TWEEDY, BROWNE GLOBAL VALUE FUND

SEMI-ANNUAL

SEPTEMBER 30, 1995

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

To Our Shareholders in Tweedy, Browne Global Value Fund:

We are pleased to present the Semi-Annual Report of Tweedy, Browne Global Value Fund (the "Fund") for the six months ended September 30, 1995. For this six-month period, the net asset value per share of your Fund increased 10.2%* to $12.70 per share. For the first nine months of calendar year 1995, the net asset value of your Fund showed a gain of 6.9%.* Since your Fund is hedged back into the U.S. dollar, we believe a relevant comparison is to the Morgan Stanley Europe, Australia and Far East Index (EAFE) in local currency, which showed gains of 11.7% for the six months and 3.0% for the nine months ended September 30, 1995. For the same six and nine-month periods, the EAFE Index, translated into U.S. dollars, increased 4.9% and 6.9%, respectively.** (Results in U.S. dollars and local currencies include dividends, net of foreign withholding taxes.) Translated into U.S. dollars, currency movements had a negative impact on the U.S. dollar EAFE Index return for the six-month period but were beneficial for the nine-month period.

The fundamental financial characteristics of the Fund have not changed in any material way over the past six months. As of September 30, 1995, 37% of the portfolio was invested in 113 issues that had a weighted average price to book value ratio of 61%. Of the 6,471 stocks in one of our global databases, 181 issues, or 3% of the total, had a price to book value ratio of 61% or less. Similarly, 56 issues in the Fund representing 44% of the portfolio had a weighted average price/earnings ratio of 9.6 times, as compared to the global database where 1,192 issues, or 18% of the total had a price earnings ratio of 9.6

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* The Fund had a total return for the year ended September 30, 1995 of 4.7% and an average annual total return since inception (June 15, 1993) through September 30, 1995 of 11.7%. EAFE, in local currency, net after withholding taxes, had a total return of 2.5% and 5.2%, respectively, for the year ended September 30, 1995 and for the period May 31, 1993 through September 30, 1995. (Index information is available at month end only; therefore, the closest month end to inception date of the Fund, May 31, 1993, has been used.) Past performance is not a guarantee of future results and total return and principal value of investments will fluctuate with market changes; and shares, when redeemed, may be worth more or less than their original cost.

** Results for the Morgan Stanley Capital International World Index (the "MSCI World Index") for the six and nine-month periods ended September 30 are 10.1% and 15.2%, respectively, in U.S. Dollars and 14.1% and 12.6%, respectively, in local currencies. Results include dividends, net of foreign withholding taxes. The MSCI World Index is comprised of EAFE plus Canada, the U.S. and South African Gold Mines. The U.S. component is 40% of the total. The Fund's U.S. component is 17%.

times or less. The total number of issues in the Fund was 209, of which 157 issues representing 53% of the amount invested in stocks had a market capitalization of less than $1 billion. Further, 140 of these issues representing 39% of the amount invested in stocks had a market capitalization of less than $500 million. We continue to focus our search for new investments on low price/earnings ratio and low price to book value stocks with a bias towards smaller and medium capitalization companies.

The geographic distribution of our assets has also not changed significantly over the past six months. The five largest countries for investment remain the U.S., Switzerland, Japan, France, and the Netherlands. By region, Europe continues to be the largest at 55% of net assets, with North America next at 18%, followed by the Far East and Australia at 15%. The overall level of investment has declined somewhat from 93% of net assets to 87%. This decline is not the result of any conscious decision on our part to raise cash, but a result of rising stock markets, which often have the effect of lowering the level of investment on value managed portfolios. With time, the level of investment will go back to a more fully invested position. Additionally, our preference for smaller cap companies requires a go-slow approach to investing, especially since we do not want our buy orders to be the reason for the rise in the price of a stock. This is one of the principles we follow in managing your Fund because we believe it ultimately produces better investment results.

No matter where in the world one is investing, in our opinion it is essential to first have a set of investment principles to guide you. Here at Tweedy, Browne, we are fortunate in having a set of principles developed by individuals far smarter than we, and proven time and again in academic studies of historical stock market performance.

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

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

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

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

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

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

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

Having adopted investment models based on Ben Graham's investment principles, we at Tweedy, Browne had little difficulty making the transition to investing in foreign stocks. We just applied the same investment principles, models, to non-U.S. stocks while developing a few additional models to deal with the particular peculiarities of foreign markets. Our first investments abroad were in Japan in the early 1980s when we bought shares in several Japanese property/casualty insurance companies. These companies had large portfolios of Japanese marketable securities which were carried at cost. However, if you could read Japanese (which we couldn't, but found someone who could) you could determine the "latent profits", or unrealized gains in these portfolios and adjust the book values to market. That calculation led to the discovery of a number of companies that were selling at less than one-third of book

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

value. At the time, the entire Japanese stock market was selling for about 15 times earnings. Buying the insurers at one-third of book value effectively let you buy the Japanese market at roughly 5 times earnings. Tracing back through the history of Tweedy, Browne to the days when our principal business was as a market maker in inactively traded securities, the lack of standard information on a company or a concern for liquidity in its shares was never an obstacle to investment. Indeed, the greater the absence of these two factors, the greater the possibility of finding a bargain. Having profitably invested in hundreds, if not thousands, of obscure securities over the years, we knew that if something was cheap, we shouldn't ask why, we should just buy it! When the Japanese market began to take off in the early to mid-1980s, these stocks appreciated significantly and we made handsome profits.

Our next investments in non-U.S. stocks came in the mid-1980s. This time the bargains were in Europe. Having developed a group of European clients in the late 1970s and early 1980s, we traveled to Europe frequently. In our discussions with our clients, we learned of the particular problems of managing money in a multi-national, multi-currency environment. We also learned that while different, European business people are also much the same as their American counterparts. They all go to work every day and try to figure out how to make a profit. When we began to see particularly cheap stocks in rather basic industries, we were not put off by their foreignness, but rather intrigued. For instance, at about the time that U.S. consumer products companies like Carnation and General Foods were being acquired at 6 to 10 times pre-tax earnings, we found companies like Distillers Corp. in the U.K. selling at 4.5 times *after-tax* earnings. Distillers had a truly international list of brands. The only negative for the company was that it happened to be incorporated in the U.K., which was in the doldrums at the time. Distillers was ultimately acquired within less than a year at a price twice its market price from twelve months earlier. We found tobacco companies, insurance companies, insurance brokers, banks, etc., all at compellingly cheap valuations.

