(0.20)	(0.16)
Net asset value, end of period	$20.49	$18.08	$18.98	$15.46	$14.28	$11.52
Total return*(c)*	13.33%	3.03%	33.09%	16.66%	25.88%	(4.74)%
Ratios/Supplemental Data:						
Net assets, end of period (in 000's)	$3,139,705	$2,589,574	$2,527,941	$1,441,210	$950,911	$655,035
Ratio of operating expenses to average net assets*(d)*	1.39%*(e)*	1.41%	1.42%	1.58%	1.60%	1.65%
Ratio of net investment income to average net assets	1.76%*(e)*	1.26%	1.05%	0.73%	1.15%	1.08%
Portfolio turnover rate	5%	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.

(e) Annualized.

SEE NOTES TO FINANCIAL STATEMENTS

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 members and retired general partners and their families, as well as employees, of Tweedy, Browne, the Investment Adviser to the Fund, have approximately $43.1 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.

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 six months ended September 30, 1999, aggregated $195,835,676 and $135,034,163, respectively.

At September 30, 1999, the aggregate gross unrealized appreciation for all securities, in which there was an excess of value over tax cost, was $914,302,566 and the aggregate gross unrealized depreciation for all securities, in which there was an excess of tax cost over value, was $154,687,598.

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:

	Six Months Ended 9/30/99		Year Ended 3/31/99	
	Shares	**Amount**	**Shares**	**Amount**
Sold	52,074,642	$1,058,914,927	68,156,263	$1,217,805,048
Reinvested	—	—	10,128,684	170,060,040
Redeemed	(42,088,435)	(859,739,856)	(68,246,032)	(1,190,590,855)
Net Increase	9,986,207	$ 199,175,071	10,038,915	$ 197,274,233

5. 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.

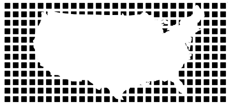
These considerations include changes in exchange rates and exchange rate controls (which may include suspension of the ability to transfer currency from a given country), costs incurred in conversions between currencies, non-negotiable brokerage commissions, less publicly available information, different 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.

6. Line of Credit

The Company and Mellon Trust, N.A. (the "Bank") entered into a Line of Credit Agreement (the "Agreement") which, as amended effective September 29, 1999, provides the Company, on behalf of the Fund and the Tweedy, Browne American Value Fund, with a $100 million line of credit (the "Commitment") primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. As a temporary measure, the Commitment has been increased to $300 million for the period December 1, 1999 through January 31, 2000. The Fund may borrow up to one-third of its net assets; provided, however, that the total Commitment available to the Fund is reduced by any borrowings of the Tweedy, Browne American Value Fund. Interest is payable at the Bank's money market rate plus 0.75% on an annualized basis. Under the Agreement, the Company pays a facility fee equal to 0.10% annually of the unutilized Commitment and, during the period December 1, 1999 through January 31, 2000, a facility fee equal to 0.11% annually of the unutilized increase in the Commitment. 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 period April 1, 1999 through September 30, 1999, the Company did not borrow, on behalf of the Fund, under the Agreement.

Portfolio of Investments

September 30, 1999 (Unaudited)



Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC—77.2%	
	Advertising—0.4%	
11,580	Grey Advertising Inc.	$ 4,255,650
	Automotive Parts—1.9%	
739,000	Dollar Thrifty Automotive Group Inc.†	15,288,063
138,800	Standard Motor Products Inc.	2,697,925
115,300	Standard Products Company	4,078,738
5,200	Woodward Governor Company	129,838
		22,194,564
	Banking—10.1%	
45,300	BancFirst Corporation	1,436,859
252,898	Bank One Corporation	8,804,012
20,400	Cape Cod Bank & Trust Company	317,475
541,814	Chase Manhattan Corporation	40,839,230
112,650	Comerica Inc.	5,702,906
4,500	Community Financial Group—Bank of Nashville	66,516
20,400	First Mortgage Corporation†	80,325
627,295	Hibernia Corporation, Class A	7,292,304
43,342	Mid-America Bancorp	1,048,335
246,700	PNC Bank Corporation	12,998,006
802,520	Popular Inc.	22,244,851
360,000	Wells Fargo & Company	14,265,000
		115,095,819
	Basic Industries—4.5%	
298,600	ACX Technologies Inc.†	2,836,700
219,200	Alamo Group Inc.	2,027,600
215,700	Gorman-Rupp Company	3,370,313
724,000	Rayonier Inc.	30,408,000
70,200	Sequa Corporation, Class A†	4,422,600
64,000	Tecumseh Products Company, Class A	3,196,000
66,100	Tecumseh Products Company, Class B	3,015,813
78,000	Tremont Corporation	1,862,250
		51,139,276
	Business and Commercial Services—2.1%	
716,000	Harland (John H.) Company	13,917,250
93,400	HUB Group Inc., Class A†	1,908,863
5,200	IIC Industries Inc.†	55,413
143,100	Primark Corporation†	4,069,406
198,000	Wallace Computer Services Inc.	4,009,500
		23,960,432
	Chemicals—1.5%	
307,000	International Specialty Products Inc.†	3,050,813
680,700	Lilly Industries Inc., Class A	9,274,538
232,900	Oil-Dri Corporation of America	3,391,606
77,500	Stepan Chemical Company	1,767,969
		17,484,926

