



TWEEDY, BROWNE FUND INC.

This booklet consists of two separate documents:

INVESTMENT ADVISER'S LETTER  
TO SHAREHOLDERS

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SEMI-ANNUAL REPORT

Tweedy, Browne Global Value Fund  
Tweedy, Browne Value Fund  
Tweedy, Browne Worldwide High Dividend Yield Value Fund

SEPTEMBER 30, 2008

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TWEEDY, BROWNE FUND INC.

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Tweedy, Browne Global Value Fund

Tweedy, Browne Value Fund

Tweedy, Browne Worldwide High Dividend Yield Value Fund

INVESTMENT ADVISER'S LETTER  
TO SHAREHOLDERS

September 30, 2008

# TWEEDY, BROWNE FUND INC.

## Investment Adviser's Letter



Left to right: Will Browne, Bob Wyckoff, Chris Browne, Tom Shrager and John Spears.

### To Our Shareholders:

In the past we have traditionally begun our semi-annual and annual letters to shareholders with, "We are pleased to present ...". Under current stock market conditions, we find that phrase rather disingenuous. Presented below are the investment results of the three Tweedy, Browne mutual funds with comparisons to the indices we consider relevant.

Period Ended 9/30/08	Tweedy, Browne Global Value Fund	MSCI EAFE Index <sup>(1)(2)</sup> Hedged US\$
6 Months	-17.27%	-14.21%
Calendar Year-to-Date	-24.74	-27.30
1 Year	-26.40	-29.27
3 Years	-0.06	-0.63
5 Years	8.23	7.69
10 Years	8.72	3.93
15 Years	10.06	5.22
Since Inception (6/15/93) <sup>(3)</sup>	10.08	5.47
Total Annual Fund Operating Expense Ratio as of 3/31/08 was 1.37%†		

Period Ended 9/30/08	Tweedy, Browne Value Fund	S&P 500 <sup>(1)(5)</sup>	MSCI World Index Hedged to US\$ <sup>(1)(4)</sup>
6 Months	-5.98%	-10.87%	-12.51%
Calendar Year-to-Date	-10.43	-19.29	-23.03
1 Year	-15.36	-21.98	-25.26
3 Years	0.68	0.22	
5 Years	4.57	5.16	
10 Years	4.62	3.06	
Since Inception (12/8/93) <sup>(3)</sup>	8.73	8.35	
Total Annual Fund Operating Expense Ratio as of 3/31/08 was 1.37%†			

Period Ended 9/30/08	Tweedy, Browne Worldwide High Dividend Yield Value Fund	MSCI World Index in US\$ <sup>(1)(4)</sup>
6 Months	-15.18%	-16.66%
Calendar Year-to-Date	-17.73	-24.21
1 Year	-18.45	-26.05
Since Inception (9/5/07) <sup>(3)</sup>	-16.45	-21.00
30-Day Standardized Yield as of 9/30/08 was 3.12%		
Gross annual operating expenses as of 3/31/08 was 1.86%†‡		
Net annual operating expenses as of 3/31/08 was 1.37%†‡		

\* The preceding performance data represents past performance and is not a guarantee of future results. Total return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance may be lower or higher than the performance data shown. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data, which is current to the most recent month end. See page I-6 for footnotes 1 through 5, which describe the indices and inception dates of the Funds. Results are annualized for all periods greater than one year.

† The Funds do not impose any front-end or deferred sales charge. However, the Global Value Fund imposes a 2% redemption fee on redemption proceeds for redemptions or exchanges made within 60 days of purchase. Performance data does not reflect the deduction of the redemption fee, and if reflected, the redemption fee would reduce the performance data quoted for periods of 60 days or less.

‡ The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Worldwide High Dividend Yield Value Fund to the extent necessary to maintain the total annual fund operating expenses (excluding brokerage, interest, taxes and extraordinary expenses) at no more than 1.37%. This arrangement will continue at least through March 31, 2009. In this

arrangement, the Worldwide High Dividend Yield Value Fund has agreed, during the two-year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent that after giving effect to such repayment such adjusted total annual fund operating expenses would not exceed 1.37% on an annualized basis. The performance data shown above would be lower had fees and expenses not been waived and/or reimbursed.

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*If I owe you a pound, I have a problem; but if I owe you a million, the problem is yours.*

— John Maynard Keynes

In the current market environment, money managers have been facing strong head winds. We can take some comfort in seeing that we are ahead, sometimes comfortably, of our benchmarks.<sup>6</sup> However, being down is still being down. Not fun. We have also held up quite well against managers we consider our peers, many of whom we envied in the past. Nonetheless, this doesn't provide us much pleasure either. We don't think in terms of relative performance in either up or down markets. We do think about compounding our capital over the long term at attractive rates while trying to minimize the risk of permanent loss of capital.

We have often thought that if you want to be in the money management business, you should be a history major and finance minor in college. The number crunching part of finance is quite easy compared to the "historical perspective" part. Bear markets are not an unknown part of the investment cycle. We wish they never happened, but that is like believing in Santa Claus or the tooth fairy. Each bear market seems, when we are in the midst of it, as if it is the end of the world. Unfortunately, most individuals tend to extrapolate current conditions endlessly into the future. Things will change and, in our estimation, for the better. As one philosopher said, the world will only end once and then it does not matter what you own. We would add that we just want to stay solvent until that fateful day comes.

Without dwelling on it too much, we think we should give our perspective on how the economy got into this mess, and tell you how we are reacting. Your money is as important to us as our own.

In the late '90s, our government believed it was important to encourage Fannie Mae and Freddie Mac to buy increasing numbers of mortgages to enable more Americans to buy houses and apartments. With the imprimatur of US government backing, Fannie and Freddie were more than willing to play along. Given the large campaign contributions both companies made, on both sides of the aisle we might add, it is not difficult to understand why a deal was struck.

Also in the 1990s, amendments to the Community Reinvestment Act were adopted which further prompted banks to make loans to unqualified home buyers under the rubric that this would encourage home ownership, a national goal. The result was that many people bought homes they could not afford with artificially low introductory interest rates, teaser rates, confident that steadily rising real estate prices made for a risk-free deal. Houses became an option financed by non-recourse mortgage loans with little or nothing down, in an ever

inflating real estate market. As long as real estate prices kept rising, this Ponzi game could go on. *The New York Times* recently reported that Daniel Mudd, the former head of Fannie Mae, testified before Congress that,

*Fannie Mae faced the danger that the market would pass us by. We were afraid that lenders would be selling products we weren't buying and Congress would feel like we weren't fulfilling our mission. The market was changing, and it's our job to buy loans, so we had to change as well.*

We can't add much more to this other than to say between 2005 and 2007 Fannie Mae and Freddie Mac underwrote \$270 billion in questionable mortgages.

Not to be left out, Wall Street firms figured out a way to get in on the game by creating mortgage backed securities which bundled all these specious mortgage loans into collateralized securities and sold them to investors. Salesmanship once again trumped stewardship. The word "security" strikes us as a misnomer, despite the fact that the rating agencies blessed these "securities" with, in many cases, AAA ratings. With little or nothing down, low interest teaser rates that the buyer could not afford when the rates ultimately reset, and inflated real estate values — a disaster was waiting to happen. Then the music stopped. Buyers began to default on their mortgages, and with falling real estate prices, the houses were often worth less than the mortgage. Since the loans were non-recourse, just walking away and handing the keys to the bank was a viable alternative.

Even Alan Greenspan in recent Congressional testimony, said in response to a question about his policies and how they might have contributed to a real estate "bubble" testified, "Yes, I found a flaw." Bottom line, there is plenty of blame to go around. This evolved into what is now called a credit crunch. The first major firm to fall victim was Bear Stearns whose rescue by JPMorgan Chase at pennies on the dollar with massive government assistance was engineered by the Federal Reserve, which was fearful of a financial domino effect. Next to be rescued were Fannie and Freddie, again with massive government assistance. Ditto AIG, which was essentially bought by the government for \$85 billion. The threat of the collapse of Lehman Brothers was presumably not considered such a risk, so it was allowed to go into bankruptcy.

There is no denying that the problems in the economy are enormous and the number of mortgage defaults will likely surpass the number of defaults seen in the banking crisis of the late 1980s and early 1990s. Yet, as bad as this all sounds, bank failures during that crisis were far greater than what is likely to occur today. Eventually, the financial world righted itself and a period of prosperity followed. We think the same will happen this time.

When the storm clouds began to appear on the horizon in early 2007, we undertook a careful examination of our stock holdings in the financial sector. This led to our selling a number of issues. While we have not emerged unscathed, we avoided some significant damage. For example, in the early fall of last year, we still had a fairly large position in MBIA (Global Value Fund and Value Fund only), the old municipal bond insurance

association. The company insured state and city municipal bonds, which enabled issuers to get a somewhat lower interest rate. This was a steady, slow growth business with little or no losses because states and cities can always raise taxes to get out of a bind. To spur growth, MBIA began to insure mortgage backed securities and collateralized debt obligations (CDOs) as well. We believed the risk of insuring these instruments was greater than municipal bonds. Since the business model had changed, we decided to exit and sold our stock at prices ranging from \$60 to \$72 per share. When credit problems began to arise, the stock sank and now sells for about \$6.50 per share. We do not claim to have had any prescience in this matter; rather, we did not understand the new line of business and we didn't like the leverage. We like to stick to what we can understand.

We also re-examined and sold the remainder of our holding in Freddie Mac (Value Fund) last November simply because the subprime mortgage exposure and the leverage seemed unmanageable. We also sold our position in Bank of America (Worldwide High Dividend Yield Value Fund) after it decided to go forward with its acquisition of Countrywide, a transaction we felt was risky and inadvisable. One investment where we weren't quite as nimble was AIG (Global Value Fund). However, we were able to sell the bulk of our position at prices between \$20 and roughly \$30 per share. This was a great company that was driven under by a rather small division of the company that underwrote financial derivatives. Forced to post increasing amounts of collateral to support a declining mark to market valuation of their credit default swap portfolio, the company became engulfed in a liquidity crisis which forced them into the hands of our federal government. As the derivative threat became clearer to us in company disclosures, we decided to sell and move on. We concluded there were better things to do with your money. It is amazing that this subprime mess became a global problem, not just one confined to the US. Volumes will be written about how this all transpired. It is not for us to point fingers in any particular direction, but to repeat ourselves — there is more than enough blame to go around.

The last significant bubble that burst was in early 2000 when dot-coms went into a melt down. We avoided this debacle. We could never see the rationale for investing in businesses that only had future promise but no current income at multiples of anticipated and often unrealized future earnings that were in the stratosphere. The current melt down is far more pervasive, and there has been nowhere to hide. Why Nestle (Global Value Fund, Value Fund), which sells chocolates, bottled water and baby food among other food staples globally, should be down over 20% is beyond us, other than to observe that bear markets tend to be very democratic, leaving no one unscathed.

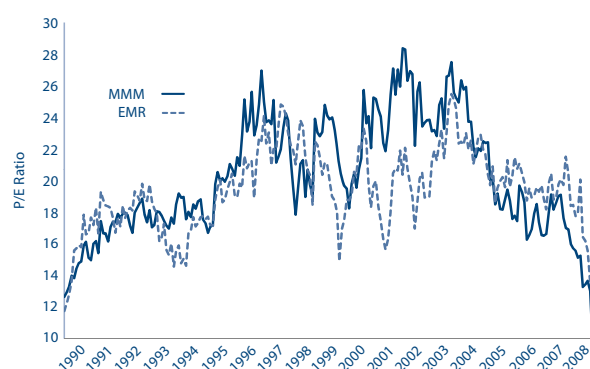
The stock market today is functioning under a broad veil of fear. A lot of babies are being thrown out with the bath water with the result that we are seeing more investment opportunities than we have seen in a number of years. This environment has permitted us to weed out a number of issues that turned out to be riskier as a result of the credit crunch, and replace them with what we believe are far better companies with much stronger business characteristics. We like to think about these companies looking out several years when the

environment is likely to be an improving one.

For instance, just after quarter-end we purchased shares in 3M Corporation (Value Fund, Worldwide High Dividend Yield Value Fund), Emerson Electric (Global Value Fund, Value Fund, Worldwide High Dividend Yield Value Fund), and Conoco Phillips (Global Value Fund, Value Fund), among others.<sup>7</sup> We believe that 3M is one of the world's premier diversified industrial conglomerates with a vast mix of established products and brands. It is diversified by customer, product and geography with 65% of its sales occurring internationally and 30% in developing markets. It has minimal debt, a AA-rated balance sheet, and has a history of steady growth in earnings and underlying intrinsic value. It has also performed reasonably well in prior recessionary environments, in our view. This is a stock that has earnings power of \$5 and routinely trades at 15 to 20 times earnings or better. On October 10, when the intraday trading range on the DJIA fluctuated by over 800 points, we were able to buy shares around \$52 per share, roughly 10 times earnings, and a little over 7 times earnings before interest and taxes ("EBIT").<sup>8</sup> The last time 3M traded at anywhere near 10 times earnings was almost 18 years ago.