However, investing abroad in the mid-1980s was not as much a disciplined process as we would have liked for a very simple reason. While the U.S. had for many years a comprehensive database of all publicly traded, SEC filing companies, a comparable database did not exist outside the U.S. partly because of differences in accounting conventions from country to country, partly because these markets were not as mature as the U.S. This made the task of screening the universe of non-U.S. stocks impossible. Without the ability to screen, it was not possible to construct as diversified a portfolio as we like. At the time we had a foreign client, a U.K. investment banker, for whom we managed money in the U.S. He kept asking us why we couldn't apply the same value criteria outside the U.S. He knew a large part of the London investment management community, and he said no one was practicing bottom-up value investing. Everyone was top down, macro-economic global asset allocators. Our answer was always the same: we had no database. This situation began to change in the early 1990s. Different databases began to appear covering different countries or regions with varying degrees of depth. By piecing together these various databases, we were finally able to screen a sufficiently large universe of stocks outside the U.S., and we decided to begin managing dedicated foreign portfolios. We called our U.K. investment banker/friend who became our first international investment management client, and we were off.

However, before we started we asked ourselves a few basic questions, like why are we investing in foreign stocks. The answer was simple. We were merely increasing our chances of finding a bargain by opening our horizons to markets that, in total, had a market capitalization as large as the United States. It was like switching from an investment grocery store that had 10,000 items on the shelf to one that had 20,000 items from which to choose.

Consultants are advising their clients to invest in foreign stocks because of a lack of correlation between stock markets. This means that if the U.S. market is plunging, some other markets may be rising, thereby smoothing out your results. (Trying to eliminate volatility in a portfolio at times seems more important than making profits.) However, this lack of correlation, markets not moving in the same direction at any particular point in time, turns out to be more a factor of currency movements than stock index movements, at least as far as markets in developed countries are concerned. During the crash of 1987, all markets participated fully in the plunge. The bear market of 1973-74 also seems to have been highly democratic worldwide. Nevertheless, there will be times when economic factors peculiar to one country or region can result in cheap stocks in one part of the world as opposed to another. For example, following the reunification of Germany and the printing of good West German Marks that were exchanged for not so good East German Marks, the Bundesbank drove up German interest rates precipitously, which in turn drove up all European interest rates because of the European Monetary Union. Rising interest rates are one of the stock market's worst enemies, which resulted in an abundance of cheap stocks all across Europe at a time when U.S. stocks were not particularly undervalued. And the first nine months of this year have also seen a significant divergence in performance of the U.S. market versus most major world markets.

Next, we had to decide in which countries to invest. We determined that we would only invest in developed markets, not emerging markets. Emerging markets in our opinion were countries with low per-capita income and little or no history of political stability. Or, as a friend of ours likes to say, "Why send your hard earned dollars to a country you are afraid to visit?" Remember not so long ago when Mexico (not that we would be afraid to visit Mexico) was the darling of the investment community; it had finally found capitalist religion and was ready to take its rightful place among the developed economies of the world? Then we found out the Mexican economy was being funded by global fixed income fund managers and the whole thing imploded. Additionally, in emerging markets, valuations are often very high, at times at super growth stock levels, which means there is little investment opportunity for a value investor. For example, Singapore Telephone which serves a nation of 3 million citizens had a market capitalization at one time greater than Pacific Telesis, which serves California and Nevada.

The final consideration was currency, which also led us to developed markets. This was the last decision we had to make. We decided to hedge all of our foreign stock investments back into the U.S. Dollar, effectively becoming what we call currency agnostics. By hedging currency exposure we could invest anywhere we found cheap stocks without concern for the macro-economic issues that drive most global money managers. If, as value investors, we do not believe that we can predict stock market movements, why would we begin to think we could predict currency movements. As Warren Buffett would say, we decided to stay within our circle of competence. And as one of our clients observed, hedging is like the farmer growing corn. He doesn't care what the price of corn is until the day he decides to take his corn to market. In the same way, if one of our foreign stocks has reached our sell target in its local currency, we may find out that currency fluctuations have wiped out our profit when translated back into dollars. Our decision to hedge currency also affected our decision as to which countries to invest in because a forward market for currency does not exist for many emerging markets. With this framework in place, our universe became all countries in Europe west of the former Iron Curtain, Canada, Japan, Hong Kong, Singapore, Australia and New Zealand, a total of 20 markets outside the United States.

With the major decisions on foreign investing made, we were ready to begin looking at some stocks. One of the principal complaints, or questions, we frequently hear about investing outside the U.S. is about the accounting. Yes, it is different, especially in Europe. And it is different from country to country in Europe, although becoming less so as they switch to international accounting standards. Once upon a time, to be a securities analyst in the U.S., we had to develop a basic understanding of what we call GAAP (generally accepted accounting principles) accounting.

Likewise, analysts in Switzerland had to learn Swiss accounting conventions. While the Swiss are pretty smart, their accounting methods are not unfathomable to their U.S. counterparts. However, it is helpful to understand the motivation behind their accounting conventions, part of the cultural understanding referred to earlier. Unlike U.S. companies that get to keep two sets of books, one for stockholders and one for the IRS, one which shows tremendous earnings and one which shows a company barely breaking even, our European counterparts only get to keep one set of books. Given their inherent distrust of governments, (remember Europeans have been through world wars, dictatorships, nationalizations and other forms of official confiscation of wealth; why else would the Swiss banking system exist?) their accounting is designed to hide earnings and understate asset values. While their accounting may not be as transparent as ours, it is in the so-called Anglo countries with their more highly developed accounting standards that one finds the great accounting frauds like Phar Mor and Polly Peck and Barings.

For example, in 1991 we invested in the Swiss company, Lindt and Sprungli, makers of the well-known Lindt chocolates. When we discovered Lindt and Sprungli, the shares were trading at 12,000 SF, down perhaps 60% from their previous high. Earnings per share were reported as 1,121 SF for a price/earnings ratio of 10.7. This was not bad for a company with Lindt's market position and in light of acquisitions of other European candy companies at multiples of pre-tax earnings in excess of 10 times. However, upon closer examination, it appeared that some adjustments might be in order. Annual depreciation and amortization were running nearly 47 million SF on a fixed asset base of 124 million SF, or 37.7% per year. The assets were being depreciated every 2.6 years which seems a little short especially the way the Swiss build things. We looked at other candy companies. We spoke to someone at Nestle and asked them how they looked at depreciation. We were told that Nestle considered depreciation as a percent of sales and they were among the highest at 3.5%. Lindt was at 6% of sales. The industry average was 2.5%, and we chose an average of Nestle and the industry for Lindt, or 3% of sales. Using 3% cut

Lindt's depreciation about in half from 46.9 million SF to 23.1 million SF, adding 23.8 million SF to pre-tax earnings. Taxing this additional income at the Swiss corporate rate of 35% increased earnings by 15.5 million SF or 469 SF per share. Adjusted earnings per share was then 1,590 SF for an adjusted price/earnings ratio of 7.5, which was one of the lowest price/earnings ratios for a major consumer franchise in the world. In our estimation, we expected that a company like Phillip Morris would bid aggressively for Lindt and Sprungli if given the chance.