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

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Consumer Non-Durables—6.0%	
103,900	Bairnco Corporation	$ 727,300
130,400	Coca-Cola Bottling Company	7,314,625
347,500	M & F Worldwide Corporation†	2,780,000
869,470	Philip Morris Companies Inc.	29,725,006
910,900	UST Inc.	27,497,794
57,200	Village Super Market Inc., Class A†	811,525
		68,856,250
	Consumer Services—3.2%	
249,500	Bell & Howell Company†	9,153,531
512,900	Jones Intercable Inc., Class A†	27,712,628
		36,866,159
	Electronic Equipment—0.2%	
115,000	Regal Beloit	2,386,250
	Engineering and Construction—0.9%	
107,300	Harding Lawson Associates Group Inc.†	841,634
150,500	Hovnanian Enterprises Inc., Class A†	1,166,375
22,900	Liberty Homes Inc., Class A	152,428
10,000	Liberty Homes Inc., Class B	83,125
51,300	M/I Schottenstein Homes Inc.	846,450
884,500	Oakwood Homes Corporation	3,980,250
28,837	Oriole Homes Corporation, Class B†	40,552
269,000	RDO Equipment Company, Class A†	1,782,125
158,000	Washington Homes Inc.†	829,500
		9,722,439
	Financial Services—17.6%	
382,230	American Express Company	51,457,714
980,300	Credit Acceptance Corporation†	5,835,848
789,380	Federal Home Loan Mortgage Corporation	41,047,760
446,400	Federated Investors, Inc., Class B	7,700,400
623,500	Household International Inc.	25,017,938
41,600	Kent Financial Services Inc.†	161,200
30,000	Letchworth Independent Bancshares Corporation	601,875
858,700	MBIA Inc.	40,036,888
142,000	Morgan, (J.P.) & Company Inc.	16,223,500
756,000	Phoenix Duff & Phelps Corporation	6,331,500
109,030	ReliaStar Financial Corporation	3,625,248
29,800	Value Line Inc.	1,041,138
39,004	Whitney Holding Corporation	1,323,698
		200,404,707
	Food and Beverages—1.4%	
950,050	Panamerican Beverages Inc., Class A	15,735,203

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Furniture—1.2%	
29,900	Flexsteel Industries Inc.	$ 408,322
212,600	HON Industries Inc.	4,092,550
598,400	O' Sullivan Industries Holdings Inc.†	8,976,000
		13,476,872
	Health Care—2.0%	
158,500	Angelica Corporation	1,822,750
33,412	Johnson & Johnson	3,069,728
1,555,000	Quorum Health Group, Inc.†	10,909,297
269,800	Sola International Inc.	4,181,900
155,500	Spacelabs Medical Inc.†	2,342,219
10,666	Wyant Corporation†	18,666
		22,344,560
	Insurance—8.7%	
408,900	20th Century Industries	7,922,438
463,500	American Annuity Group Inc.	10,023,188
77,400	American Indemnity Financial Corporation	77,400
165,125	American National Insurance Company	11,104,656
16,520	Kansas City Life Insurance Company	605,045
488,000	Leucadia National Corporation	10,248,000
21,600	Merchants Group Inc.	491,400
424,300	MMI Companies Inc.	4,640,781
110,000	National Western Life Insurance Company, Class A†	9,343,125
31,500	Navigators Group Inc.†	429,188
16,500	RLI Corporation	544,500
288,000	SCPIE Holdings Inc.	9,072,000
486,000	Transatlantic Holdings Inc.	34,141,500
		98,643,221
	Investment Companies—0.2%	
190,500	Ampal-American Israel Corporation, Class A†	1,238,250
10,000	PEC Israel Economic Corporation†	348,125
13,800	Pilgrim Capital Corporation†	392,438
		1,978,813
	Metals and Metal Products—2.1%	
685,700	ASARCO Inc.	18,385,331
88,700	Lawson Products Inc.	1,918,138
11,900	Mestek Inc.†	238,000
165,000	Schnitzer Steel Industries Inc.	2,995,781
		23,537,250
	Oil and Gas—0.3%	
41,460	Matrix Service Company†	165,840
175,200	Penn Virginia Corporation	3,640,875
		3,806,715