Emerson Electric is another widely diversified industrial company, which produces numerous products in instrumentation, valves and control systems for plants, industrial motors, drivers, power technology products, components and systems for refrigerators and compressors, motors and controls for appliances, and tools and storage products. Over 50% of its business is international in scope. It has a long history of consistency in growth, margins, dividend payments, stock buybacks, and high returns on equity. Like 3M, Emerson, at time of purchase on October 10, was trading at a little under 11 times earnings and 7 times enterprise value to EBIT. Both Emerson and 3M have dividend yields of approximately 3.5%, and have increased their dividends for 50 or more consecutive years!

**3M & Emerson Electric: Historical P/E Ratio**



Source: Bloomberg

Conoco Phillips is an international, integrated energy company with vast amounts of proven oil and gas reserves. As oil prices came down over the past several weeks, so has Conoco's share price. On Friday, October 10 we were able to buy shares at a P/E ratio of roughly 4 times earnings and less than one-half of our low-end estimates of the company's



underlying intrinsic value. At its current price around \$48 per share, investors are effectively buying proven reserves in the ground at between \$2 and \$5 per barrel of oil equivalent at a time when industry finding and development costs are roughly \$15 per barrel and trending higher. Conoco is buying back shares, and the bulk of its reserves are located in the U.S., Canada, and other OECD<sup>9</sup> countries where potential nationalization should not be an issue.

If it were not for Mr. Market turning negative on stocks in general, these opportunities would not be available. Some may find it peculiar that we would be excited about stocks today given all that has transpired, but that is what value investors do. It is in our genes and has kept us on course in similar market downturns. Stocks are cheapest when fear is greatest.

We have always been risk averse. After all, we are not only charged with investing our shareholders' money, but we are significant investors ourselves. Currently, we believe our portfolios hold a much greater "margin of safety" than they did a year ago, and these are the bases from which we have enjoyed our greatest gains in the past. This time should be no different.

We believe that broader market statistics are also favorable. Price/earnings ratios in general are down and dividend yields relative to 10-year Treasuries are near a 30-year high. Across the Funds, our stocks currently trade at roughly 9 to 11 times current earnings and have a dividend yield of between 4% and almost 7%. Stocks in our Worldwide High Dividend Yield Value Fund had an average weighted dividend yield shortly after quarter-end of nearly 7% and traded at approximately 9.5 times earnings. *(Please note the average weighted dividend yield is not representative of the Fund's yield, nor does it represent the Fund's performance. The figure solely represents the average weighted dividend yield of the common stocks held in the Fund's portfolio. Please refer to the 30-Day Standardized Yield in the performance chart on page I-2 for the Fund's yield.)*

### Looking Forward

After a good bit of "pruning and planting" over the last weeks and months, we feel strongly that our Funds are very well positioned going forward, particularly in this time of unparalleled uncertainty in our capital markets.

- We still have cash reserves between 10% and 20% in all three of our Funds, which can be used to take advantage of pricing opportunities and is a nice cushion in these difficult times.
- We have the ability to invest all over the world to varying degrees in all three Funds, which means we can seek opportunity in parts of the world that may be less affected by the financial problems that are so dire here at home.
- In all three Funds, we are diversified by country, industry, issue and market capitalization, although the Worldwide High Dividend Yield Value Fund consists primarily of larger cap issues. With the exception of Nestle and Heineken (Global Value Fund, Value Fund), which are our largest holdings, there are no other individual securities with a position size greater than 5% in the Funds.

- While there may be individual securities in our portfolios where underlying intrinsic value has contracted, the overall discount from our estimate of intrinsic value, or as Ben Graham referred to it, the investor's "margin of safety," has grown in all three of our Funds over the last six months.
- We believe the top 25 holdings in each of our Funds largely consist of companies with strong balance sheets, durable competitive advantages, and relatively predictable earnings power. The companies are for the most part underleveraged and many enjoy net cash positions. Virtually all of them have investment-grade ratings. We feel that these are the kinds of companies that should be able to see their way through a recession and come out the other side bigger and stronger.

Just as hubris and overconfidence drove our debt and equity markets over the last 5 years, fear is now paralyzing investors. If you listen to most market pundits today, you should sell everything and wait 5 years. We have been in this investing game long enough to know that trying to time markets is a ruse. The pundits could be right, but they would be lucky. Bull markets do not begin with a starting gun that we can all hear, and they generally anticipate the good times to come well in advance. Knowing when to get back in is problematic if not impossible. It has been our observation that the low hanging fruit gets picked early and fast.

That is why we anchor on valuation to lead us into and out of stocks. Benjamin Graham gave us a wonderful gift, a framework that is designed to protect us as investors from our manic-depressive romance with equity markets. Over the last 5 years, many investors were seduced by highly complex and leveraged investment strategies that offered the elixir of low volatility and the promise of high return. Financial engineers used statistics and the comforting probabilities of bell curves to reassure investors that the leverage was manageable. But as Peter Bernstein reflected in a piece in *Bloomberg Markets* in June 2008:

*There's too much math and not enough thought about what risk is really about. The subprime mortgage problem was a case of people not asking themselves, "What happens if I'm wrong?"*

Warren Buffett, at this year's Berkshire Hathaway annual meeting, in response to a question asking his advice on investing, summarized Graham's philosophy, which has been the foundation of our firm since Tom Knapp arrived in 1958 from Graham Newman. Buffett's advice was:

*[R]ead The Intelligent Investor. That's the book that gave me the philosophy that has taken me now through a lot of years. And there are three big lessons in there which relate to your attitude toward stocks generally: (1) that you think of them as parts of a business; (2) that you use the market to serve you and not to instruct you; and (3) the idea of a margin of safety — about always leaving some extra room in things.*

Ben Graham's approach, diversified, and demanding a margin of safety in each and every investment, focused intensely on the possibility of bad outcomes. He often said if you take care of the downside, the upside will take care of itself. For those of us who accept Graham's tenets, the markets are today presenting investors with a rare valuation opportunity. In our 30 plus years of investing, we have rarely seen opportunities the likes of which we are seeing today. In times such as this, we are comforted by the fact that we have survived and prospered through many other crises over the years. Not to be flip, but we are reminded of the time back in 1962 when Russian missiles were on their way to Cuba to confront the U.S. blockade. Joe Reilly, a former partner of Tweedy, Browne, was in our trading room feverishly buying stocks in one of the biggest market meltdowns in stock market history. When asked by Howard Browne how he could be so confident in the face of such impending doom, Joe remarked, "Either this is going to turn out OK and the markets will turn around, or the world is going to come to an end. In either event, I'll be fine as long as God doesn't require cash."

While we try to approach all the doom and gloom with a sense of measured confidence borne from long experience, the current instability in our capital markets is of grave concern. With the bulk of our net worth invested in these same stocks, we are experiencing this roller coaster ride with you, and we don't really care for it either. That said, for those of us willing to look down the road a bit, we are quite confident we will not only get through it but will once again prosper and thrive. As to whether this crisis leads our society and our financial institutions to permanently abandon their love affair with debt, only time will tell. As David Brooks opined in a recent Op-Ed piece in *The New York Times*:

*[T]he important shifts will be private, as people and communities learn to adopt different social standards. After the depression, a savings mentality set in. After the dot-com bubble, a bit of sobriety hit Silicon Valley. Now it's the borrower's and lender's turn. As the saying goes: People don't change when they see the light. They change when they feel the heat.*

Thank you for your continued confidence.

Very truly yours,

TWEEDY, BROWNE COMPANY LLC

Christopher H. Browne

William H. Browne

John D. Spears

Thomas H. Shrager

Robert Q. Wyckoff, Jr.

**Managing Directors**

October 28, 2008

- (1) Indexes are unmanaged, and the figures for the indexes shown include reinvestment of dividends and capital gains distributions and do not reflect any fees or expenses. Investors cannot invest directly in an index. We strongly recommend that these factors be considered before an investment decision is made.
- (2) MSCI EAFE Index US\$ is an unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. MSCI EAFE Index Hedged consists of the results of the MSCI EAFE Index hedged 100% back into US dollars and accounts for interest rate differentials in forward currency exchange rates. Results for both indexes are inclusive of dividends and net of foreign withholding taxes.
- (3) Inception dates for the Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund were June 15, 1993, December 8, 1993 and September 5, 2007, respectively. Information with respect to MSCI EAFE indexes used is available at month end only; therefore the closest month end to the Global Value Fund's inception date, May 31, 1993, was used.
- (4) The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index (US\$) reflects the return of this index for a US dollar investor. MSCI World Index (Hedged to US\$) consists of the results of the MSCI World Index with its foreign currency exposure hedged 100% back into US dollars. The index accounts for interest rate differentials in forward currency exchange rates. Results for this index are inclusive of dividends and net of foreign withholding taxes.
- (5) S&P 500 Index 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.
- (6) Returns shown are for a specific time period where the Funds outperformed their relevant indexes. While the Funds outperformed the relevant indexes for the period shown, there have been previous periods when the Funds underperformed these indices. Since past performance is not indicative of future results, there can be no guarantee that the Funds will outperform their relevant indexes in the future. Please refer to page I-2 of the letter for the Funds' standardized performance results.
- (7) As of September 30, 2008, Tweedy, Browne Global Value Fund, Tweedy, Browne Value Fund and Tweedy, Browne Worldwide High Dividend Yield Value Fund had invested the following percentages of its net assets, respectively, in the following portfolio holdings: Fannie Mae (0.0%, 0.0%, 0.0%); Freddie Mac (0.0%, 0.0%, 0.0%); MBIA (0.0%, 0.0%, 0.0%); Bank of America (0.0%, 0.0%, 0.0%); Countrywide (0.0%, 0.0%, 0.0%); AIG (0.0%, 0.0%, 0.0%); Nestle (7.2%, 7.0%, 0.0%); and Heineken (6.3%, 4.9%, 0.0%).



As of October 28, 2008, Tweedy, Browne Global Value Fund, Tweedy, Browne Value Fund and Tweedy, Browne Worldwide High Dividend Yield Value Fund had invested the following percentages of its net assets, respectively, in the following portfolio holdings: 3M Corp. (0.0%, 1.2%, 1.3%); Emerson Electric (0.5%, 1.1%, 1.1%); and Conoco Phillips (0.8%, 1.2%, 0.0%).

- (8) The Dow Jones Industrial Average is a price-weighted average of 30 blue chip stocks that are generally considered the leaders in their industry and includes the reinvestment of dividends.
- (9) The Organisation for Economic Co-operation and Development is comprised of governments committed to democracy and the market economy from around the world.

Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks beyond the risks of investing in US securities markets. These risks include currency fluctuations; political uncertainty; different accounting and financial standards; different regulatory environments; and different market and economic factors in various non-US countries. In addition, the securities of small, less well-known companies may be more volatile than those of larger companies. Value investing involves the risk that the market will not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may actually be appropriately priced when purchased. Investors should refer to the Funds' prospectus for a description of risk factors associated with investments in securities held by the Funds.

This letter contains opinions and statements on investment techniques, economics, market conditions and other matters. Of course there is no guarantee that these opinions and statements will prove to be correct, and some of them are inherently speculative. None of them should be relied upon as statements of fact.

Tweedy, Browne Global Value Fund, Tweedy, Browne Value Fund and Tweedy, Browne Worldwide High Dividend Yield Value Fund are distributed by Tweedy, Browne Company LLC.

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

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TWEEDY, BROWNE FUND INC.

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Tweedy, Browne Global Value Fund

Tweedy, Browne Value Fund

Tweedy, Browne Worldwide High Dividend Yield Value Fund

## SEMI-ANNUAL REPORT

September 30, 2008

## TWEEDY, BROWNE FUND INC.

### Expense Information

A shareholder of the Global Value Fund, Value Fund or Worldwide High Dividend Yield Value Fund (collectively, the "Funds") incurs two types of costs: (1) transaction costs and (2) ongoing costs, including management fees and other Fund expenses. The Example below is intended to help a shareholder understand their ongoing costs (in U.S. dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period of April 1, 2008 to September 30, 2008.

**Actual Expenses** The first part of the table presented below, under the heading "Actual Expenses", provides information about actual account values and actual expenses. The information in this line may be used with the amount a shareholder invested to estimate the expenses that were paid by the shareholder over the period. Simply divide the shareholder's account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses paid during this period.