Switzerland has generally been an easy country to invest in even for the top down investors. A bucolic republic, we often think if the Disney Company were asked to create a country it would be Switzerland. And from an investor's perspective, it is also ideal. It has one of the most stable governments in Europe with a federalist system so strong that few Swiss can tell you who is president of their nation simply because it does not matter. It has one of the strongest currencies in the world, which makes managing money for clients who want their results denominated in Swiss Francs very difficult. They have to import workers, and their inflation and interest rates are among the lowest in the world.

To the south of Switzerland lies Italy which, from a governance or economic perspective, is Switzerland turned inside out. The economy is a disaster, social benefits are bankrupting the government, corruption is rampant, and not even the Italians want to hold the currency. While from a top down perspective it would be difficult, if not impossible, to make a case for investing in Italy, there are some real bargains. After all, there are 55 million Italians and even the ones who can afford to leave, don't. It has one of the largest economies in Europe, and if you add in the black market economy, it increases significantly. Italian business people, just like their American counterparts, go to work trying to figure out how to earn a profit. And like everywhere else, their stocks go up and down. For example, your Fund owns shares in an Italian company called Franco Tosi, which is in the packaging business and operates a water utility. The shares are currently trading at about 13,900 Lira per share. The shares have a tangible book value of 30,663 Lira, which includes 27,455 Lira per share of cash and marketable securities net of all debts. Thus, these shares are selling for 45% of book value and 51% of net liquid assets.

We are also finding a number of cheap stocks in Japan. Your Fund has purchased shares in a company called Toyo Tec which, despite the sound of its name, is not a technology stock. It is in the mechanical and personal security business, a sort of Pinkerton's of Japan. At a market price of 850 Yen per share, the shares were trading at 55% of book value and about two-thirds of their net cash and equivalents per share of 1,260 Yen. Earnings are currently estimated at about 41 Yen per share, and the stock has traded as high as 2,400 Yen in the past three years. Its market capitalization is $120 million.

Every day we continue to look for similar undervalued stocks, and we attempt to build a diversified portfolio from these stocks. We cannot predict when we will realize gains from these investments. Our U.S. investments are doing very well in 1995 as evidenced by the increase of 32.2% in the net asset value of shares of the Tweedy, Browne American Value Fund for the first nine months of this year. In our opinion, most market pundits were not predicting that U.S. stock markets would have such a good year.

Rather than try to time stock markets, we prefer to buy cheap stocks and wait. In time, we have been rewarded; we have no reason to believe that times have changed. As of the date of this letter, the current and retired partners and their families, as well as employees of Tweedy, Browne, have more than $15.5 million invested in the Fund, of which approximately $1.9 million has been added since the Annual Report to Shareholders at March 31, 1995.

Sincerely,

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

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

October 31, 1995

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS — 87.2%	
	Australia — 0.0%††	
83,000	Allied Queensland Coal Fields	$ 33,873
65,300	Carillon Development Ltd.	66,623
		100,496
	Austria — 0.7%	
37,200	Bau Holding AG	1,921,553
8,746	Papierfabrik Laakirchen AG	3,134,546
5,030	Steyer-Daimler-Puch AG	97,621
		5,153,720
	Belgium — 0.6%	
453	Fabrique de Fer de Charleroi	1,101,684
1,139	Glaces de Charleroi	2,204,391
620	Henex SA	924,728
154	Spadel	214,762
605	UCO	319,991
		4,765,556
	Canada — 1.3%	
73,012	BRL Enterprises Inc.	213,231
166,500	Corby Distilleries Ltd., Class A	4,769,709
104,600	Corby Distilleries Ltd., Class B	2,840,805
24,400	E.L. Financial Corporation Ltd.	1,379,813
151,200	Melcor Developments Ltd.	1,167,231
90,900	Westfield Minerals Ltd.	84,546
		10,455,335
	Denmark — 2.4%	
80,624	Difko Holding, Class B	1,658,002
9,000	Girobank A/S	436,728
23,930	Gronlandsbanken	1,044,658
1,801	Hoejgaard Holdings, Class A	194,931
10,700	Nordvestbank	854,108
44,738	Ove Arkil, Class B	3,187,789
216,871	Spar Nord Holdings	7,237,510
124,698	Syd Sonderjylland Holdings†	4,138,979
		18,752,705

Shares		Market Value (Note 1)
	Finland — 3.4%	
2,000	Atria OY	$ 22,331
764,900	Kesko Ord	8,495,808
143,100	Kone Corporation, Class B	15,894,237
28,550	Wemer Soderstrom, Class B	2,570,238
		26,982,614
	France — 10.6%	
107,460	Alcatel Alsthom Compagnie Generale d'Electricite	9,036,285
14,400	Alspi	895,961
24,763	Centenaire Blanzy	1,352,675
5,229	Christian Dior, SA	475,701
71,019	Compagnie Financiare de Paribas	3,590,970
265	Compagnie Financiare de Rombas	22,859
143,460	Compagnie Financiere de Suez	5,529,233
57,700	Compagnie Lebon SA	2,407,828
206	Didot Bottin	27,985
737	Docks Lyonnais	20,174
31,531	Eurafrance	9,348,210
1,150	Fiat France SA	30,405
66,531	Fonciere Financiere Et de Participation	2,620,980
31,661	France SA	4,423,346
17,140	Gan Group SA	461,174
109	Gantois	29,771
16,298	Guillard Musique	761,533
25,500	Idia	627,079
2,022	Idianova	26,278
35,674	Investissements de Paris	945,366
51,593	Klepierre	6,076,544
27,558	La Concorde	3,531,140
5,229	LVMH Moet Hennessey	986,443
54,850	Marine Wendel	4,321,616
13,701	Mecelec SA	233,706
3,347	Monneret Jouets	45,197
38,018	Paluel Marmont	2,578,538
9,073	Paris Orleans	443,839
53,800	Peugeot SA	7,967,489
22,534	Rallye	658,929
49,464	Salins du Midi, Series A	4,017,789
90,370	Scor SA Ord	2,715,963
13,082	Sediver	541,929