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—DOMESTIC	
	Printing and Publishing—0.7%	
632,100	Hollinger International Inc.	$ 7,506,188
	Real Estate—1.8%	
716,500	American Real Estate Partners L.P.†	6,224,594
596,700	Castle & Cooke Inc.†	9,174,263
85,800	Echelon International Corporation Inc.†	2,128,913
108,000	Koger Equity Inc.	1,728,000
13,200	Mays (J.W.) Inc.†	70,538
55,225	Ramco-Gershenson Properties Trust	824,923
		20,151,231
	Restaurant Chains—4.2%	
1,106,800	McDonald's Corporation	47,592,400
	Retail—1.9%	
217,000	Discount Auto Parts Inc.†	3,499,125
117,900	EZCORP Inc., Class A	615,291
54,500	Friedman's Inc., Class A	476,875
90,100	Government Technology Services Inc.†	326,613
654,000	Jan Bell Marketing Inc.†	2,002,875
130,100	Swiss Army Brands Inc.†	1,207,491
182,700	Syms Corporation†	1,358,831
824,500	Value City Department Stores Inc.†	12,367,500
		21,854,601
	Telecommunications—1.4%	
93,600	Commonwealth Telephone Enterprises Inc.†	4,115,475
280,800	RCN Corporation†	11,477,700
		15,593,175
	Transportation/Transportation Services—2.9%	
650,400	GATX Corporation	20,203,050
53,100	KLLM Transport Services Inc.†	262,181
53,600	Maritrans Inc.	274,700
800,000	Wisconsin Central Transportation Corporation†	10,925,000
34,900	XTRA Corporation†	1,387,275
		33,052,206
	TOTAL COMMON STOCKS—DOMESTIC (Cost $738,263,627)	877,638,907
	COMMON STOCKS—FOREIGN—19.8%	
	Finland—0.3%	
18,300	Huhtamaki Group, Class I	578,430
15,500	Kone Corporation, Class B	2,040,539
		2,618,969
	France—0.0%††	
900	Bongrain SA	344,913

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN	
	Hong Kong—0.3%	
1,226,080	CDL Hotels International Ltd.	$ 418,274
478,000	Jardine Strategic Holdings Ltd.	975,120
1,506,000	South China Morning Post (Holdings) Ltd.	1,008,149
525,000	Swire Pacific Ltd., Class B	385,239
182,000	Wing Hang Bank Ltd.	609,174
		3,395,956
	Ireland—0.0%††	
202,592	Crean (James) PLC	91,634
202,592	OakHill Group PLC†	103,492
		195,126
	Japan—9.8%	
56,000	Agro-Kanesho Company Ltd.	576,698
93,600	Aiful Corporation	15,904,508
67,000	Amatsuji Steel Ball Manufacturing Company	636,662
33,000	CCI Corporation	261,059
89,000	Chiyoda Company	666,573
247,700	Chofu Seisakusho Company	4,719,089
70,500	Credia Company Ltd.	2,494,874
131,000	Daido Metal Company	443,964
140,000	Danto Corporation	664,513
179,000	Denkyosha	847,952
61,000	Denyo Company Ltd.	442,588
93,000	Fuji Coca-Cola Bottling Company	1,567,196
17,000	Fuji Photo Film Company Ltd.	580,911
76,800	Fuji Photo Film Company Ltd., ADR	2,640,000
326,000	Fujitec Company Ltd.	4,364,368
293,000	Fukuda Denshi	6,583,345
206,000	Hitachi Koki Company Ltd.	767,570
78,000	Hitachi Medical Corporation	1,072,715
109,000	Inaba Denkisangyo Company Ltd.	1,775,593
16,000	Kansai Paint Company Ltd.	44,938
112,000	Katsuragawa Electric Company	629,125
130,000	Koito Manufacturing	707,110
132,000	Mandom Corporation	4,819,548
95,000	Matsumoto Yushi-Seiyaku Company	2,134,532
19,000	Matsushita Electric Industrial Company	402,893
44,000	Meito Sangyo Company	473,304
178,000	Morito	833,216
58,000	Nankai Plywood Company Ltd.	325,797
107,000	Nippon Cable System	1,502,598
118,000	Nippon Konpo Unyu Soko	956,682
48,300	Nissin Company Ltd.	3,224,070
52,000	Nitto FC Company	277,489
119,000	Riken Vitamin	1,782,521
19,000	Sangetsu Company Ltd.	407,340
31,000	Sanko Sangyo Company	307,634
130,600	Sanyo Shinpan Finance Company Ltd.	8,424,229
63,800	Shikoku Coca-Cola Bottling	895,941