**Hypothetical Example for Comparison Purposes** The second part of the table presented below, under the heading "Hypothetical Expenses", provides information about

hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid by the shareholder of the Funds for the period. This information may be used to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table below are meant to highlight a shareholder's ongoing costs only and do not reflect redemption fees. Redemptions from the Global Value Fund and the Worldwide High Dividend Yield Value Fund, including exchange redemptions, within 60 days of purchase are subject to a redemption fee equal to 2% of the redemption proceeds, which will be retained by the Funds. There are no other transactional expenses associated with the purchase and sale of shares charged by the Funds, such as commissions, sales loads and/or redemption fees on shares held longer than 60 days. Other mutual funds may have such transactional charges. Therefore, the second part of the table is useful in comparing ongoing costs only, and will not help a shareholder determine the relative total costs of owning different funds. In addition, if redemption fees were included, a shareholder's costs would have been higher.

	Actual Expenses			Hypothetical Expenses (5% Return Before Expenses)			
	Beginning Account Value 4/1/08	Ending Account Value 9/30/08	Expenses Paid During Period* 4/1/08 – 9/30/08	Beginning Account Value 4/1/08	Ending Account Value 9/30/08	Expenses Paid During Period* 4/1/08 – 9/30/08	Expense Ratio
Global Value Fund	\$1,000	\$827	\$6.41	\$1,000	\$1,018	\$7.08	1.40%
Value Fund	\$1,000	\$940	\$6.76	\$1,000	\$1,018	\$7.03	1.39%
Worldwide High Dividend Yield Value Fund	\$1,000	\$848	\$6.35	\$1,000	\$1,018	\$6.93	1.37%

\* Expenses are equal to each Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by the number of days in the period, divided by 365 (to reflect the one-half year period).



## TWEEDY, BROWNE GLOBAL VALUE FUND

### Portfolio of Investments

September 30, 2008 (Unaudited)

Shares	Market Value (Note 2)	Shares	Market Value (Note 2)
<b>COMMON STOCKS—85.9%</b>		<b>Japan (continued)</b>	
<b>Belgium—2.7%</b>		1,512,500	Honda Motor Company Ltd. .... \$44,022,277
1,646,311	KBC Groep NV ..... \$138,125,289	22,100	Hurxley Corporation ..... 219,616
<b>Canada—1.5%</b>		221,800	Inaba Seisakusho Company Ltd. .... 2,080,844
100,000	Melcor Developments Ltd. .... 984,763	321,000	Katsuragawa Electric Company Ltd. .... 1,926,030
1,631,760	National Bank of Canada, Toronto ..... 74,666,219	1,461,000	Kawasumi Laboratories Inc. .... 6,564,282
		1,849,500	Kuroda Electric Company Ltd. .... 16,915,787
		69,100	Mandom Corporation ..... 1,822,446
		477,000	Matsumoto Yushi-Seiyaku Company Ltd. .... 7,042,787
		21,670	Medikit Company Ltd. .... 3,878,208
<b>Czech Republic—0.0%†</b>		79,400	Meito Sangyo Company Ltd. .... 1,555,616
2,800	Philip Morris CR a.s. .... 850,700	36,240	Milbon Company Ltd. .... 791,945
<b>Finland—5.0%</b>		307,100	Mirai Industry Company Ltd. .... 2,693,073
2,435,000	Cargotec Corporation, B Share ..... 48,637,066	48,000	Nankai Plywood Company Ltd. .... 219,733
1,000,000	Huhtamaki Oyj ..... 7,852,006	162,780	Nippon Kanzai Company Ltd. .... 3,978,845
7,504,090	Kone Oyj, Class B ..... 200,272,095	1,066,000	Nippon Konpo Unyu Soko Company Ltd. .... 9,840,154
		459,500	Nitto FC Company Ltd. .... 2,003,942
		20,100	Ryoyo Electro Corporation ..... 168,881
		451,000	Sangetsu Company Ltd. .... 7,514,897
<b>France—4.0%</b>		314,800	Shikoku Coca-Cola Bottling Company Ltd. .... 2,965,196
1,814,460	CNP Assurances ..... 202,518,530	289,300	Shingakukai Company Ltd. .... 1,013,701
<b>Germany—4.9%</b>		195,000	SK Kaken Company Ltd. .... 4,555,174
64,173	Boewe Systec AG ..... 1,266,478	612,000	Sonton Food Industry Company Ltd. .... 4,110,168
355,000	Henkel AG & Company, KGaA ..... 10,835,698	500	T&K Toka Company Ltd. .... 4,074
42,354	KSB AG ..... 22,726,188	528,500	T. Hasegawa Company Ltd. .... 8,442,858
477,787	Muenchener Rueckversicherungs- Gesellschaft AG ..... 71,280,140	2,999,700	Takata Corporation ..... 40,263,481
1,620,636	Springer (Axel) Verlag AG ..... 144,553,301	35,000	Wakita & Company Ltd. .... 145,057
			288,229,537
<b>Hong Kong—1.2%</b>		<b>Mexico—4.0%</b>	
4,373,564	Jardine Strategic Holdings Ltd. .... 61,667,252	1,921,351	Coca-Cola Femsa SA de CV, Sponsored ADR ..... 96,951,371
200,000	Swire Pacific Ltd., Class B ..... 342,591	14,623,380	Embotelladoras Arca SA de CV ..... 43,254,988
		30,132,400	Grupo Continental SA ..... 64,228,189
			204,434,548
<b>Ireland—0.4%</b>		<b>Netherlands—12.8%</b>	
11,955,638	Independent News & Media PLC ..... 19,480,475	2,093,000	Akzo Nobel NV ..... 98,825,985
1,111,317	Unidare PLC †† ..... 93,661	23,620	Crown Van Gelder Gemeenschappelijk Bezit NV ..... 291,634
		5,333,493	Heineken Holding NV ..... 206,995,746
		2,810,041	Heineken NV ..... 111,881,408
		450,000	Imtech NV ..... 9,076,863
<b>Italy—4.4%</b>		50,000	Randstad Holding NV ..... 1,296,143
3,561,000	Banco Popolare Scarl ..... 54,471,415	4,374,175	Telegraaf Media Groep NV ..... 118,460,071
925,100	Maffei SPA ..... 2,741,826	288,708	TKH Group NV ..... 5,276,002
15,720,000	Mediaset SPA ..... 98,757,866	3,612,751	Unilever NV, CVA ..... 100,782,721
12,147,709	Mondadori (Arnoldo) Editore SPA ..... 60,745,370		
1,005,000	Sol SPA ..... 5,166,732		
805,250	Vincenzo Zucchi SPA †† ..... 1,698,906		
			652,886,573
<b>Japan—5.7%</b>		<b>Norway—0.8%</b>	
545,600	Aica Kogyo Company Ltd. .... 4,193,563	2,302,000	Schibsted ASA ..... 41,953,301
29,300	Asahi Intecc Company Ltd. .... 149,032	<b>Singapore—1.9%</b>	
1,594,700	Canon Inc. .... 57,380,059	33,542,550	Fraser and Neave Ltd. .... 83,287,440
109	Coca-Cola Central Japan Company Ltd. .... 643,230	1,200,000	Jardine Cycle & Carriage Ltd. .... 13,093,656
410,900	Daikoku Denki Company Ltd. .... 4,559,320		
5,251,000	Fujitec Company Ltd. .... 25,373,362		
446,600	Fukuda Denshi Company Ltd. .... 8,455,385		
1,203,000	Hi-Lex Corporation ..... 12,736,514		
			96,381,096

SEE NOTES TO FINANCIAL STATEMENTS





## TWEEDY, BROWNE GLOBAL VALUE FUND

### Portfolio of Investments

September 30, 2008 (Unaudited)

Shares		Market Value (Note 2)	Shares		Market Value (Note 2)
<b>COMMON STOCKS</b>					
<b>South Korea—4.4%</b>					
8,615	Asia Cement Company Ltd. ....	\$358,319	12,262,000	Trinity Mirror PLC .....	\$18,468,515
150,900	Daegu Department Store Company Ltd. .	1,325,274	5,038,361	TT Electronics PLC .....	7,902,889
23,260	Daehan City Gas Company Ltd. ....	594,532	2,879,718	Unilever PLC .....	78,122,936
93,346	Dong Ah Tire & Rubber Company Ltd. .	615,630			533,971,614
280,921	Hanil Cement Company Ltd. ....	17,689,213	<b>United States—2.6%</b>		
8,791	Hyundai Elevator Company Ltd. ....	575,408	3,085,645	American Express Company .....	109,324,402
8,003,555	Korea Exchange Bank .....	72,943,457	75,700	American National Insurance Company	6,535,181
23,200	Sam Young Electronics Company Ltd. .	196,064	2,206,892	Sun-Times Media Group Inc., Class A ††	375,172
36,890	Samchully Company Ltd. ....	4,661,109	49,884	Torchmark Corporation .....	2,983,063
19,971	Samsung SDI Company Ltd. ....	1,426,323	269,276	Transatlantic Holdings Inc. ....	14,635,151
241,172	SK Telecom Company Ltd. ....	41,062,882			133,852,969
3,479,352	SK Telecom Company Ltd., ADR .....	65,481,405	<b>TOTAL COMMON STOCKS</b>		
363,340	Taeyoung Engineering & Construction ..	1,553,365		(COST \$3,303,799,724) .....	4,383,581,283
2,159,497	Youngone Corporation .....	16,013,504	<b>PREFERRED STOCKS—0.4%</b>		
		224,496,485	154,144	Adris Grupa d.d. ....	9,268,152
<b>Spain—1.5%</b>			11,800	KSB AG, Vorzugsakt .....	5,259,712
7,768,795	Gestevisión Telecinco SA .....	78,351,427	700,000	Villeroy & Boch AG .....	6,794,303
<b>Sweden—0.0%†</b>			<b>TOTAL PREFERRED STOCKS</b>		
33,000	Cloetta Fazer AB, B Shares .....	1,088,523		(COST \$17,582,512) .....	21,322,167
<b>Switzerland—17.6%</b>			<b>REGISTERED INVESTMENT COMPANY—4.7%</b>		
45,065	AFG Arbonia-Foster Holding AG, Bearer .....	7,877,583	236,527,828	Dreyfus Government Prime Cash Management .....	236,527,828
186,990	Coltene Holding AG .....	12,557,723	<b>TOTAL REGISTERED</b>		
2,021,000	Compagnie Financière Richemont AG .	88,139,933		<b>INVESTMENT COMPANY</b>	
570,116	Daetwyler Holding AG, Bearer †† .....	31,702,772		(COST \$236,527,828) .....	236,527,828
90,642	Edipresse SA, Bearer .....	27,617,011	<b>Face Value</b>		
80,613	Forbo Holding AG .....	31,993,565	\$154,200,000	0.000% * due 11/6/08 .....	153,977,544
29,327	Loeb Holding AG .....	6,499,674	138,500,000	0.000% * due 2/5/09 ††† .....	137,985,473
8,540,000	Nestle SA, Registered .....	367,115,273	<b>TOTAL U.S. TREASURY BILLS</b>		
8	Neue Zuercher Zeitung †† .....	525,699		(COST \$291,548,734) .....	291,963,017
2,368,760	Novartis AG, Registered .....	123,693,109	<b>TOTAL INVESTMENTS</b>		
45,425	Phoenix Mecano AG .....	16,853,333		(Cost \$3,849,458,798**) .....	96.7% 4,933,394,295
179,979	PubliGroupe SA, Registered .....	26,822,288	<b>UNREALIZED APPRECIATION ON</b>		
182,827	Siegfried Holding AG .....	24,132,349		<b>FORWARD CONTRACTS (Net) .....</b>	3.9 197,411,959
7,400	Sika AG, Bearer .....	8,302,520	<b>OTHER ASSETS AND</b>		
1,424,000	Swiss Reinsurance .....	77,089,677		<b>LIABILITIES (Net) .....</b>	(0.6) (28,821,135)
473,309	Tamedia AG .....	47,278,134		<b>NET ASSETS .....</b>	100.0% \$ 5,101,985,119
		898,200,643	* Rate represents annualized yield at date of purchase.		
<b>United Kingdom—10.5%</b>			** Aggregate cost for federal tax purposes is \$3,849,458,798.		
1,521,000	AGA Foodservice Group PLC .....	3,958,184	† Amount represents less than 0.1% of net assets.		
7,123,125	BBA Group PLC .....	14,442,285	†† Non-income producing security.		
3,979,658	Carlo PLC .....	5,461,984	††† At September 30, 2008, liquid assets totaling \$26,899,695 have been segregated to cover certain open forward contracts.		
11,378,577	Clinton Cards PLC .....	7,149,259	Abbreviations:		
2,775,758	Daily Mail & General Trust, Class A ...	15,782,879	ADR — American Depositary Receipt		
8,225,426	Diageo PLC, Sponsored ADR .....	138,549,242	CVA — Certificaaten van aandelen (Share Certificates)		
3,675,000	Ennstone PLC .....	590,196			
7,700,800	G4S PLC .....	27,795,521			
969,024	GlaxoSmithKline PLC .....	20,916,674			
593,139	GlaxoSmithKline PLC, Sponsored ADR	25,777,821			
923,006	Headlam Group PLC .....	3,565,969			
5,037,262	HSBC Holdings PLC .....	80,897,160			
14,279,635	Lloyds TSB Group PLC .....	57,649,993			
779,500	Raven Mount PLC .....	896,169			
1,316,345	Signet Jewelers Ltd. ....	26,043,938			