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	France — (Continued)	
61,500	Siparex	$ 1,111,483
127,340	Vallourec	5,507,853
		83,372,271
	Germany — 2.6%	
21,798	Axel Springer Verlag, Class A	13,164,223
30,335	Sinn AG	7,026,512
3,069	Tiag Tabbert-Industrie AG	386,578
		20,577,313
	Hong Kong — 1.8%	
1,933,000	Jardine Strategic Holdings	5,644,360
1,953,173	Semi Tech (Global)	2,943,009
8,891,000	Sing Tao	5,289,729
6,480,000	Tomei International Holdings	347,815
		14,224,913
	Italy — 4.5%	
1,564,500	Arnoldo Mondadori Editore SPA	9,605,302
2,735,400	Banca Toscana	5,699,810
1,490,700	Banco di Napoli	818,152
6,010,000	Banco di Napoli di Risp	2,471,088
371,350	Banco di Sardegna Risp	2,717,476
13,000	Bassetti SPA	54,822
87,000	Cementerie di Augusta	144,326
323,000	Cementerie di Barletta Ord	941,457
788,000	Cementerie di Sardegna Ord	2,097,668
460,000	Cementerie Siciliane Ord	1,068,341
575,000	Falck Ord	1,408,527
541,720	Franco Tosi	4,871,281
669,000	Maffei SPA	983,274
193,500	Marangoni SPA	696,000
58,000	Serfi SPA	214,015
1,810,000	Vianini Industria	1,155,033
60,000	Zucchi Inc.	299,535
		35,246,107

Shares		Market Value (Note 1)
	Japan — 12.6%	
11,000	Agro-Kanesho Company	$ 149,917
67,000	Aichi Electric Company	321,286
591,000	Amada Sonoike Company	3,758,821
344,000	Chofu Seisakusho	8,438,948
217,000	Chubu Steel Plate Company	1,121,640
818,000	Daiichi Cement Company	3,839,988
604,000	Dowa Fire & Marine Insurance Company	2,969,542
133,000	Fuji Coca-Cola Bottling Company	1,423,250
618,000	Fuji Photo Film Ltd. Ord	15,410,227
376,000	Kawagishi Bridge Works	2,770,986
3,000	Kinki Coca-Cola Bottling Company	36,343
667,000	Kirin Brewery Company	7,002,978
479,000	Koa Fire & Marine Insurance Company	2,712,826
180,000	Kokura Enterprises Company	2,416,839
167,000	Koyosha Inc.	959,295
225,000	Matsuo Electric	1,285,649
106,000	Matsushita Electric Industrial Company	1,626,571
12,000	Meito Sangyo Company	163,546
4,000	Morito	40,382
823,000	Nichimo	3,157,236
909,000	Nissan Fire & Marine Insurance Company	5,496,855
657,000	Nisshinbo Industries	5,757,165
643,000	Nittetsu Mining	5,647,469
159,000	Oak	930,998
81,000	Osaka Securities Finance	400,686
168,000	Sankyo Company Ltd.	3,833,022
202,800	Shikoku Coca-Cola Bottling	2,579,658
183,000	Taisei Fire & Marine Insurance Company	969,916
630,000	Takeda Chemical Industries	8,776,942
162,000	Teikoku Hormone Manufacturing Company	2,420,473
288,000	Toyo Technical Company Ltd.	2,820,251
		99,239,705

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	Netherlands — 8.6%	
2,500	Akzo NV Ord	$ 300,175
96,859	Bolswessanen, Certificates	1,882,814
310,700	Haltrust Units	3,262,554
150,855	Heineken Holdings NV, Class A	22,441,084
207,869	International Nederlanden Groep	12,070,148
11,452	Nedschroef Holdings	716,510
7,280	N.K.F. Holdings Certificates	1,037,465
202,100	Unilever NV CVA	26,262,010
		67,972,760
	Norway — 0.4%	
170,900	Nordlandsbanken	2,639,697
	Singapore — 0.2%	
419,000	Robinson and Company Ord	1,766,442
	Spain — 1.6%	
169,920	Banco Valencia, Registered	2,267,524
461,758	Cordoracino Financiaere Reunida	1,490,084
52,489	Grupo Anaya	1,224,722
381,818	Grupo Fosforera	2,038,092
40,793	Hullas C. Cortes	422,298
15,684	Indo Internacional	558,127
16,200	Mercapital SA	153,294
47,943	Omsa	222,955
58,353	Prim Grupo	375,192
45,068	Roberto Zubiri	207,762
158,511	Unipapel	3,692,116
		12,652,166
	Sweden — 1.2%	
741,350	Atle Forvaltning F	3,956,119
18,900	Brio AB, Class B	174,456
777,360	Bure Forvaltning AB†	4,327,667
172,500	Vencap AB Ord†	845,887
		9,304,129

Shares		Market Value (Note 1)
	Switzerland — 14.8%	
33	Bank of International Settlements America	$ 296,886
3,800	Ciba-Geigy AG	3,043,945
2,685	Daetwyler, Bearer	5,028,568
23,610	Danzas PC	4,391,133
8,296	Danzas Holdings, Registered	7,391,765
7,600	Edipresse Bearer	2,212,284
2,430	Georg Fischer AG, Bearer	3,300,260
890	Golay Buchel, Bearer	754,883
6,580	Immuno International AG, Bearer	3,358,304
300	Industrie Holding, Cham Registered	184,256
25,127	Loeb Holdings PC	4,803,691
14,625	Magazin Zum Globus PC	9,678,309
5,000	Magazin Zum Globus, Registered	3,611,592
24,439	Nestle SA, Registered	25,009,807
1,850	Rieter Holding PC AG	544,118
200	Sandoz AG	152,249
13,271	Saurer AG, Bearer	4,856,084
9,691	Sig Schweiz Industrie, Registered	10,395,190
23,505	Swissair AG, Registered	16,266,436
19,780	Swisslog Holding AG	6,074,308
3,050	Vetropack PC	910,251
9,199	Zschokke, Registered	3,624,692
		115,889,011
	United Kingdom — 4.1%	
250,000	Budgens Ord	134,309
1,408,668	Dyson (J&J), Class A, Ord, Non-voting	1,847,445
803,000	Folkes Group NV	748,604
1,950	French Property Trust	2,126
231,965	Guinness PLC Ord	1,898,616
760,500	Higgs & Hill	937,300
615,000	Intercare Group Ord	544,187
350,000	Johnston Group PLC	1,852,668
2,260,128	Lloyds Chemist	8,713,802
1,805,333	McAlpine (Alfred) PLC	3,537,234
200,000	Patridge Fine Art Ord	262,297

Portfolio of Investments

September 30, 1995 (Unaudited)