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN	
	Japan—(Continued)	
54,000	Shinki Company Ltd.	$ 2,345,738
54,000	Shinki Company Ltd., New†	2,487,291
192,000	Shinogi & Company Ltd.	1,571,014
73,000	SK Kaken Company Ltd.	1,394,186
220,000	Sonton Food Industry	2,183,214
186,000	Tachi-S	1,332,115
103,700	Takefuji Corporation	17,212,947
141,000	Teikoku Hormone Manufacturing Company	1,082,432
111,000	Tomita Electric Company Ltd.	381,379
10,000	Torii Company Ltd.	46,342
162,000	Torishima Pump Manufacturing	908,468
64,000	Toso Company Ltd.	245,658
78,000	Toyo Technical Company Ltd.	590,029
188,000	Tsubaki Nakashima Company Ltd.	2,548,556
220,800	Tsuchiya Home Company	826,850
214,000	U-Shin	1,025,774
45,000	Zojirushi	294,902
		111,636,040
	Malaysia—0.1%	
485,000	Star Publications (Malaysia)	1,123,158
	Netherlands—1.6%	
218,600	Akzo Nobel NV, Sponsored ADR	9,338,319
21,000	European Vinyls Corporation International NV	156,445
36,500	Holdingmaatschappij de Telegraaf NV	710,866
107,857	Unilever NV, ADR	7,347,758
		17,553,388
	Singapore—0.3%	
264,000	Fraser & Neave Ltd.	861,882
334,149	Overseas Union Bank Ltd.	1,484,016
94,800	Robinson and Company Ord.	309,493
		2,655,391
	Spain—0.0%††	
32,000	Unipapel SA	323,532
	Sweden—3.5%	
804,300	Pharmacia & Upjohn Inc., Depository Shares	39,954,852
	Switzerland—2.3%	
3,650	Compagnie Financiere Richemont AG	7,381,149
2,000	Edipresse SA, Bearer	891,965
184,000	Nestle SA, Registered, ADR	17,269,520
10,666	Novartis AG, ADR	789,985
		26,332,619
	United Kingdom—1.6%	
315,000	Caradon PLC	790,841
274,000	Carclo Engineering Group PLC	710,460

Portfolio of Investments

September 30, 1999 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS—FOREIGN	
	United Kingdom—(Continued)	
445,000	Dowding & Mills PLC	$ 340,660
61,145	Elementis PLC	102,675
163,670	Glaxo Wellcome PLC, Units, Sponsored ADR	8,510,840
142,000	Hardys & Hansons PLC	545,863
127,383	HSBC Holdings	1,459,585
818	Invensys PLC	3,985
189,385	McAlpine (Alfred) PLC	728,017
525,631	Pilkington PLC	882,653
93,333	Rexam PLC	398,731
63,800	SmithKline Beecham PLC, Units, ADR	3,676,475
116,959	Thistle Hotels PLC	331,184
		18,481,969
	TOTAL COMMON STOCKS—FOREIGN (Cost $135,672,617)	224,615,913