SEE NOTES TO FINANCIAL STATEMENTS



## Sector Diversification

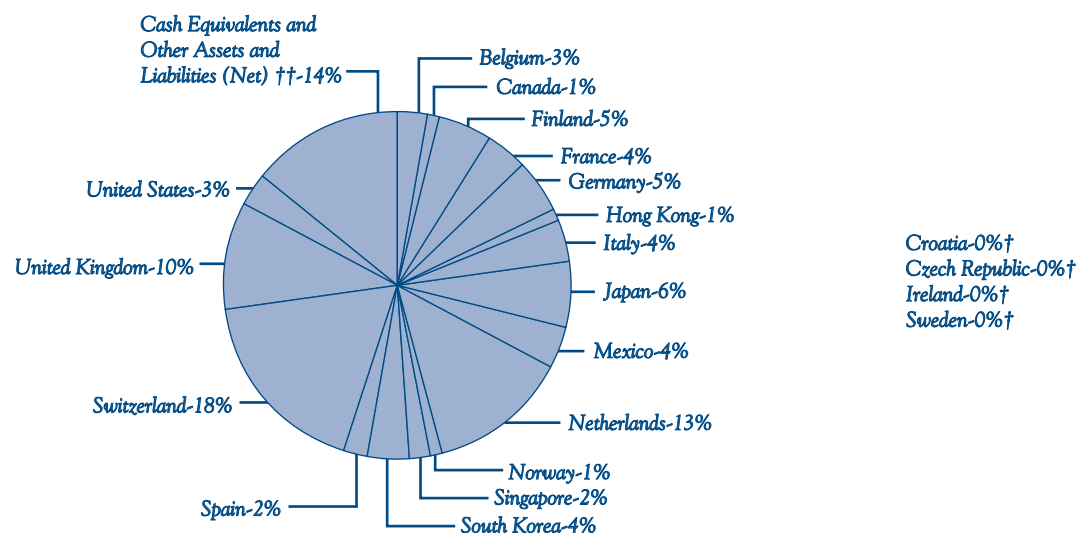
September 30, 2008 (Unaudited)

<u>Sector Diversification</u>	<u>Percentage of Net Assets</u>	<u>Market Value (Note 2)</u>
<b>COMMON STOCKS:</b>		
Media .....	13.7%	\$699,171,509
Beverage .....	13.0	665,469,370
Food .....	11.0	561,218,095
Banks .....	9.4	478,753,533
Capital Goods .....	8.8	447,152,039
Insurance .....	7.4	375,041,742
Materials .....	3.6	185,238,474
Diversified Financials .....	3.4	170,991,654
Pharmaceuticals, Biotechnology & Life Sciences. . .	3.3	170,387,604
Consumer Durables & Apparel .....	3.3	168,298,874
Telecommunication Services .....	2.1	106,544,287
Automobiles & Components .....	1.9	97,637,902
Technology Hardware & Equipment .....	1.8	92,199,995
Retailing .....	1.1	54,205,462
Commercial Services & Supplies .....	0.6	33,070,509
Health Care Equipment & Services .....	0.6	31,604,630
Transportation .....	0.5	24,282,439
Household & Personal Products .....	0.3	13,450,089
Utilities .....	0.1	5,255,641
Real Estate .....	0.0†	1,327,354
Consumer Services .....	0.0†	1,233,317
Tobacco .....	0.0†	850,700
Semiconductors & Semiconductor Equipment .....	0.0†	196,064
<b>Total Common Stocks .....</b>	<b>85.9</b>	<b>4,383,581,283</b>
Preferred Stocks .....	0.4	21,322,167
Registered Investment Company .....	4.7	236,527,828
U.S. Treasury Bills .....	5.7	291,963,017
Unrealized Appreciation on Forward Contracts (Net) .....	3.9	197,411,959
Other Assets and Liabilities (Net) .....	(0.6)	(28,821,135)
<b>Net Assets .....</b>	<b>100.0%</b>	<b>\$5,101,985,119</b>

† Amount represents less than 0.1% of net assets

## Portfolio Composition

September 30, 2008 (Unaudited)



† Amount represents less than 1% of net assets

†† Includes Unrealized Appreciation on Forward Contracts (Net)



## TWEEDY, BROWNE GLOBAL VALUE FUND

### Schedule of Forward Exchange Contracts September 30, 2008 (Unaudited)

Contracts	Contract Value	Contract Date	Market Value (Note 2)	Contracts	Contract Value	Contract Date	Market Value (Note 2)
<b>FORWARD EXCHANGE CONTRACTS TO BUY</b>							
9,000,000 Canadian Dollar	11/18/08		\$8,484,736	1,800,000,000 Japanese Yen	9/10/09		\$(17,485,019)
45,000,000 Danish Krone	5/19/09		8,480,729	245,000,000 Mexican Peso	10/23/08		(22,230,792)
83,000,000 Danish Krone	5/27/09		15,638,507	225,000,000 Mexican Peso	12/19/08		(20,268,324)
100,000,000 European Union Euro	10/1/08		140,480,810	140,000,000 Mexican Peso	1/12/09		(12,572,637)
40,000,000 European Union Euro	8/4/09		56,107,498	300,000,000 Mexican Peso	1/20/09		(26,913,545)
60,000,000 European Union Euro	8/25/09		84,104,513	260,000,000 Mexican Peso	2/3/09		(23,282,998)
20,000,000 Great Britain Pound Sterling	10/1/08		35,651,894	315,000,000 Mexican Peso	3/3/09		(28,106,845)
30,000,000 Great Britain Pound Sterling	10/14/08		53,539,749	275,000,000 Mexican Peso	4/14/09		(24,407,166)
55,000,000 Hong Kong Dollar	10/2/08		7,083,941	275,000,000 Mexican Peso	4/22/09		(24,382,785)
150,000,000 Hong Kong Dollar	2/24/09		19,363,160	275,000,000 Mexican Peso	5/19/09		(24,300,857)
3,000,000,000 Japanese Yen	4/14/09		28,867,963	160,000,000 Mexican Peso	5/22/09		(14,133,404)
300,000,000 Mexican Peso	1/20/09		26,913,545	110,000,000 Norwegian Krone	10/7/08		(18,596,973)
275,000,000 Mexican Peso	4/22/09		24,382,785	80,000,000 Norwegian Krone	10/28/08		(13,506,978)
80,000,000 Norwegian Krone	10/28/08		13,506,978	68,000,000 Norwegian Krone	6/15/09		(11,288,548)
68,000,000 Norwegian Krone	6/15/09		11,288,548	15,000,000 Singapore Dollar	10/2/08		(10,492,482)
15,000,000 Singapore Dollar	10/2/08		10,492,482	30,000,000 Singapore Dollar	10/14/08		(20,994,216)
33,000,000,000 South Korean Won	3/3/09		27,501,146	44,000,000 Singapore Dollar	11/18/08		(30,838,840)
30,000,000,000 South Korean Won	5/7/09		24,994,272	20,000,000,000 South Korean Won	10/7/08		(16,588,333)
40,000,000 Swiss Franc	10/2/08		35,681,892	28,000,000,000 South Korean Won	10/14/08		(23,248,412)
25,000,000 Swiss Franc	11/18/08		22,404,750	53,000,000,000 South Korean Won	10/23/08		(44,066,293)
20,000,000 Swiss Franc	4/14/09		18,028,800	73,000,000,000 South Korean Won	12/19/08		(60,827,420)
25,000,000 Swiss Franc	6/5/09		22,559,052	15,000,000,000 South Korean Won	2/2/09		(12,500,521)
36,000,000 Swiss Franc	9/10/09		32,547,580	33,000,000,000 South Korean Won	3/3/09		(27,501,146)
35,000,000 Swiss Franc	9/18/09		31,648,517	30,000,000,000 South Korean Won	3/13/09		(25,001,042)
<b>TOTAL (Contract Amount \$778,754,950)</b>			<b>\$759,753,847</b>	25,000,000,000 South Korean Won	4/29/09		(20,829,717)
<b>FORWARD EXCHANGE CONTRACTS TO SELL</b>				30,000,000,000 South Korean Won	5/7/09		(24,994,272)
13,000,000 Canadian Dollar	11/18/08		\$(12,255,730)	34,000,000,000 South Korean Won	5/19/09		(28,324,482)
17,000,000 Canadian Dollar	12/19/08		(16,041,004)	40,000,000 Swiss Franc	10/2/08		(35,681,892)
17,000,000 Canadian Dollar	3/9/09		(16,042,821)	35,000,000 Swiss Franc	10/7/08		(31,237,901)
25,000,000 Canadian Dollar	5/12/09		(23,578,815)	30,000,000 Swiss Franc	10/14/08		(26,794,880)
6,000,000 Canadian Dollar	5/27/09		(5,657,899)	27,000,000 Swiss Franc	10/20/08		(24,130,482)
12,000,000 Canadian Dollar	6/5/09		(11,314,579)	28,000,000 Swiss Franc	10/28/08		(25,045,101)
45,000,000 Danish Krone	5/19/09		(8,480,728)	25,000,000 Swiss Franc	11/18/08		(22,404,750)
83,000,000 Danish Krone	5/27/09		(15,638,507)	40,000,000 Swiss Franc	1/12/09		(35,976,044)
100,000,000 European Union Euro	10/1/08		(140,480,809)	14,000,000 Swiss Franc	1/20/09		(12,594,198)
60,000,000 European Union Euro	10/7/08		(84,344,649)	20,000,000 Swiss Franc	4/14/09		(18,028,800)
100,000,000 European Union Euro	12/19/08		(141,014,089)	15,000,000 Swiss Franc	4/29/09		(13,525,587)
75,000,000 European Union Euro	1/12/09		(105,764,743)	5,200,000 Swiss Franc	5/15/09		(4,690,345)
100,000,000 European Union Euro	2/2/09		(140,971,647)	25,000,000 Swiss Franc	5/27/09		(22,555,059)
40,000,000 European Union Euro	3/3/09		(56,362,161)	25,000,000 Swiss Franc	6/5/09		(22,559,052)
65,000,000 European Union Euro	4/14/09		(91,502,926)	25,000,000 Swiss Franc	7/20/09		(22,579,133)
45,000,000 European Union Euro	5/19/09		(63,277,095)	20,000,000 Swiss Franc	7/27/09		(18,065,819)
33,000,000 European Union Euro	5/22/09		(46,398,740)	40,000,000 Swiss Franc	8/4/09		(36,137,383)
85,000,000 European Union Euro	5/27/09		(119,492,755)	90,000,000 Swiss Franc	8/12/09		(81,322,043)
80,000,000 European Union Euro	7/27/09		(112,243,839)	26,000,000 Swiss Franc	8/25/09		(23,499,107)
40,000,000 European Union Euro	8/4/09		(56,107,497)	36,000,000 Swiss Franc	9/10/09		(32,547,581)
60,000,000 European Union Euro	8/25/09		(84,104,513)	35,000,000 Swiss Franc	9/18/09		(31,648,517)
110,000,000 European Union Euro	8/31/09		(154,161,916)	67,000,000 Swiss Franc	9/30/09		(60,600,826)
57,000,000 European Union Euro	9/10/09		(79,858,273)	70,000,000 Swiss Franc	10/6/09		(63,324,571)
60,000,000 European Union Euro	9/18/09		(84,039,769)	40,000,000 Swiss Franc	10/9/09		(36,188,405)
100,000,000 European Union Euro	10/6/09		(140,014,391)	<b>TOTAL (Contract Amount \$3,988,053,720)</b>			<b>\$(3,771,640,658)</b>
20,000,000 Great Britain Pound Sterling	10/1/08		(35,651,894)				
35,000,000 Great Britain Pound Sterling	10/14/08		(62,463,040)				
20,000,000 Great Britain Pound Sterling	10/20/08		(35,712,222)				
4,500,000 Great Britain Pound Sterling	10/28/08		(8,040,967)				
52,000,000 Great Britain Pound Sterling	12/19/08		(92,947,078)				
10,000,000 Great Britain Pound Sterling	1/12/09		(17,863,920)				
15,000,000 Great Britain Pound Sterling	2/2/09		(26,772,349)				
14,000,000 Great Britain Pound Sterling	3/3/09		(24,957,181)				
25,000,000 Great Britain Pound Sterling	4/14/09		(44,484,210)				
10,000,000 Great Britain Pound Sterling	8/25/09		(17,682,437)				
9,500,000 Great Britain Pound Sterling	9/10/09		(16,785,593)				
55,000,000 Hong Kong Dollar	10/2/08		(7,083,940)				
150,000,000 Hong Kong Dollar	2/24/09		(19,363,160)				
2,300,000,000 Japanese Yen	10/20/08		(21,739,384)				
1,500,000,000 Japanese Yen	2/2/09		(14,359,826)				
10,542,970,000 Japanese Yen	2/19/09		(101,059,274)				
2,000,000,000 Japanese Yen	3/3/09		(19,188,261)				
3,000,000,000 Japanese Yen	4/14/09		(28,867,963)				
4,000,000,000 Japanese Yen	6/17/09		(38,646,541)				