Shares		Market Value (Note 1)
	COMMON STOCKS	
	United Kingdom — (Continued)	
1,852,839	Proudfoot Alexander	$ 1,053,962
184,600	Smithkline Beecham, PLC units, ADR	9,345,375
2,506,288	Trio Holdings	435,620
600,000	Union PLC	1,090,270
		32,403,815
	United States — 15.8%	
221,000	American Express Company	9,806,875
75,700	American National Insurance Company	4,409,525
149,000	BanPonce Corporation, New	5,773,750
247,500	Chase Manhattan Corporation	15,128,438
68,000	Coca-Cola Bottling Company	2,397,000
232,200	Comerica, Inc	8,388,225
67,300	Digital Equipment Corporation†	3,070,563
35,000	Federal Home Loan Mortgage Corporation	2,419,375
113,600	First Chicago Corporation	7,795,800
132,590	Great Atlantic & Pacific Tea Company	3,712,520
193,100	Hasbro Inc.	6,010,238
98,063	Horizon/CMS Healthcare Corporation	2,230,933
65,700	Household International Inc.	4,073,400
20,000	Independent Insurance Group Inc.	500,000
130,000	K mart Stores	1,885,000
392,100	Lehman Brothers Holdings Inc.	9,067,313
48,750	Mercantile Bancorporation, Inc.	2,181,562
50,000	National Education Corporation	400,000
73,200	Philip Morris Companies Inc.	6,112,200
460,000	PNC Bank Corporation	12,822,500
15,000	Polaroid Corporation	596,250
89,300	Reebok International Ltd.	3,069,688
253,200	Salomon Inc.	9,684,900
160,000	Syms Corporation	1,460,000
7,500	Wells Fargo & Company	1,392,188
		124,388,243

Shares		Market Value (Note 1)
	TOTAL COMMON STOCKS (Cost $618,986,004)	$685,886,998
	PREFERRED STOCK — 0.1% (Cost $312,862)	
1,732	Stuttgarter Hofbrau, Preferred	333,310
	COMMON STOCK WARRANTS — 0.0%††	
105,920	Franco Tosi, Strike 20000, Expires 11/30/97†	21,348
20,877	Loeb Holdings PC, Expires 2/29/96†	16,254
9,073	Paris Orleans, Expires 4/30/98†	25,978
1,592	Rallye, Class A, Strike 140, Expires 12/31/95†	2,271
1,592	Rallye, Class B, Strike 150, Expires 12/31/96†	6,142
3,300	Rieter Holding AG, Expires 3/13/96†	9,135
	TOTAL COMMON STOCK WARRANTS (Cost $22,447)	81,128

	Face Value		
		CONVERTIBLE CORPORATE BONDS — 0.1%	
ITL	29,870,000	Grupo Anaya, Convertible Bond, 7.000% due 3/18/98	219,595
SEK	2,592,000	Kinnevik Investment, Convertible Bond, 10.500% due 7/21/97	721,501
JPY	9,000,000	Shikoku Coca-Cola Bottling, Convertible Bond, 2.400% due 3/29/02	93,948
		TOTAL CONVERTIBLE CORPORATE BONDS (Cost $778,363)	1,035,044

SEE NOTES TO FINANCIAL STATEMENTS

Portfolio of Investments

September 30, 1995 (Unaudited)

Face Value		Market Value (Note 1)
	COMMERCIAL PAPER — 0.2% (Cost $1,886,000)	
$ 1,886,000	General Electric Capital Corporation, 6.500% due 10/2/95	$ 1,886,000
	U.S. TREASURY BILLS — 0.5%	
525,000	5.660%** due 5/30/96	505,846
550,000	5.650%** due 7/25/96	525,793
1,000,000	5.750%** due 8/22/96	950,799
1,500,000	5.600%** due 9/19/96	1,422,928
	TOTAL U.S. TREASURY BILLS (Cost $3,405,366)	3,405,366
	REPURCHASE AGREEMENT — 10.8% (Cost $85,000,000)	
85,000,000	Agreement with UBS Securities, Inc., 6.420% dated 9/29/95, to be repurchased at $85,045,475, on 10/2/95 collaterized by $62,830,000 U.S. Treasury Notes, 9.875% due 11/15/15	85,000,000

		Market Value (Note 1)
TOTAL INVESTMENTS (Cost $710,391,042*)	98.9%	$777,627,846
OTHER ASSETS AND LIABILITIES (Net)	1.1	8,896,852
NET ASSETS	100.0%	$786,524,698

* *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
ITL — Italian Lira
JPY — Japanese Yen
SEK — Swedish Krona

Portfolio of Investments

September 30, 1995 (Unaudited)

Sector Diversification	Percentage of Net Assets	Market Value (Note 1)
COMMON STOCKS:		
Banking	10.8%	$ 85,050,288
Food and Beverages	10.6	83,161,537
Financial Services	6.7	52,224,386
Retail	6.0	47,446,885
Holdings	5.9	46,775,933
Printing and Publishing	4.3	34,094,483
Engineering and Construction	4.0	31,717,721
Insurance	3.8	29,570,100
Consumer Non-Durables	3.7	29,331,698
Machinery	3.7	28,339,544
Transportation	3.6	28,049,334
Pharmaceuticals	3.5	27,886,365
Building Materials	2.7	21,316,961
Mining and Metal Fabrication	2.3	18,161,624
Consumer Durables	2.2	17,036,798
Textiles	1.7	13,458,025
Technology and Computers	1.5	12,106,848
Electronics	1.5	11,788,960
Manufacturing	1.4	11,174,740
Real Estate	1.2%	$ 9,502,637
Autos	1.1	8,354,067
Chemicals	0.9	7,361,909
Forest Products	0.9	7,218,680
Basic Industries	0.9	7,108,711
Leisure	0.8	6,229,891
Other	1.5	11,418,873
Total Common Stocks	87.2	685,886,998
Preferred Stock	0.1	333,310
Common Stock Warrants	0.0††	81,128
Convertible Corporate Bonds	0.1	1,035,044
Commercial Paper	0.2	1,886,000
U.S. Treasury Bills	0.5	3,405,366
Repurchase Agreement	10.8	85,000,000
Other Assets and Liabilities (Net)	1.1	8,896,852
Net Assets	100.0%	$786,524,698