Face Value		
	COMMERCIAL PAPER—1.8% (Cost $20,000,000)	
$20,000,000	General Electric Capital Corporation, 5.600% due 10/1/99	20,000,000
	U.S. TREASURY BILL—0.1% (Cost $988,427)	
1,000,000	4.501%** due 1/6/00	987,250
	REPURCHASE AGREEMENT—1.2% (Cost $14,209,000)	
14,209,000	Agreement with UBS Securities Inc., 5.280% dated 9/30/99, to be repurchased at $14,211,084 on 10/1/99, collateralized by $14,622,000 U.S. Treasury Notes, 6.125% due 11/15/27 (market value $14,494,058)	14,209,000

TOTAL INVESTMENTS (Cost $909,133,671*)	100.1%	1,137,451,070
OTHER ASSETS AND LIABILITIES (Net)	(0.1)	(1,115,151)
NET ASSETS	100.0%	$1,136,335,919

* *Aggregate cost for Federal tax purposes.*

** *Rate represents annualized yield at date of purchase.*

† *Non-income producing security.*

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

Abbreviations:

ADR—American Depository Receipt

Ord—Ordinary Shares

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

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY			
1,299,206	European Economic Union Euro	11/5/99	$ 1,386,731
5,075,350	European Economic Union Euro	12/10/99	5,433,490
2,788,699	Great Britain Pound Sterling	12/23/99	4,593,686
168,735,000	Japanese Yen	11/5/99	1,588,589
115,350,000	Japanese Yen	12/10/99	1,092,485
928,333	New Zealand Dollar	1/18/00	481,798
1,599,500	Singapore Dollar	11/5/99	943,327
1,622,800	Singapore Dollar	12/10/99	960,377
1,322,000	Singapore Dollar	1/18/00	784,875
32,084,000	Swedish Krona	12/10/99	3,935,620
5,700,000	Swedish Krona	12/23/99	699,870
2,672,400	Swiss Franc	12/10/99	1,793,785
8,050,800	Swiss Franc	12/31/99	5,416,992
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY			
(Contract Amount $29,331,458)			$ 29,111,625
FORWARD EXCHANGE CONTRACTS TO SELL			
1,299,206	European Economic Union Euro	11/5/99	$ (1,386,731)
5,075,350	European Economic Union Euro	12/10/99	(5,433,490)
840,401	European Economic Union Euro	12/23/99	(900,701)
1,792,275	European Economic Union Euro	3/27/00	(1,934,130)
9,191,176	European Economic Union Euro	4/25/00	(9,937,969)
4,788,699	Great Britain Pound Sterling	12/23/99	(7,888,188)
968,230	Great Britain Pound Sterling	1/18/00	(1,595,012)
1,537,515	Great Britain Pound Sterling	2/11/00	(2,532,824)
1,240,156	Great Britain Pound Sterling	3/6/00	(2,042,970)
306,861	Great Britain Pound Sterling	3/29/00	(505,501)
631,832	Great Britain Pound Sterling	7/3/00	(1,039,468)
1,360,965	Great Britain Pound Sterling	9/11/00	(2,236,871)
7,935,500	Hong Kong Dollar	1/18/00	(1,019,997)
5,160,675	Hong Kong Dollar	2/11/00	(662,946)
3,946,500	Hong Kong Dollar	3/29/00	(506,388)
7,832,200	Hong Kong Dollar	4/25/00	(1,003,994)
1,966,550	Hong Kong Dollar	9/11/00	(250,821)
5,684,252	Japanese Yen	10/4/99	(53,233)
1,497,000	Japanese Yen	10/5/99	(14,022)
168,735,000	Japanese Yen	11/5/99	(1,588,589)
817,320,000	Japanese Yen	12/10/99	(7,740,877)
559,500,000	Japanese Yen	12/24/99	(5,311,663)
685,503,000	Japanese Yen	2/11/00	(6,558,665)
692,820,000	Japanese Yen	3/6/00	(6,653,623)
1,679,400,000	Japanese Yen	3/27/00	(16,181,348)
337,230,000	Japanese Yen	3/29/00	(3,250,311)
1,138,950,000	Japanese Yen	4/25/00	(11,025,672)
2,238,708,000	Japanese Yen	5/1/00	(21,692,986)