SEE NOTES TO FINANCIAL STATEMENTS



## September 30, 2008 (Unaudited)

SEE NOTES TO FINANCIAL STATEMENTS



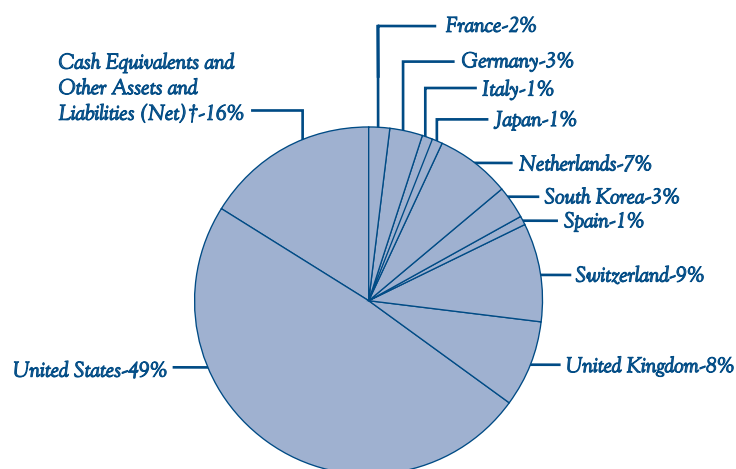
## Sector Diversification

September 30, 2008 (Unaudited)

<u>Sector Diversification</u>	<u>Percentage of Net Assets</u>	<u>Market Value (Note 2)</u>
<b>COMMON STOCKS:</b>		
Insurance .....	13.8%	\$53,350,160
Food .....	11.5	44,641,623
Beverage .....	10.1	39,047,511
Diversified Financials .....	9.7	37,437,869
Media .....	7.4	28,834,195
Banks .....	5.7	22,192,639
Food & Staples Retailing .....	4.3	16,555,093
Retailing .....	4.1	15,763,126
Real Estate .....	3.6	13,899,098
Pharmaceuticals, Biotechnology & Life Sciences. ....	3.1	12,020,311
Transportation .....	3.0	11,592,472
Consumer Durables & Apparel .....	2.9	11,166,946
Telecommunication Services .....	2.3	8,792,008
Health Care Equipment & Services .....	1.0	3,986,441
Technology Hardware & Equipment .....	0.7	2,882,136
Household & Personal Products .....	0.7	2,609,724
Automobiles & Components .....	0.4	1,523,760
Energy .....	0.2	732,500
<b>Total Common Stocks .....</b>	<b>84.5</b>	<b>327,027,612</b>
Registered Investment Company .....	2.4	9,155,599
U.S. Treasury Bills .....	10.4	40,222,430
Unrealized Appreciation on Forward Contracts (Net) .....	2.3	9,007,263
Other Assets and Liabilities (Net) .....	0.4	1,348,475
<b>Net Assets .....</b>	<b>100.0%</b>	<b>\$386,761,379</b>

## Portfolio Composition

September 30, 2008 (Unaudited)



† Includes Unrealized Appreciation on Forward Contracts (Net)



**Schedule of Forward Exchange Contracts**

September 30, 2008 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Market Value (Note 2)</u>
<b>FORWARD EXCHANGE CONTRACTS TO BUY</b>		
5,000,000 European Union Euro .....	8/25/09	\$7,008,710
3,200,000,000 South Korean Won .....	3/3/09	2,666,778
<b>TOTAL (Contract Amount \$9,995,438) .....</b>		<b>\$9,675,488</b>
<b>FORWARD EXCHANGE CONTRACTS TO SELL</b>		
4,000,000 European Union Euro .....	11/18/08	\$(5,637,496)
1,600,000 European Union Euro .....	12/19/08	(2,256,225)
1,700,000 European Union Euro .....	5/15/09	(2,390,775)
7,500,000 European Union Euro .....	7/20/09	(10,525,227)
9,000,000 European Union Euro .....	7/27/09	(12,627,432)
5,000,000 European Union Euro .....	8/25/09	(7,008,710)
4,600,000 Great Britain Pound Sterling .....	11/18/08	(8,221,855)
1,800,000 Great Britain Pound Sterling .....	5/15/09	(3,198,198)
4,000,000 Great Britain Pound Sterling .....	7/27/09	(7,082,684)
950,000 Great Britain Pound Sterling .....	8/25/09	(1,679,831)
3,200,000,000 South Korean Won .....	3/3/09	(2,666,778)
9,000,000,000 South Korean Won .....	3/13/09	(7,500,313)
1,500,000,000 South Korean Won .....	5/15/09	(1,249,644)
815,000,000 South Korean Won .....	8/31/09	(678,465)
4,000,000 Swiss Franc .....	10/7/08	(3,570,046)
4,000,000 Swiss Franc .....	5/15/09	(3,607,958)
10,000,000 Swiss Franc .....	7/27/09	(9,032,909)
2,000,000 Swiss Franc .....	8/25/09	(1,807,623)
2,000,000 Swiss Franc .....	8/31/09	(1,807,839)
<b>TOTAL (Contract Amount \$101,877,221) .....</b>		<b>\$(92,550,008)</b>



## TWEEDY, BROWNE WORLDWIDE HIGH DIVIDEND YIELD VALUE FUND

### Portfolio of Investments

September 30, 2008 (Unaudited)

<u>Shares</u>	<u>Market Value (Note 2)</u>	<u>Shares</u>	<u>Market Value (Note 2)</u>
<b>COMMON STOCKS—77.4%</b>		<b>United States—24.2%</b>	
<b>Canada—2.9%</b>		16,625	Altria Group, Inc. .... \$329,840
56,100	IGM Financial, Inc. .... \$2,026,713	50,515	AT&T, Inc. .... 1,410,379
<b>France—5.4%</b>		102,135	General Electric Company .... 2,604,443
56,000	Sanofi-Aventis, ADR .... 1,840,720	52,185	Genuine Parts Company .... 2,098,359
30,960	Total SA .... 1,851,721	71,520	Home Depot, Inc. .... 1,851,653
		85,760	Masco Corporation .... 1,538,534
		21,980	Philip Morris International, Inc. .... 1,057,238
		45,190	Reynolds American Inc. .... 2,197,138
		57,020	US Bancorp .... 2,053,860
		22,245	UST Inc. .... 1,480,182
			16,621,626
<b>Germany—4.7%</b>		<b>TOTAL COMMON STOCKS</b>	
50,845	Deutsche Post AG .... 1,055,581	<b>(COST \$68,484,561) .....</b>	
14,695	Muenchener Rueckversicherungs- Gesellschaft AG .... 2,192,319		53,217,326
	3,247,900	<b>REGISTERED INVESTMENT COMPANY—4.0%</b>	
<b>Ireland—1.5%</b>		2,717,323	Dreyfus Government Prime Cash Management .... 2,717,323
635,700	Independent News & Media PLC .... 1,035,807		
<b>Italy—5.8%</b>		<b>TOTAL REGISTERED</b>	
63,440	Eni SPA .... 1,657,467	<b>INVESTMENT COMPANY</b>	
246,275	Mediaset SPA .... 1,547,175	<b>(COST \$2,717,323) .....</b>	
152,900	Mondadori (Arnoldo) Editore SPA .... 764,586		2,717,323
	3,969,228	<b>Face Value</b>	
<b>Mexico—5.2%</b>		<b>U.S. TREASURY BILLS—17.9%</b>	
453,900	Embotelladoras Arca SA de CV .... 1,342,606	\$6,140,000	0.000% * due 11/6/08 .... 6,130,530
523,800	Kimberly-Clark de Mexico SA de CV, Class A .... 2,264,458	6,200,000	0.000% * due 2/5/09 .... 6,176,967
	3,607,064		
<b>Netherlands—4.1%</b>		<b>TOTAL U.S. TREASURY BILLS</b>	
19,280	Akzo Nobel NV .... 910,351	<b>(COST \$12,290,765) .....</b>	
67,900	Unilever NV, CVA .... 1,894,165		12,307,497
	2,804,516	<b>TOTAL INVESTMENTS</b>	
<b>South Korea—3.6%</b>		<b>(Cost \$83,492,649**) .....</b>	
134,100	Korea Exchange Bank .... 1,222,172	99.3%	68,242,146
65,900	SK Telecom Company Ltd., ADR .... 1,240,238	<b>OTHER ASSETS AND</b>	
	2,462,410	<b>LIABILITIES (Net) .....</b>	
<b>Spain—1.9%</b>			0.7 506,496
55,930	Telefonica SA .... 1,319,059	<b>NET ASSETS .....</b>	
		100.0%	\$68,748,642
<b>Switzerland—1.5%</b>			
18,925	Swiss Reinsurance .... 1,024,524		
<b>United Kingdom—16.6%</b>			
221,230	BP PLC .... 1,829,683		
122,205	Diageo PLC, Sponsored ADR .... 2,058,424		
108,665	GlaxoSmithKline PLC .... 2,345,567		
73,657	HSBC Holdings PLC .... 1,182,913		
233,530	Lloyds TSB Group PLC .... 942,811		
205,080	Pearson PLC .... 2,193,252		
43,133	Signet Jewelers Ltd. .... 853,388		
	11,406,038		

\* Rate represents annualized yield at date of purchase.  
 \*\* Aggregate cost for federal tax purposes is \$83,492,649.

Abbreviations:  
 ADR — American Depositary Receipt  
 CVA — Certificaaten van aandelen (Share Certificates)



## TWEEDY, BROWNE WORLDWIDE HIGH DIVIDEND YIELD VALUE FUND

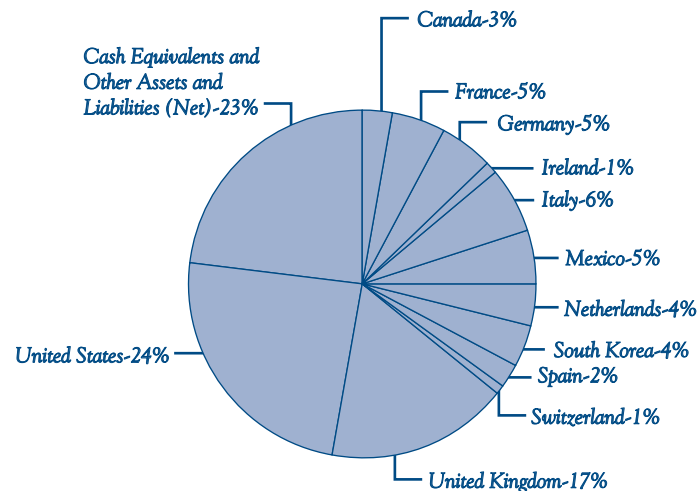
### Sector Diversification

September 30, 2008 (Unaudited)

<u>Sector Diversification</u>	<u>Percentage of Net Assets</u>	<u>Market Value (Note 2)</u>
<b>COMMON STOCKS:</b>		
Media .....	8.1%	\$5,540,820
Banks .....	7.9	5,401,756
Energy .....	7.8	5,338,871
Tobacco .....	7.4	5,064,398
Retailing .....	7.0	4,803,400
Pharmaceuticals, Biotechnology & Life Sciences. . .	6.1	4,186,287
Capital Goods .....	5.9	4,142,977
Telecommunication Services .....	5.8	3,969,676
Beverage .....	4.9	3,401,030
Insurance .....	4.7	3,216,843
Household & Personal Products .....	3.3	2,264,458
Diversified Financials .....	2.9	2,026,713
Food .....	2.8	1,894,165
Transportation .....	1.5	1,055,581
Materials .....	1.3	910,351
<b>Total Common Stocks .....</b>	<b>77.4</b>	<b>53,217,326</b>
Registered Investment Company .....	4.0	2,717,323
U.S. Treasury Bills .....	17.9	12,307,497
Other Assets and Liabilities (Net) .....	0.7	506,496
<b>Net Assets .....</b>	<b>100.0%</b>	<b>\$68,748,642</b>

### Portfolio Composition

September 30, 2008 (Unaudited)



## TWEEDY, BROWNE FUND INC.

### Statements of Assets and Liabilities

September 30, 2008 (Unaudited)