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

Schedule of Forward Exchange Contracts

September 30, 1995 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO BUY			
1,411,632	Australian Dollar	12/29/95	$ 1,062,915
2,083,280	Austrian Schilling	10/6/95	207,375
8,048	Canadian Dollar	10/4/95	5,988
3,868,889	French Franc	10/31/95	785,382
97,961,670	Italian Lira	10/3/95	60,745
6,021,000	Italian Lira	10/6/95	3,733
6,227,782,000	Italian Lira	10/16/95	3,853,879
10,802,162	Japanese Yen	10/2/95	109,060
24,284,605	Japanese Yen	10/3/95	245,199
25,559,828	Japanese Yen	10/4/95	258,099
1,336,800	Norwegian Krone	10/31/95	212,971
5,882,040	Norwegian Krone	10/31/95	937,091
23,271,284	Spanish Peseta	10/6/95	188,151
450,000,000	Spanish Peseta	10/16/95	3,632,924
16,032,600	Swedish Krona	11/15/95	2,303,039
96,828	Swiss Franc	10/4/95	83,773
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY (Contract Amount $13,879,545)			$ 13,950,324
FORWARD EXCHANGE CONTRACTS TO SELL			
1,411,632	Australian Dollar	12/29/95	$ (1,062,915)
7,749,133	Austrian Schilling	10/31/95	(772,521)
7,752,661	Austrian Schilling	11/15/95	(773,470)
2,738,859	Austrian Schilling	12/29/95	(273,872)
5,145,000	Austrian Schilling	1/16/96	(514,938)
7,708,800	Austrian Schilling	7/31/96	(778,409)
6,136,800	Austrian Schilling	8/30/96	(620,440)
12,435,600	Austrian Schilling	9/13/96	(1,257,970)
17,785,120	Belgian Franc	11/15/95	(606,261)
31,763,585	Belgian Franc	11/30/95	(1,083,455)
12,781,883	Belgian Franc	12/29/95	(436,528)
6,144,600	Belgian Franc	1/16/96	(210,002)
18,168,000	Belgian Franc	1/16/96	(620,921)
22,748,000	Belgian Franc	1/31/96	(777,899)
15,456,100	Belgian Franc	5/31/96	(530,913)
8,959,200	Belgian Franc	8/30/96	(308,707)
4,530,000	Belgian Franc	9/13/96	(156,159)
1,085,240	Canadian Dollar	10/31/95	(807,210)
1,417,190	Canadian Dollar	11/15/95	(1,053,859)
777,238	Canadian Dollar	11/30/95	(577,808)
674,638	Canadian Dollar	12/29/95	(501,235)
284,540	Canadian Dollar	1/16/96	(211,325)
682,626	Canadian Dollar	1/31/96	(506,811)
1,389,800	Canadian Dollar	5/31/96	(1,028,599)
2,150,470	Canadian Dollar	6/28/96	(1,590,281)
3,855,880	Canadian Dollar	7/31/96	(2,848,885)
851,886	Canadian Dollar	8/30/96	(628,879)
686,250	Canadian Dollar	9/13/96	(506,399)
1,797,150	Danish Kroner	10/31/95	(324,224)
15,325,675	Danish Kroner	10/31/95	(2,764,908)
25,824,763	Danish Kroner	11/15/95	(4,659,178)

Schedule of Forward Exchange Contracts

September 30, 1995 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
7,210,691	Danish Kroner	11/30/95	$ (1,300,939)
2,485,300	Danish Kroner	12/29/95	(448,412)
23,368,000	Danish Kroner	1/16/96	(4,216,102)
5,562,000	Danish Kroner	1/31/96	(1,003,477)
3,977,400	Danish Kroner	4/30/96	(717,373)
6,629,088	Danish Kroner	5/31/96	(1,195,543)
3,985,560	Danish Kroner	6/28/96	(718,736)
5,775,500	Danish Kroner	9/13/96	(1,041,641)
987,800	Finnish Markka	10/16/95	(230,962)
4,683,600	Finnish Markka	10/16/95	(1,095,094)
13,494,647	Finnish Markka	10/31/95	(3,155,296)
3,313,800	Finnish Markka	11/15/95	(774,790)
13,803,419	Finnish Markka	11/30/95	(3,227,156)
3,387,465	Finnish Markka	12/29/95	(791,914)
13,814,968	Finnish Markka	5/31/96	(3,228,573)
10,818,650	Finnish Markka	6/28/96	(2,528,420)
21,171,760	Finnish Markka	7/31/96	(4,947,812)
21,160,800	Finnish Markka	8/30/96	(4,945,061)
4,441,900	Finnish Markka	9/13/96	(1,038,009)
3,490,880	French Franc	10/16/95	(708,803)
9,017,650	French Franc	10/16/95	(1,830,982)
15,917,018	French Franc	10/31/95	(3,231,144)
5,618,675	French Franc	11/15/95	(1,140,347)
59,369,422	French Franc	12/29/95	(12,041,678)
14,978,700	French Franc	1/16/96	(3,037,177)
12,801,540	French Franc	1/31/96	(2,595,044)
22,811,250	French Franc	4/30/96	(4,617,292)
27,153,800	French Franc	6/28/96	(5,493,329)
37,067,800	French Franc	7/31/96	(7,498,488)
8,557,970	French Franc	8/15/96	(1,731,198)
24,336,960	French Franc	8/30/96	(4,923,220)
23,666,540	French Franc	9/13/96	(4,787,743)
147,892,500	French Franc	9/30/96	(29,917,404)
300,600	German Mark	10/31/95	(210,709)
2,380,070	German Mark	11/16/95	(1,669,626)
2,489,110	German Mark	11/30/95	(1,747,263)
1,180,820	German Mark	12/29/95	(830,158)
295,100	German Mark	1/16/96	(207,654)
1,942,360	German Mark	1/16/96	(1,366,784)
2,524,480	German Mark	1/31/96	(1,777,741)
1,337,700	German Mark	4/30/96	(946,235)
1,927,380	German Mark	5/31/96	(1,365,445)
5,467,600	German Mark	7/31/96	(3,885,007)
1,738,680	German Mark	8/15/96	(1,236,307)
6,095,670	German Mark	8/30/96	(4,337,487)
1,325,070	German Mark	9/13/96	(943,504)
909,241	Great Britain Pound Sterling	10/16/95	(1,436,164)
341,912	Great Britain Pound Sterling	10/31/95	(539,858)
140,883	Great Britain Pound Sterling	12/29/95	(222,190)
387,272	Great Britain Pound Sterling	6/28/96	(608,562)
2,214,629	Great Britain Pound Sterling	7/31/96	(3,477,840)