SEE NOTES TO FINANCIAL STATEMENTS

Schedule of Forward Exchange Contracts

September 30, 1999 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
980,645,000	Japanese Yen	6/12/00	$ (9,566,928)
342,660,000	Japanese Yen	6/16/00	(3,345,053)
1,210,387,500	Japanese Yen	6/23/00	(11,829,096)
784,420,000	Japanese Yen	7/24/00	(7,704,215)
659,392,000	Japanese Yen	9/11/00	(6,526,861)
928,333	New Zealand Dollar	1/18/00	(481,798)
1,599,500	Singapore Dollar	11/5/99	(943,327)
1,622,800	Singapore Dollar	12/10/99	(960,377)
1,322,000	Singapore Dollar	1/18/00	(784,875)
842,150	Singapore Dollar	3/27/00	(502,293)
4,206,250	Singapore Dollar	6/12/00	(2,521,058)
32,084,000	Swedish Krona	12/10/99	(3,935,620)
13,875,225	Swedish Krona	12/23/99	(1,703,659)
24,133,500	Swedish Krona	1/4/00	(2,965,433)
15,379,400	Swedish Krona	1/18/00	(1,891,104)
27,097,350	Swedish Krona	2/11/00	(3,336,036)
20,212,500	Swedish Krona	3/29/00	(2,494,309)
40,940,000	Swedish Krona	7/24/00	(5,074,303)
16,342,400	Swedish Krona	8/28/00	(2,028,199)
2,672,400	Swiss Franc	12/10/99	(1,793,784)
8,050,800	Swiss Franc	12/31/99	(5,416,991)
10,496,000	Swiss Franc	1/18/00	(7,076,467)
8,150,400	Swiss Franc	2/11/00	(5,509,774)
3,511,750	Swiss Franc	3/27/00	(2,385,882)
2,121,750	Swiss Franc	3/29/00	(1,441,822)
1,446,530	Swiss Franc	4/25/00	(985,666)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL (Contract Amount $207,767,159)			$(214,153,920)

Statement of Assets and Liabilities

September 30, 1999 (Unaudited)

ASSETS		
Investments, at value (Cost $909,133,671) (Note 1) *See accompanying schedule*		$1,137,451,070
Cash and foreign currency (Cost $787,032)		787,022
Receivable for Fund shares sold		6,448,892
Dividends and interest receivable		1,901,861
Receivable for investment securities sold		67,230
Total Assets		1,146,656,075
LIABILITIES		
Net unrealized depreciation of forward exchange contracts (Note 1)	$6,606,594	
Payable for investment securities purchased	2,000,594	
Investment advisory fee payable (Note 2)	735,495	
Payable for Fund shares redeemed	628,745	
Custodian fees payable (Note 2)	39,126	
Transfer agent fees payable (Note 2)	29,626	
Accrued expenses and other payables	279,976	
Total Liabilities		10,320,156
NET ASSETS		$1,136,335,919
NET ASSETS consist of		
Undistributed net investment income		$ 8,993,145
Accumulated net realized gain on securities, forward exchange contracts and foreign currencies		48,245,529
Net unrealized appreciation on securities, forward exchange contracts, foreign currencies and net other assets		221,706,463
Par value		4,874
Paid-in capital in excess of par value		857,385,908
Total Net Assets		$1,136,335,919
NET ASSET VALUE, offering and redemption price per share ($1,136,335,919 ÷ 48,741,728 shares of common stock outstanding)		$23.31

SEE NOTES TO FINANCIAL STATEMENTS

Statement of Operations

For the Six Months Ended September 30, 1999 (Unaudited)

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $104,654)		$ 15,632,254
Interest		1,266,011
Total Investment Income		16,898,265
EXPENSES		
Investment advisory fee (Note 2)	$7,237,908	
Administration fee (Note 2)	225,239	
Transfer agent fees (Note 2)	167,493	
Custodian fees (Note 2)	78,991	
Legal and audit fees	50,137	
Directors' fees and expenses (Note 2)	16,152	
Other	158,574	
Total Expenses		7,934,494
NET INVESTMENT INCOME		8,963,771
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3)		
Net realized gain (loss) on:		
Securities		27,092,421
Forward exchange contracts		(1,190,519)
Foreign currencies and net other assets		(2,670)
Net realized gain on investments during the period		25,899,232
Net change in unrealized appreciation (depreciation) of:		
Securities		15,399,397
Forward exchange contracts		(7,206,226)
Foreign currencies and net other assets		(10,017)
Net unrealized appreciation of investments during the period		8,183,154
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		34,082,386
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 43,046,157