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
<b>ASSETS</b>			
Investments, at cost .....	\$3,849,458,798	\$258,087,382	\$83,492,649
Investments, at value (Note 2) .....	4,933,394,295	376,405,641	68,242,146
Cash .....	2,236,520	—	—
Foreign currency (a) .....	2,921,587	13	1,947
Dividends and interest receivable .....	12,918,613	640,429	372,262
Receivable for investment securities sold .....	5,628,679	1,093,215	—
Recoverable foreign withholding taxes .....	4,953,683	—	23,569
Receivable for Fund shares sold .....	9,061,486	122,419	418,599
Unrealized appreciation of forward exchange contracts (Note 2) ..	230,737,664	9,425,489	—
Prepaid expense .....	195,603	12,202	9,616
<b>Total Assets</b> .....	<u>5,202,048,130</u>	<u>387,699,408</u>	<u>69,068,139</u>
<b>LIABILITIES</b>			
Payable for investment securities purchased .....	\$41,537,377	\$—	\$—
Unrealized depreciation of forward exchange contracts (Note 2) ..	33,325,705	418,226	—
Payable for Fund shares redeemed .....	20,081,813	193,329	274,243
Investment advisory fee payable (Note 3) .....	3,482,294	254,706	37,140
Custodian fees payable (Note 3) .....	843,412	5,498	1,214
Transfer agent fees payable (Note 3) .....	377,626	24,023	1,426
Administration and accounting fees payable (Note 3) .....	112,270	8,252	1,573
Accrued expenses and other payables .....	302,514	33,995	3,901
<b>Total Liabilities</b> .....	<u>100,063,011</u>	<u>938,029</u>	<u>319,497</u>
<b>NET ASSETS</b> .....	<u>\$5,101,985,119</u>	<u>\$386,761,379</u>	<u>\$68,748,642</u>
<b>NET ASSETS consist of</b>			
Undistributed net investment income .....	\$126,016,039	\$4,150,664	\$359,118
Accumulated net realized gain (loss) on securities, forward exchange contracts and foreign currencies .....	281,399,141	25,971,186	(1,399,871)
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets .....	1,280,507,129	127,312,894	(15,259,614)
Par value .....	22,663	1,968	856
Paid-in capital in excess of par value .....	3,414,040,147	229,324,667	85,048,153
<b>Total Net Assets</b> .....	<u>\$5,101,985,119</u>	<u>\$386,761,379</u>	<u>\$68,748,642</u>
<b>CAPITAL STOCK</b> , (common stock outstanding) .....	<u>226,626,314</u>	<u>19,675,388</u>	<u>8,555,110</u>
<b>NET ASSET VALUE</b> , offering and redemption price per share ....	<u>\$22.51</u>	<u>\$19.66</u>	<u>\$8.04</u>

(a) Foreign currency held at cost for the Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund were \$2,927,083, \$12 and \$2,014, respectively.

## TWEEDY, BROWNE FUND INC.

### Statements of Operations

For the Six Months Ended September 30, 2008 (Unaudited)

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
<b>INVESTMENT INCOME</b>			
Dividends . . . . .	\$167,752,418	\$6,620,383	\$2,057,160
Foreign withholding taxes . . . . .	(17,241,456)	(429,999)	(138,901)
Interest . . . . .	4,207,301	309,774	93,815
<b>Total Investment Income . . . . .</b>	<u>154,718,263</u>	<u>6,500,158</u>	<u>2,012,074</u>
<b>EXPENSES</b>			
Investment advisory fee (Note 3) . . . . .	38,514,133	2,534,323	463,738
Custodian fees (Note 3) . . . . .	1,927,150	21,995	11,288
Transfer agent fees (Note 3) . . . . .	970,577	113,624	27,322
Administration and accounting fees (Note 3) . . . . .	739,063	49,321	9,574
Legal and audit fees . . . . .	217,100	14,916	8,209
Directors' fees and expenses (Note 3) . . . . .	140,337	22,889	7,660
Other . . . . .	605,878	57,740	26,190
<b>Total Expenses before waivers . . . . .</b>	<u>43,114,238</u>	<u>2,814,808</u>	<u>553,981</u>
Less: Investment advisory fees waived and/or expenses reimbursed (Note 3) . . . . .	<u>—</u>	<u>—</u>	<u>(45,723)</u>
<b>Net Expenses . . . . .</b>	<u>43,114,238</u>	<u>2,814,808</u>	<u>508,258</u>
<b>NET INVESTMENT INCOME . . . . .</b>	<u>111,604,025</u>	<u>3,685,350</u>	<u>1,503,816</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> (Notes 2 and 4):			
Net realized gain (loss) on:			
Securities . . . . .	38,495,155	9,966,063	(1,127,345)
Forward exchange contracts . . . . .	(217,072,750)	(3,721,568)	—
Foreign currencies and net other assets . . . . .	(1,507,910)	(26,021)	(41,954)
<b>Net realized gain (loss) on investments during the period . . . . .</b>	<u>(180,085,505)</u>	<u>6,218,474</u>	<u>(1,169,299)</u>
Net unrealized appreciation (depreciation) of:			
Securities . . . . .	(1,601,967,776)	(46,519,820)	(12,606,925)
Forward exchange contracts . . . . .	575,846,642	13,411,628	—
Foreign currencies and net other assets . . . . .	(1,391,268)	(12,390)	(5,377)
<b>Net unrealized depreciation of investments during the period . . . . .</b>	<u>(1,027,512,402)</u>	<u>(33,120,582)</u>	<u>(12,612,302)</u>
<b>NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS . . . . .</b>	<u>(1,207,597,907)</u>	<u>(26,902,108)</u>	<u>(13,781,601)</u>
<b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .</b>	<u>\$(1,095,993,882)</u>	<u>\$(23,216,758)</u>	<u>\$(12,277,785)</u>



# TWEEDY, BROWNE FUND INC.

## Statements of Changes in Net Assets

	Global Value Fund		Value Fund		Worldwide High Dividend Yield Value Fund	
	Six Months Ended 9/30/2008 (Unaudited)	Year Ended 3/31/2008	Six Months Ended 9/30/2008 (Unaudited)	Year Ended 3/31/2008	Six Months Ended 9/30/08 (Unaudited)	Period Ended 3/31/2008(a)
Net investment income . . . . .	\$111,604,025	\$115,160,238	\$3,685,350	\$4,042,557	\$1,503,816	\$712,127
Net realized gain (loss) on securities, forward exchange contracts and currency transactions during the period	(180,085,505)	876,394,435	6,218,474	44,786,741	(1,169,299)	(225,734)
Net unrealized depreciation of securities, forward exchange contracts, foreign currencies and net other assets during the period . . . . .	(1,027,512,402)	(1,417,917,216)	(33,120,582)	(72,215,677)	(12,612,302)	(2,647,312)
Net decrease in net assets resulting from operations . . . . .	(1,095,993,882)	(426,362,543)	(23,216,758)	(23,386,379)	(12,277,785)	(2,160,919)
<b>Distributions:</b>						
Dividends to shareholders from net investment income . . . .	—	(110,718,203)	—	(3,498,339)	(1,643,804)	(197,387)
Distributions to shareholders from net realized gain on investments	—	(668,961,240)	—	(44,343,810)	—	—
Net increase (decrease) in net assets from Fund share transactions	(465,891,494)	(454,010,757)	(1,259,353)	(33,060,554)	12,283,903	72,739,240
Redemption Fees . . . . .	—	234,553	—	—	—	5,394
Net increase (decrease) in net assets	(1,561,885,376)	(1,659,818,190)	(24,476,111)	(104,289,082)	(1,637,686)	70,386,328
<b>NET ASSETS</b>						
Beginning of period . . . . .	6,663,870,495	8,323,688,685	411,237,490	515,526,572	70,386,328	—
End of period . . . . .	\$5,101,985,119	\$6,663,870,495	\$386,761,379	\$411,237,490	\$68,748,642	\$70,386,328
Undistributed Net Investment Income at end of period . . . .	\$126,016,039	\$14,412,014	\$4,150,664	\$465,314	\$359,118	\$499,106

(a) The Tweedy, Browne Worldwide High Dividend Yield Value Fund commenced operations on September 5, 2007.

## TWEEDY, BROWNE FUND INC.

### Financial Highlights

#### Tweedy, Browne Global Value Fund

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/08 (Unaudited)	Year Ended 3/31/08	Year Ended 3/31/07	Year Ended 3/31/06	Year Ended 3/31/05	Year Ended 3/31/04
Net asset value, beginning of period . . . . .	\$27.21	\$32.31	\$28.56	\$24.08	\$21.23	\$14.44
<b>Income from investment operations:</b>						
Net investment income . . . . .	0.47	0.50	0.47	0.34	0.31 <sup>(a)</sup>	0.20
Net realized and unrealized gain (loss) on investments . . .	(5.17)	(2.24)	4.06	4.51	2.81	6.78
Total from investment operations . . . . .	(4.70)	(1.74)	4.53	4.85	3.12	6.98
<b>Distributions:</b>						
Dividends from net investment income. . . . .	—	(0.48)	(0.43)	(0.37)	(0.27)	(0.20)
Distributions from net realized gains . . . . .	—	(2.88)	(0.35)	—	—	—
Total distributions. . . . .	—	(3.36)	(0.78)	(0.37)	(0.27)	(0.20)
Redemption fees . . . . .	—	0.00 <sup>(b)</sup>	0.00 <sup>(b)</sup>	0.00 <sup>(b)</sup>	0.00 <sup>(b)</sup>	0.01
Net asset value, end of period . . . . .	\$22.51	\$27.21	\$32.31	\$28.56	\$24.08	\$21.23
Total return <sup>(c)</sup> . . . . .	(17.27)%	(6.35)%	16.01%	20.24%	14.75%	48.53%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in 000s). . . . .	\$5,101,985	\$6,663,870	\$8,323,689	\$8,060,962	\$6,707,322	\$5,352,702
Ratio of operating expenses to average net assets . . . . .	1.40% <sup>(d)</sup>	1.37%	1.37%	1.38%	1.39%	1.39%
Ratio of net investment income to average net assets . . . .	3.62% <sup>(d)</sup>	1.45%	1.53%	1.33%	1.41% <sup>(a)</sup>	1.08%
Portfolio turnover rate . . . . .	12%	9%	13%	6%	13%	8%

(a) For year ended 3/31/05, investment income per share reflects a special dividend which amounted to \$0.13 per share. Excluding the special dividend, the ratio of net investment income to average net assets would have been 0.78% per share.

(b) Amount represents less than \$0.01 per share.

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

(d) Annualized.

#### Tweedy, Browne Value Fund

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/08 (Unaudited)	Year Ended 3/31/08	Year Ended 3/31/07	Year Ended 3/31/06	Year Ended 3/31/05	Year Ended 3/31/04
Net asset value, beginning of period . . . . .	\$20.90	\$24.65	\$24.27	\$24.67	\$24.38	\$18.53
<b>Income from investment operations:</b>						
Net investment income . . . . .	0.19	0.22	0.21	0.30 <sup>(a)</sup>	0.35 <sup>(b)</sup>	0.27
Net realized and unrealized gain(loss) on investments . . . .	(1.43)	(1.43)	2.38	1.49	0.69	5.68
Total from investment operations . . . . .	(1.24)	(1.21)	2.59	1.79	1.04	5.95
<b>Distributions:</b>						
Dividends from net investment income. . . . .	—	(0.19)	(0.27)	(0.33)	(0.39)	(0.10)
Distributions from net realized gains . . . . .	—	(2.35)	(1.94)	(1.86)	(0.36)	—
Total distributions. . . . .	—	(2.54)	(2.21)	(2.19)	(0.75)	(0.10)
Net asset value, end of period . . . . .	\$19.66	\$20.90	\$24.65	\$24.27	\$24.67	\$24.38
Total return <sup>(c)</sup> . . . . .	(5.98)%	(5.41)%	10.76%	7.41%	4.18%	32.13%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in 000s). . . . .	\$386,761	\$411,237	\$515,527	\$548,169	\$659,077	\$728,668
Ratio of operating expenses to average net assets . . . . .	1.39% <sup>(d)</sup>	1.37%	1.38%	1.36%	1.37%	1.38%
Ratio of net investment income to average net assets . . . .	1.82% <sup>(d)</sup>	0.83%	0.80%	1.08% <sup>(a)</sup>	1.30% <sup>(b)</sup>	1.09%
Portfolio turnover rate . . . . .	24%	11%	9%	9%	4%	3%

(a) For year ended 3/31/06, investment income per share reflects a special dividend which amounted to \$0.05 per share. Excluding the special dividend, the ratio of net investment income to average net assets would have been 0.88% per share.

(b) For year ended 3/31/05, investment income per share reflects a special dividend which amounted to \$0.22 per share. Excluding the special dividend, the ratio of net investment income to average net assets would have been 0.45% per share.