Schedule of Forward Exchange Contracts

September 30, 1995 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
7,680,000	Great Britain Pound Sterling	8/15/96	$ (12,057,102)
555,302	Great Britain Pound Sterling	8/30/96	(871,534)
2,560,305	Hong Kong Dollar	11/30/95	(331,002)
92,887,200	Hong Kong Dollar	11/30/95	(12,008,666)
7,748,000	Hong Kong Dollar	3/29/96	(1,000,693)
7,754,200	Hong Kong Dollar	6/28/96	(1,000,217)
7,522,305,000	Italian Lira	10/16/95	(4,654,957)
28,582,100,000	Italian Lira	10/16/95	(17,687,189)
815,100,000	Italian Lira	10/31/95	(503,413)
986,550,000	Italian Lira	11/15/95	(608,103)
3,837,518,000	Italian Lira	11/30/95	(2,360,721)
5,736,695,358	Italian Lira	12/29/95	(3,515,859)
862,250,000	Italian Lira	1/16/96	(527,210)
7,132,000,000	Italian Lira	1/31/96	(4,352,230)
1,776,000,000	Italian Lira	4/30/96	(1,071,356)
518,700,000	Italian Lira	6/28/96	(310,668)
1,255,875,000	Italian Lira	7/31/96	(749,103)
2,877,080,000	Italian Lira	8/15/96	(1,712,925)
1,001,812,500	Italian Lira	8/30/96	(595,341)
1,685,500,000	Italian Lira	9/13/96	(999,900)
58,134,000	Japanese Yen	10/16/95	(588,592)
132,048,000	Japanese Yen	10/31/95	(1,340,358)
405,836,000	Japanese Yen	10/31/95	(4,119,453)
383,920,000	Japanese Yen	11/15/95	(3,905,556)
325,672,700	Japanese Yen	11/30/95	(3,319,781)
162,806,397	Japanese Yen	12/29/95	(1,667,545)
93,920,000	Japanese Yen	1/16/96	(964,649)
202,901,000	Japanese Yen	1/16/96	(2,083,988)
40,050,000	Japanese Yen	1/31/96	(412,295)
513,308,000	Japanese Yen	4/30/96	(5,355,300)
586,342,000	Japanese Yen	5/31/96	(6,144,663)
330,360,000	Japanese Yen	6/28/96	(3,475,924)
2,835,750,000	Japanese Yen	7/15/96	(29,912,543)
652,938,000	Japanese Yen	7/31/96	(6,903,881)
923,100,000	Japanese Yen	8/15/96	(9,782,272)
930,900,000	Japanese Yen	8/30/96	(9,886,943)
771,300,000	Japanese Yen	9/13/96	(8,208,890)
1,556,820	Netherlands Guilder	10/16/95	(973,972)
675,040	Netherlands Guilder	10/31/95	(422,681)
2,371,970	Netherlands Guilder	10/31/95	(1,485,226)
7,111,430	Netherlands Guilder	11/15/95	(4,456,573)
9,054,729	Netherlands Guilder	11/30/95	(5,679,086)
4,407,148	Netherlands Guilder	12/29/95	(2,768,544)
6,616,400	Netherlands Guilder	1/16/96	(4,160,363)
13,996,240	Netherlands Guilder	1/16/96	(8,800,774)
11,792,760	Netherlands Guilder	1/31/96	(7,421,077)
1,597,100	Netherlands Guilder	4/29/96	(1,008,298)
12,162,400	Netherlands Guilder	5/31/96	(7,678,103)
5,197,920	Netherlands Guilder	7/31/96	(3,290,652)
4,544,960	Netherlands Guilder	8/30/96	(2,885,768)
5,298,425	Netherlands Guilder	9/13/96	(3,369,156)

Schedule of Forward Exchange Contracts

September 30, 1995 (Unaudited)

Contracts		Contract Value Date	Market Value (Note 1)
FORWARD EXCHANGE CONTRACTS TO SELL			
1,336,800	Norwegian Krone	10/31/95	$ (212,971)
5,882,040	Norwegian Krone	10/31/95	(937,091)
2,497,334	Norwegian Krone	11/15/95	(397,945)
12,505,000	Norwegian Krone	6/28/96	(1,996,997)
2,091,000	Singapore Dollar	8/30/96	(1,504,547)
456,607,500	Spanish Peseta	10/16/95	(3,686,268)
680,550,000	Spanish Peseta	10/16/95	(5,494,192)
40,260,000	Spanish Peseta	11/15/95	(323,990)
40,710,000	Spanish Peseta	11/30/95	(327,158)
131,569,589	Spanish Peseta	12/29/95	(1,054,261)
381,420,000	Spanish Peseta	1/31/96	(3,045,851)
490,152,000	Spanish Peseta	5/31/96	(3,866,466)
79,260,000	Spanish Peseta	9/13/96	(618,917)
16,032,600	Swedish Krona	11/15/95	(2,303,039)
15,502,083	Swedish Krona	11/30/95	(2,224,175)
4,309,697	Swedish Krona	12/29/95	(616,761)
12,606,650	Swedish Krona	1/16/96	(1,801,458)
9,846,530	Swedish Krona	1/31/96	(1,405,320)
22,711,500	Swedish Krona	4/30/96	(3,217,695)
759,780	Swiss Franc	10/16/95	(658,365)
1,950,385	Swiss Franc	10/31/95	(1,692,495)
3,481,240	Swiss Franc	10/31/95	(3,020,932)
8,462,450	Swiss Franc	11/15/95	(7,354,348)
1,221,225	Swiss Franc	11/30/95	(1,062,871)
42,569,600	Swiss Franc	12/27/95	(37,139,766)
391,950	Swiss Franc	12/29/95	(342,018)
2,093,100	Swiss Franc	1/16/96	(1,829,524)
6,166,500	Swiss Franc	1/16/96	(5,389,977)
8,726,250	Swiss Franc	4/30/96	(7,700,762)
12,459,510	Swiss Franc	5/31/96	(11,025,734)
9,625,980	Swiss Franc	7/31/96	(8,564,900)
2,722,970	Swiss Franc	8/15/96	(2,426,090)
7,425,810	Swiss Franc	8/30/96	(6,625,112)
7,776,875	Swiss Franc	9/13/96	(6,947,038)
TOTAL FORWARD EXCHANGE CONTRACTS TO SELL (Contract Amount $523,582,663)			$(531,968,803)

Statement of Assets and Liabilities

September 30, 1995 (Unaudited)

ASSETS		
Investments, at value (Cost $710,391,042) (Note 1)		
See accompanying schedule:		
Investment securities	$692,627,846	
Repurchase agreement	85,000,000	$777,627,846
Cash and foreign currency (Cost $20,216,079)		20,155,527
Receivable for Fund shares sold		3,099,358
Dividends and interest receivable		2,258,044
Unamortized organization costs (Note 5)		59,468
Prepaid expense		24,937
Other assets		8,985
Total Assets		803,234,165
LIABILITIES		
Net unrealized depreciation of forward exchange contracts (Note 1)	8,315,361	
Payable for investment securities purchased	5,652,575	
Payable for Fund shares redeemed	1,445,312	
Investment advisory fee payable (Note 2)	804,545	
Custodian fees payable (Note 2)	163,000	
Administration fee payable (Note 2)	91,421	
Transfer agent fees payable (Note 2)	78,000	
Accrued expenses and other payables	159,253	
Total Liabilities		16,709,467
NET ASSETS		$786,524,698
NET ASSETS consist of		
Undistributed net investment income		$ 13,512,554
Accumulated net realized loss on securities, forward exchange contracts and foreign currencies		(7,023,496)
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets		59,192,996
Par value		6,192
Paid-in capital in excess of par value		720,836,452
Total Net Assets		$786,524,698
NET ASSET VALUE, offering price and redemption price per share ($786,524,698 ÷ 61,923,464 shares of common stock outstanding)		$12.70