SEE NOTES TO FINANCIAL STATEMENTS

Statements of Changes in Net Assets

	Six Months Ended 9/30/99 (Unaudited)	Year Ended 3/31/99
Net investment income	$ 8,963,771	$ 5,940,977
Net realized gain on securities, forward exchange contracts and currency transactions during the period	25,899,232	30,724,653
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the period	8,183,154	(54,465,179)
Net increase (decrease) in net assets resulting from operations	43,046,157	(17,799,549)
Distributions:		
Dividends to shareholders from net investment income	—	(7,030,923)
Distributions to shareholders from net realized gain on investments	—	(12,518,672)
Net increase in net assets from Fund share transactions (Note 4)	15,075,271	104,325,915
Net increase in net assets	58,121,428	66,976,771
NET ASSETS		
Beginning of period	1,078,214,491	1,011,237,720
End of period (including undistributed net investment income of $8,993,145 and $29,374, respectively)	$1,136,335,919	$1,078,214,491

TWEEDY, BROWNE AMERICAN VALUE FUND

Financial Highlights

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/99 (Unaudited)	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 period	$22.40	$23.04	$16.22	$14.29	$10.71	$ 9.71
Income from investment operations:						
Net investment income *(b)*	0.18	0.12	0.11	0.13	0.15	0.13
Net realized and unrealized gain (loss) on investments	0.73	(0.37)	7.31	2.39	3.56	0.93
Total from investment operations	0.91	(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 period	$23.31	$22.40	$23.04	$16.22	$14.29	$10.71
Total return*(c)*	4.06%	(1.09)%	46.14%	17.75%	34.70%	11.02%
Ratios/Supplemental Data:						
Net assets, end of period (in 000's)	$1,136,336	$1,078,214	$1,011,238	$342,467	$201,599	$58,856
Ratio of operating expenses to average net assets*(d)*	1.37%*(e)*	1.39%	1.39%	1.39%	1.39%	1.74%
Ratio of net investment income to average net assets	1.55%*(e)*	0.55%	0.69%	0.92%	1.13%	1.25%
Portfolio turnover rate	7%	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, $0.12 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.

(e) Annualized.

■ ■ ■ ■ ■ ■ ■ SEE 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 six months ended September 30, 1999, Tweedy, Browne did not waive any fees.

The current members and retired general partners and their families, as well as employees, of Tweedy, Browne, the Investment Adviser to the Fund, have approximately $31.6 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 for 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 six months ended September 30, 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 six months ended September 30, 1999, aggregated $114,404,744 and $73,017,207, respectively.

At September 30, 1999, the aggregate gross unrealized appreciation for all securities, in which there was an excess of value over tax cost, was $293,297,126 and the aggregate gross unrealized depreciation for all securities, in which there was an excess of tax cost over value, was $64,979,727.

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:

Notes to Financial Statements (Unaudited)

	Six Months Ended 9/30/99		Year Ended 3/31/99	
	Shares	**Amount**	**Shares**	**Amount**
Sold	9,184,032	$221,045,065	24,992,421	$560,483,799
Reinvested	—	—	771,582	17,467,680
Redeemed	(8,578,362)	(205,969,794)	(21,518,449)	(473,625,564)
Net Increase	605,670	$ 15,075,271	4,245,554	$ 104,325,915

5. Line of Credit

The Company and Mellon Trust, N.A. (the "Bank") entered into a Line of Credit Agreement (the "Agreement") which, as amended effective September 29, 1999, provides the Company, on behalf of the Fund and the Tweedy, Browne Global Value Fund, with a $100 million line of credit (the "Commitment") primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. As a temporary measure, the Commitment has been increased to $300 million for the period December 1, 1999 through January 31, 2000. The Fund may borrow up to one-third of its net assets; provided, however, that the total Commitment available to the Fund is $100 million which amount may be reduced by borrowings of the Tweedy, Browne Global Value Fund. Interest is payable at the Bank's money market rate plus 0.75% on an annualized basis. Under the Agreement, the Company pays a facility fee equal to 0.10% annually of the unutilized Commitment and, during the period December 1, 1999 through January 31, 2000, a facility fee equal to 0.11% annually of the unutilized increase in the Commitment. 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 period April 1, 1999 through September 30, 1999, the Company did not borrow, on behalf of the Fund, under the Agreement.

TWEEDY, BROWNE FUND INC.
350 Park Avenue, NY, NY 10022
800-432-4789