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

(d) Annualized.

## TWEEDY, BROWNE FUND INC.

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### Financial Highlights

#### Tweedy, Browne Worldwide High Dividend Yield Value Fund

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/08 (Unaudited)	Period Ended 3/31/08 (a)
Net asset value, beginning of period . . . . .	\$ 9.70	\$ 10.00
<b>Income from investment operations:</b>		
Net investment income . . . . .	0.18	0.10
Net realized and unrealized gain (loss) on investments . . . .	(1.64)	(0.37)
Total from investment operations . . . . .	(1.46)	(0.27)
<b>Distributions:</b>		
Dividends from net investment income . . . . .	(0.20)	(0.03)
Distributions from net realized gains . . . . .	—	—
Total distributions . . . . .	(0.20)	(0.03)
Redemption fees . . . . .	—	0.00 <sup>(b)</sup>
Net asset value, end of period . . . . .	\$ 8.04	\$ 9.70
Total return <sup>(c)</sup> . . . . .	(15.18)%	(2.69)%
<b>Ratios/Supplemental Data:</b>		
Net assets, end of period (in 000s) . . . . .	\$ 68,749	\$ 70,386
Ratio of operating expenses to average net assets . . . . .	1.37% <sup>(d)</sup>	1.37% <sup>(d)</sup>
Ratio of operating expenses to average net assets excluding waivers and/or reimbursement of expenses . . . . .	1.49% <sup>(d)</sup>	1.86% <sup>(d)</sup>
Ratio of net investment income to average net assets . . . .	4.05% <sup>(d)</sup>	2.38% <sup>(d)</sup>
Portfolio turnover rate . . . . .	8%	2%

(a) The Tweedy, Browne Worldwide High Dividend Yield Value Fund commenced operations on September 5, 2007.

(b) Amount represents less than \$0.01 per share.

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

(d) Annualized.

*Notes to Financial Statements (Unaudited)*

**1. Organization**

Tweedy, Browne Fund Inc. (the “Company”) is an open-end management investment company registered with the United States (“U.S.”) 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. Tweedy, Browne Global Value Fund (“Global Value Fund”), Tweedy, Browne Value Fund (“Value Fund”), and Tweedy, Browne Worldwide High Dividend Yield Value Fund (“Worldwide High Dividend Yield Value Fund”), (collectively, the “Funds”), are each a diversified series of the Company.

The Funds commenced operations as follows:

<b>Fund</b>	<b>Commencement of Operations</b>
Global Value Fund	06/15/93
Value Fund	12/08/93
Worldwide High Dividend Yield Value Fund	09/05/07

The Global Value Fund seeks long-term capital growth by investing primarily in foreign securities that Tweedy, Browne Company LLC (“Tweedy, Browne” or the “Investment Adviser”) believes are undervalued. The Value Fund seeks long-term capital growth by investing primarily in U.S. and foreign securities that Tweedy, Browne believes are undervalued. The Worldwide High Dividend Yield Value Fund seeks long-term capital growth by investing in U.S. and foreign securities that Tweedy, Browne believes to have above-average dividend yields and valuations that are reasonable.

**2. Significant Accounting Policies**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 Funds in the preparation of their financial statements.

**Portfolio Valuation** Generally, the Funds’ investments are valued at market value 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, comparable foreign securities exchange or through any system providing for contemporaneous publication of actual prices (and not subject to restrictions against sale by the Fund on such exchange or system) are valued at the last sale price prior to the close of regular trading on the principal exchange or system for such security or asset or, if applicable, the NASDAQ Official Closing Price (“NOCP”). Portfolio securities and other assets, which are readily marketable but for which there are no reported sales on the valuation date, whether because they are not traded in a system providing for

same day publication of sales or because there were no sales reported on such date, are generally valued at the mean between the last asked price and the last bid price prior to the close of regular trading. Securities and other assets for which current market quotations are not readily available and those securities which are generally not readily marketable due to significant legal or contractual restrictions, will be valued at fair value as determined by the Investment Adviser under the direction of the Board of Directors. Securities and other assets for which the most recent market quotations may not be reliable (including because the last sales price does not reflect current market value at the time of valuing the Funds’ asset due to developments since such last price) may be valued at fair value if the Investment Adviser concluded that fair valuation will likely result in a more accurate net asset valuation. Debt securities purchased with a remaining maturity of more than 60 days are valued through pricing obtained by pricing services approved by the Funds’ Board of Directors. Debt securities purchased 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.

In September 2006, the Financial Accounting Standards Board issued Financial Accounting Standards No. 157, Fair Value Measurement (“FAS 157”) effective for fiscal years beginning after November 15, 2007. This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 became effective for the Funds as of April 1, 2008, the beginning of the Registrant’s current fiscal year. The three levels of the fair value hierarchy under FAS 157 are described below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

## TWEEDY, BROWNE FUND INC.

### Notes to Financial Statements (Unaudited)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of the inputs used to value the Funds' net assets as of September 30, 2008 is as follows:

Global Value Fund		
Valuation Inputs	Investments in Securities	Other Financial Instruments (a)
Level 1 - Quoted Prices-Investments	\$4,592,308,280	\$197,411,959
Level 2 - Other Significant Observable Inputs	340,992,354	—
Level 3 - Significant Unobservable Inputs	93,661	—
<b>Total</b>	<b>\$4,933,394,295</b>	<b>\$197,411,959</b>

Value Fund		
Valuation Inputs	Investments in Securities	Other Financial Instruments (a)
Level 1 - Quoted Prices-Investments	\$336,183,211	\$9,007,263
Level 2 - Other Significant Observable Inputs	40,222,430	—
Level 3 - Significant Unobservable Inputs	—	—
<b>Total</b>	<b>\$376,405,641</b>	<b>\$9,007,263</b>

Worldwide High Dividend Yield Value Fund		
Valuation Inputs	Investments in Securities	Other Financial Instruments (a)
Level 1 - Quoted Prices-Investments	\$55,934,649	\$—
Level 2 - Other Significant Observable Inputs	12,307,497	—
Level 3 - Significant Unobservable Inputs	—	—
<b>Total</b>	<b>\$68,242,146</b>	<b>\$—</b>

(a) Other financial instruments are forward foreign currency contracts not reflected in the Portfolio of Investments, which are valued at the unrealized appreciation (depreciation) on the contracts.

The following is a reconciliation of the Global Value Fund's Level 3 investments for which significant unobservable inputs were used to determine fair value.

	Investments in Securities (Market Value)
Balance as of 3/31/08	\$105,657
Accrued discounts/premiums	—
Realized gain/loss	—
Change in unrealized appreciation (depreciation)	(11,996)
Net purchases (sales)	—
Transfers in and/or out of Level 3	—
Balance as of 9/30/08	\$93,661

**Repurchase Agreements** The Funds may engage in repurchase agreement transactions. Under the terms of a typical repurchase agreement, a Fund acquires 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 Funds' holding period. The value of the collateral held on behalf of the Fund is at all times at least equal 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 Funds' Investment Adviser 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 Funds 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 Funds and the amount actually received. The portion of foreign currency gains and losses related



*Notes to Financial Statements (Unaudited)*

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 Funds may enter into forward exchange contracts for non-trading purposes in order to reduce their exposure to fluctuations in foreign currency exchange on their 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 Funds' 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. Large nonrecurring dividends recognized by a Fund are presented separately on the Statement of Operations as "special dividends" and the impact of these dividends to net investment income per share is presented in the financial highlights. Interest income is recorded on the accrual basis. Dividend income and interest income may be subject to foreign withholding taxes. The Funds' custodian applies for refunds on behalf of each Fund where available.

Tweedy, Browne is reimbursed by the Funds for the cost of settling transactions in U.S. securities for the Funds through its clearing broker. For the six months ended September 30, 2008, Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund reimbursed Tweedy, Browne \$803, \$572 and \$520, respectively, for such transaction charges.

**Dividends and Distributions to Shareholders** Dividends from net investment income, if any, will be declared and paid annually for the Global Value Fund and Value Fund and semi-annually for the Worldwide High Dividend Yield Value Fund. Distributions from realized capital gains after utilization of capital loss carryforwards, if any, will be declared and paid annually for each of the Funds. 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 dividends and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States. 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** Each Fund has qualified and intends to continue to qualify as a regulated investment company by complying with the requirements of the U.S. 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.

In June 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 ("FIN 48"). FIN 48 applies to all registered investment companies and establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax-return positions in the financial statements. FIN 48 became effective for the Funds on September 30, 2007. Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (through tax years ended March 31, 2008) and has concluded that as of September 30, 2008, no provision for income tax is required in the Funds' financial statements. Additionally, the Funds are not aware of any events that are reasonably possible to occur in the next twelve months that would result in the amounts of any unrecognized tax benefits significantly increasing or decreasing for the Funds.

**Expenses** Expenses directly attributable to each Fund as a diversified series of the Company are charged to such Fund. Other expenses of the Company are allocated to each series based on the average net assets of each series or other equitable allocation method.

**3. Investment Advisory Fee, Other Related Party Transactions and Administration Fee**

The Company, on behalf of each Fund, has entered into separate investment advisory agreements with Tweedy, Browne (each, an "Advisory Agreement"). Under each Advisory Agreement, the Company pays Tweedy, Browne a fee at the annual rate of 1.25% of the value of each Fund's average daily net assets. The fee is payable monthly, provided each 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. For the six months ended September 30, 2008, Tweedy, Browne received \$38,514,133, \$2,534,323 and \$463,738 for Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund, respectively. In the six month period ended September 30, 2008, Tweedy, Browne waived \$45,723 for Worldwide High Dividend Yield Value Fund.

## TWEEDY, BROWNE FUND INC.

### Notes to Financial Statements (Unaudited)

The Adviser has contractually agreed to waive its investment advisory fee and/or to reimburse expenses of the Worldwide High Dividend Yield Value Fund to the extent necessary to maintain the total annual fund operating expenses (excluding brokerage, interest, taxes and extraordinary expenses) at no more than 1.37%. This arrangement will continue at least through March 31, 2009. In this arrangement, the Worldwide High Dividend Yield Value Fund has agreed, during the two-year period following any waiver or reimbursement by the Adviser, to repay such amount to the extent that after giving effect to such repayment such adjusted total annual fund operating expenses would not exceed 1.37% on an annualized basis. At September 30, 2008, the amount of potential recovery expiring March 31, 2010 and March 31, 2011, was \$146,360 and \$45,723, respectively.

The current and retired managing directors and their families, as well as employees of Tweedy, Browne, have approximately \$75.8 million, \$42.5 million and \$5.8 million of their own money invested in Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund, respectively, as of September 30, 2008.

The Company, on behalf of the Funds, has entered into an administration agreement (the "Administration Agreement") with PNC Global Investment Servicing (U.S.) Inc. ("PNC"), formerly named PFPC Inc. (the "Administrator"), an indirect, majority-owned subsidiary of PNC Financial Services Group Inc. Under the Administration Agreement, the Company pays the Administrator an administration fee and a fund accounting fee computed daily and payable monthly at the following annual rates of the aggregate average daily net assets of the Funds, allocated according to each Funds' net assets:

	Up to \$1 Billion	Between \$1 Billion and \$5 Billion	Between \$5 Billion and \$10 Billion	Exceeding \$10 Billion
Administration Fees	0.0300%	0.0180%	0.0100%	0.0090%
Accounting Fees	0.0075%	0.0060%	0.0050%	0.0040%

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 Company pays each Non-Interested Director \$75,000 annually to be paid quarterly in \$18,750 increments plus out-of-pocket expenses for their services as directors. The annual fee of \$75,000 paid to each Non-Interested Director is divided proportionately between the Funds. The current allocation ratio of the annual fee is 80% paid by Global Value Fund, 15% paid by Value Fund, and 5% paid by Worldwide High Dividend Yield Value Fund. Total Directors' fees paid by each Fund for the six months ended September 30, 2008, excluding any out-of-pocket expenses, were \$120,000, \$22,500 and \$7,500, respectively.

Bank of New York Mellon Asset Servicing, an indirect, wholly-owned subsidiary of The Bank of New York Mellon

Corporation, serves as the Funds' custodian pursuant to a custody agreement (the "Custody Agreement"). PNC also serves as the Funds' transfer agent. Tweedy, Browne also serves as the distributor to the Funds and pays all distribution fees. No distribution fees are paid by the Funds.