SEE NOTES TO FINANCIAL STATEMENTS

Statement of Operations

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

INVESTMENT INCOME		
Dividends (net of foreign withholding taxes of $1,522,184)		$ 10,880,577
Interest (net of foreign withholding taxes of $114)		3,199,910
Total Investment Income		14,080,487
EXPENSES		
Investment advisory fee (Note 2)	$4,635,800	
Administration fee (Note 2)	531,489	
Custodian fees (Note 2)	266,927	
Transfer agent fees (Note 2)	256,945	
Legal and audit fees	64,413	
Amortization of organization costs (Note 5)	11,173	
Directors' fees and expenses (Note 2)	4,675	
Other	254,598	
Total Expenses		6,026,020
NET INVESTMENT INCOME		8,054,467
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (Notes 1 and 3)		
Net realized gain (loss) on:		
Securities		11,809,873
Forward exchange contracts		(21,741,693)
Foreign currencies		(432,901)
Net realized loss on investments during the period		(10,364,721)
Net change in unrealized appreciation (depreciation) of:		
Securities		35,002,959
Forward exchange contracts		37,821,491
Foreign currencies and net other assets		192,783
Net unrealized appreciation of investments during the period		73,017,233
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		62,652,512
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		$ 70,706,979

SEE NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Net Assets

	Six Months Ended 9/30/95 (Unaudited)	Year Ended 3/31/95
Net investment income	$ 8,054,467	$ 5,359,826
Net realized loss on securities, forward exchange contracts and foreign currencies during the period	(10,364,721)	(2,869,436)
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the period	73,017,233	(36,494,105)
Net increase (decrease) in net assets resulting from operations	70,706,979	(34,003,715)
Distributions:		
Distributions to shareholders from net realized gain on investments	—	(3,010,114)
Distributions in excess of net realized gain on investments	—	(4,759,223)
Net increase in net assets from Fund share transactions (Note 4)	60,783,168	399,373,423
Net increase in net assets	131,490,147	357,600,371
NET ASSETS		
Beginning of period	655,034,551	297,434,180
End of period (including undistributed net investment income of $13,512,554 and $5,458,087, respectively)	$786,524,698	$655,034,551

SEE NOTES TO FINANCIAL STATEMENTS

Financial Highlights

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/95 (Unaudited)	Year Ended 3/31/95	Period Ended 3/31/94*(a) (h)*
Net asset value, beginning of period	$ 11.52	$ 12.26	$ 10.00
Income from investment operations:			
Net investment income (loss)	0.12	0.10	(0.00) *(c) (f)*
Net realized and unrealized gain (loss) on investments	1.06	(0.68)	2.26
Total from investment operations	1.18	(0.58)	2.26
Distributions:			
Distributions from net realized gains	—	(0.06)	—
Distributions in excess of net realized gains	—	(0.10)	—
Total distributions	—	(0.16)	—
Net asset value, end of period	$ 12.70	$ 11.52	$ 12.26
Total return*(d)*	10.24%	(4.74)%	22.60%
Ratios/Supplemental Data			
Net assets, end of period (in 000's)	$786,525	$655,035	$297,434
Ratio of operating expenses to average net assets	1.62%*(b)*	1.65%	1.73%*(b) (e)*
Ratio of net investment income (loss) to average net assets	2.17%*(b)*	1.08%	(0.00)%*(b) (g)*
Portfolio turnover rate	8%	16%	14%

(a) The Fund commenced operations on June 15, 1993.

(b) Annualized.

(c) Net investment loss for a Fund share outstanding, before the waiver of fees by the investment adviser was $(0.01) for the 7.5 month-period ended March 31, 1994.

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

(e) Annualized expense ratio before waiver of fees by the investment adviser was 1.83% for the 7.5 month-period ended March 31, 1994.

(f) Amount represents less than $(0.01).

(g) Amount represents less than (0.01)%.

(h) 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.

SEE NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements (Unaudited)

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 following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

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

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

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

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

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

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

The Company on behalf of the Fund has entered into an investment advisory agreement (the "Advisory Agreement") with Tweedy, Browne Company L.P. ("Tweedy, Browne"). Under the Advisory Agreement, the Company pays Tweedy, Browne a fee at the annual rate of 1.25% of the value of its average daily net assets. The fee is payable monthly, provided the Fund will make such interim payments as may be requested by the adviser not to exceed 75% of the amount of the fee then accrued on the books of the Fund and unpaid.

The current and retired general partners and their families, as well as employees of Tweedy, Browne, the investment adviser to the Fund, have approximately $15.5 million of their own money invested in the Fund.

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

	Fees on Assets		
	Up to $200 Million	Between $200 and $500 Million	Exceeding $500 Million
Administration Fees	0.12%	0.10%	0.08%

	Up to $50 Million	Between $50 and $100 Million	Exceeding $100 Million
Accounting Fees	0.08%	0.06%	0.04%

Under the terms of the Administration Agreement, the Company will pay for Fund Administration Services, a minimum fee of $40,000 per Fund per annum, not to be aggregated with fees for Fund Accounting Services. The Company will pay for Fund Accounting Services a minimum fee of $20,000 per Fund per annum, not to be aggregated with fees for Fund Administration Services.

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

Boston Safe Deposit and Trust Company ("Boston Safe"), an indirect wholly owned subsidiary of Mellon Bank, serves as the Fund's custodian pursuant to a custody agreement (the "Custody Agreement"). Unified Advisers, Inc., serves as the Fund's transfer agent. Tweedy, Browne also serves as the distributor to the Fund and pays all distribution fees. No distribution fees are paid by the Fund.

For the six months ended September 30, 1995, the Fund incurred total brokerage commissions of $415,098.

3. Purchases and Sales of Securities

Cost of purchases and proceeds from sales, excluding short-term investments, for the six months ended September 30, 1995 aggregated $83,130,894 and $54,661,240, respectively.

At September 30, 1995, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $104,139,621 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $36,902,817.

4. Capital Stock

The Company is authorized to issue one billion shares of $.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 9/30/95		Year Ended 3/31/95	
	Shares	Amount	Shares	Amount
Sold	15,259,281	$ 186,209,393	43,211,400	$ 526,880,460
Reinvested	—	—	610,480	7,251,537
Redeemed	(10,214,599)	(125,426,225)	(11,196,210)	(134,758,574)
Net Increase	5,044,682	$ 60,783,168	32,625,670	$ 399,373,423

5. Organization Costs

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

6. Foreign Securities

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

7. Line of Credit

The Fund and Mellon Bank, N.A. have entered into a Line of Credit Agreement (the "Agreement") which provides the Fund with a $50 million line of credit, primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. The Fund may borrow up to the lessor of $50 million or one-third of its net assets. Interest is payable at the bank's Money Market Rate plus 0.75% on an annualized basis. Under the Agreement, the Fund is charged a facility fee equal to 0.10% annually of the unutilized credit. The Agreement requires, among other provisions, the Fund to maintain a ratio of net assets (not including funds borrowed pursuant to the Agreement) to aggregated amount of indebtedness pursuant to the Agreement of no less than three to one. For the six months ended September 30, 1995, the Fund did not borrow under this Agreement.

8. Subsequent Event

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