#### 4. Securities Transactions

Cost of purchases and proceeds from sales of investment securities, excluding short-term investments, for the six months ended September 30, 2008, are as follows:

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Purchases	\$325,197,844	\$42,708,465	\$10,664,882
Sales	722,464,956	59,934,522	2,347,355

The aggregate gross unrealized appreciation and depreciation and net unrealized appreciation/(depreciation) as computed on a federal income tax basis, at September 30, 2008 for each Fund is as follows:

	Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)
Global Value Fund	\$1,673,731,706	\$(589,796,209)	\$1,083,935,497
Value Fund	\$141,997,414	\$(23,679,155)	\$118,318,259
Worldwide High Dividend Yield Value Fund	\$671,443	\$(15,921,946)	\$(15,250,503)

#### 5. Capital Stock

The Company is authorized to issue \$1.4 billion shares of \$0.0001 par value capital stock, of which 600,000,000, 400,000,000 and 400,000,000 of the unissued shares have been designated as shares of the Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund, respectively. Redemptions from the Global Value Fund and the Worldwide High Dividend Yield Value Fund, including exchange redemptions, within 60 days of purchase are subject to a redemption fee equal to 2% of the redemption proceeds, which will be retained by each Fund.

Changes in shares outstanding for the six months ended September 30, 2008 were as follows:

Global Value Fund		
	Shares	Amount
Sold	10,293,647	\$265,148,321
Reinvested	—	—
Redeemed	(28,569,943)	(731,039,815)
Net Decrease	(18,276,296)	\$(465,891,494)
Value Fund		
	Shares	Amount
Sold	1,303,282	\$25,399,932
Reinvested	—	—
Redeemed	(1,300,487)	(26,659,285)
Net Increase/(Decrease)	2,795	\$(1,259,353)

## TWEEDY, BROWNE FUND INC.

### Notes to Financial Statements (Unaudited)

Worldwide High Dividend Yield Value Fund		
	Shares	Amount
Sold	1,925,014	\$17,918,795
Reinvested	179,759	1,560,310
Redeemed	(808,198)	(7,195,202)
Net Increase	1,296,575	\$12,283,903

Changes in shares outstanding for the year ended March 31, 2008 were as follows:

Global Value Fund		
	Shares	Amount
Sold	17,608,959	\$553,900,749
Reinvested	24,655,422	737,443,820
Redeemed	(54,963,288)	(1,745,355,326)
Net Decrease	(12,698,907)	\$(454,010,757)

Value Fund		
	Shares	Amount
Sold	705,881	\$17,040,395
Reinvested	2,042,923	44,923,865
Redeemed	(3,989,699)	(95,024,814)
Net Decrease	(1,240,895)	\$(33,060,554)

Worldwide High Dividend Yield Value Fund		
	Shares	Amount
Sold	8,328,156	\$82,942,823
Reinvested	18,984	190,598
Redeemed	(1,088,605)	(10,394,181)
Net Increase	7,258,535	\$72,739,240

### 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, not generally being subject to uniform standards, practices and requirements with respect to accounting, auditing and financial reporting, 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 a Fund), war, seizure, political and social instability and diplomatic developments.

### 7. Securities Lending

The Funds may lend securities to brokers, dealers and other financial organizations to earn additional income. Each security out on loan is collateralized with segregated assets held

with the borrower in an amount equal to or greater than the current market value of the loaned securities. At September 30, 2008, the Funds did not have any securities out on loan.

### 8. New Accounting Pronouncements

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161"). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about Funds' derivative and hedging activities. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Funds' financial statement disclosures.

### 9. Portfolio Information

The Company files the Funds' complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Company's Form N-Q is available (1) on the SEC's website at <http://www.sec.gov>; (2) for review and copying at the SEC's Public Reference Room ("PRR") in Washington, DC; or (3) by calling the Fund at 1-800-432-4789. Information regarding the operation of the PRR may be obtained by calling 1-202-551-8090.

### 10. Proxy Voting Information

The policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities held by the Funds are included in the Company's Statement of Additional Information, which is available without charge and upon request by calling the Fund at 1-800-432-4789. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available, without charge, at <http://www.sec.gov>.

### 11. Advisory Agreements

**Tweedy, Browne Global Value Fund, Tweedy, Browne Value Fund and Tweedy, Browne Worldwide High Dividend Yield Value Fund**

On May 21, 2008, the Company's Board of Directors (the "Board"), including a majority of the Independent Directors, approved the renewal of the Advisory Agreements between the Company, on behalf of the Tweedy, Browne Global Value Fund ("Global Value Fund"), the Tweedy, Browne Value Fund ("Value Fund") and the Tweedy, Browne Worldwide High Dividend Yield Value Fund ("High Dividend Yield Value Fund") (each a "Fund" and together, the "Funds"), and Tweedy, Browne for an additional one-year term. In considering whether to approve the continuance of the Advisory Agreements, the Board reviewed materials provided for its evaluation, and the Independent Directors were advised by independent legal counsel with respect to these and other



***Notes to Financial Statements (Unaudited)***

relevant matters. The information, material factors and conclusions that formed the basis for the Board's approval are described below.

**A. Information Received**

During the course of each year, the Independent Directors receive a wide variety of materials relating to the services provided by Tweedy, Browne. In considering whether to approve the renewal of the Advisory Agreements, the Board reviewed reports on each Fund's investment results, portfolio composition, portfolio trading practices and shareholder services, as well as other information relating to the nature, extent and quality of services provided by Tweedy, Browne to the Funds. In addition, the Board reviewed supplementary information, including comparative industry data with regard to advisory fees and expenses, financial and profitability information regarding Tweedy, Browne, and information about the personnel providing investment management and administrative services to the Funds.

In addition to reviewing and evaluating the list of materials described above, the Independent Directors also received assistance and advice regarding legal and industry standards from independent counsel to the Independent Directors. In deciding to recommend the renewal of the Advisory Agreements, the Board did not identify any single factor or particular information that, in isolation, was controlling. This summary describes many, but not all, of the factors considered by the Board.

**B. Nature, Extent and Quality of Services**

The Board reviewed materials concerning the depth and quality of Tweedy, Browne's investment management process. The Board considered a variety of services provided by Tweedy, Browne to the Funds over the past year, including monitoring the Funds' service providers and performing shadowing functions, developing and enforcing trading procedures for the Funds, the identification and assessment of potential valuation issues for the Funds, the renegotiation of various fee agreements between the Funds and certain of their service providers, and the preparation of various regulatory filings for the Funds. In addition, the Board noted that Tweedy, Browne provides a wide variety of administrative services not otherwise provided by third parties and generally assists each Fund in the conduct of its business. The Board also noted Tweedy, Browne's commitment to staff development and long-term and contingency planning with regard to its advisory business. In considering Tweedy, Browne's services, both in managing the Funds' portfolios and in overseeing all aspects of the Funds' business, the Board concluded that Tweedy, Browne was providing essential services to the Funds. Ultimately, the Board concluded that the nature, extent and quality of the services provided by Tweedy, Browne have benefited and likely will continue to benefit the Funds and their shareholders.

**C. Investment Performance**

The Board examined the short-term and long-term investment performance of each Fund, both in absolute terms and relative to the performance of perceived direct competitors pursuing comparable investment objectives, as well as to the various benchmarks against which each Fund was compared. With respect to the High Dividend Yield Value Fund, which commenced operations in September 2007 and thus did not have a full year of performance to review, the Board considered the long-term performance history of the Global High Dividend Strategy, which has been pursued by Tweedy, Browne since 1979 and is the investment strategy on which the High Dividend Yield Value Fund is based. After reviewing each Fund's performance relative to its direct competitors, comparable investment strategies (in the case of the High Dividend Yield Value Fund) and to its benchmark indices over various periods of time, the Board concluded that it was satisfied with each Fund's performance, and further concluded that Tweedy, Browne's performance record in managing the Funds warranted the continuation of the Advisory Agreements.

**D. Advisory Fees and Total Expenses**

The Board reviewed the advisory fees and total expenses of the Funds, noting that each Fund pays an advisory fee of 1.25% of assets under management. The Board compared such amounts with the average fee and expense levels of funds pursuing comparable investment objectives. In considering comparative fee data, the Board reviewed the expense ratios for each Fund alongside those of its direct competitors and of its relevant category averages. The Board noted with respect to the High Dividend Yield Value Fund that certain expenses had been partially reimbursed by Tweedy, Browne since Fund inception in September 2007 in order to assist the Fund in building a shareholder base, the net result being that the Fund's net expenses have been kept in line with the expense ratio of the Global Value Fund. The Board also compared the advisory fees paid by the Funds against Tweedy, Browne's standard fee rate for separate account portfolios. The Board noted that the Funds do not charge a Rule 12b-1 fee or separate shareholder service fee, and compared the Funds' expense ratios to funds that do not charge Rule 12b-1 fees in excess of 0.25% of assets under management. The Board also noted that because the Global Value Fund and Value Fund had low levels of annual portfolio turnover, tax liabilities and trading expenses had been kept to a minimum in the past year. After reviewing this fee and expense data, together with the Board's observation that Tweedy, Browne provided a high level of integrity and service to the Funds' shareholders, the Board determined that the fees charged under the Advisory Agreements are fair and reasonable and that the Funds' shareholders received acceptable value in return for the advisory fees paid to Tweedy, Browne by the Funds.

*Notes to Financial Statements (Unaudited)*

**E. Adviser Costs, Level of Profits and Economies of Scale**

The Board reviewed information regarding Tweedy, Browne's costs of providing services to the Funds, as well as the resulting level of profits to Tweedy, Browne. In so doing, the Board reviewed materials relating to Tweedy, Browne's financial condition and reviewed the wide variety of services and intensive research performed for the Funds. In considering this analysis, the Board noted that Tweedy, Browne's expenses had been presented in such a manner as to focus solely on the profitability of its services without regard to marketing expenses that had been absorbed by Tweedy, Browne. The Board also noted that Tweedy, Browne had absorbed the entire expense of the Funds' Chief Compliance Officer since her appointment in June 2004. The Board reviewed profitability data provided by Tweedy, Browne with respect to Tweedy, Browne's relationship with the Company as a whole, and with each Fund separately.

The Board considered Tweedy, Browne's research process and, in particular, Tweedy, Browne's research with respect to non-U.S. securities. The Board also noted that a consequence of Tweedy, Browne's investment discipline for the Global Value Fund and Value Fund, which focuses on smaller market capitalization issues, is that its cost of research per dollar is likely to be higher than would be the case for an investment adviser that invests concentrated positions and/or only in larger market capitalization companies that have broad analyst coverage. The Board noted that this research process is likely not conducive to economies of scale that would be potentially realizable in the management of large pools of capital invested in large market capitalization stocks. With respect to the High Dividend Yield Value Fund, the Board noted that although the Fund has a higher proportion of large market capitalization holdings, Tweedy, Browne must still perform research regarding companies that pay above-average dividends and that satisfy a different level of undervaluation than Tweedy, Browne requires for the other Funds. The Board determined that such research strategy would therefore not be less intensive or less expensive than that employed on behalf of the other Funds. Finally, the Board noted Tweedy, Browne's effectiveness at managing internal costs. The Board concluded that Tweedy, Browne's profitability from its client relationships, including its relationship with the Funds, is reasonable.

**F. Ancillary Benefits**

The Board considered a variety of other benefits received by Tweedy, Browne as a result of its relationship with the Funds, including benefits derived by Tweedy, Browne from "soft dollar" arrangements with broker-dealers. In particular, the Board considered materials concerning Tweedy, Browne's brokerage allocation policies, noting that while Tweedy, Browne receives nominal research benefits provided by broker-dealers executing portfolio transactions on behalf of each Fund, with one exception it does not obtain third-party research or other services in return for allocating brokerage to such broker-dealers.

**G. Conclusion**

Based on its review, including consideration of each of the factors noted above, the Board concluded that the nature, extent and quality of the services rendered to the Funds favored renewal of the Advisory Agreements. The Board concluded that the Advisory Agreements continued to be fair and reasonable to the Funds and their shareholders, that the Funds' shareholders received reasonable value in return for the advisory fees and other amounts paid to Tweedy, Browne by the Funds, and that the renewal of the Advisory Agreements at the present contractual rates was in the best interests of the Funds and their shareholders.

**12. Shareholder Voting Results**

On April 4, 2008, the Company held an Annual Meeting of Stockholders for the following purpose: to elect six members of the Board of Directors of the Company to serve until the next Stockholder meeting or until their successors are elected and qualified ("Proposal 1"). The proposal was approved by the stockholders and the results of the voting are as follows:

**Proposal 1: Election of Directors**

	<u>FOR</u>	<u>WITHHELD</u>	<u>UNVOTED</u>
Paul F. Balser	172,079,033.65	1,308,379.50	106,144,541.85
Bruce A. Beal	172,086,464.64	1,301,248.51	106,144,541.85
Christopher H. Browne	171,170,789.02	2,216,924.13	106,144,541.85
John C. Hover II	172,105,146.02	1,282,567.13	106,144,541.85
Richard B. Salomon	172,076,904.00	1,310,809.15	106,144,541.85
Thomas H. Shrager	168,211,000.12	5,176,713.03	106,144,541.85

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