



TWEEDY, BROWNE
GLOBAL VALUE FUND

SEMI-ANNUAL

SEPTEMBER 30, 1994

TWEEDY, BROWNE FUND INC.

52 Vanderbilt Avenue, NY, NY 10017

800-432-4789 or 800-873-8242

TWEEDY, BROWNE GLOBAL VALUE FUND

Investment Manager's Report

To Our Shareholders in Tweedy, Browne Global Value Fund:

We are pleased to present the Semi-Annual Report to Shareholders of Tweedy, Browne Global Value Fund as of September 30, 1994. For the most recent six-month and nine-month periods, the net asset value per share increased 0.3% and 6.6%, respectively, to \$12.30 per share. Our results as compared to the unmanaged Morgan Stanley Capital International World Index (the "MSCI World Index") for various periods ending September 30, 1994 are as follows:

	6 months	9 months	12 months
TBGVF	0.3%	6.6%	19.3%
MSCI World Index	1.0%	4.6%	5.7%

The MSCI World Index represents the monthly change in market capitalizations of Europe, Australia and the Far East (EAFE) plus Canada, the U.S. and South African Gold Mines, including dividends reinvested monthly, net after withholding taxes for foreigners. The Fund had an aggregate total return for the one-year period ending September 30, 1994, and for the period from the Fund's inception (June 15, 1993) through September 30, 1994 of 19.3% and 23.0%, respectively.*

According to the Lipper Mutual Fund Performance Analysis, for the twelve months ended September 30, 1994, the Global Value Fund was ranked #1 based on cumulative total return among Global Small Company Funds, a category comprised of 18 funds.* Comparisons to any index are problematic because no portfolio corresponds in geographic or market capitalization terms to the MSCI World Index. (Our personal preference is to compare the increase in our net worth through stock investing to the risk-free rate of return earned on short-term treasuries.) However, the money management industry requires index comparisons. The problem with the MSCI World Index is that its weightings in the three principal geographic areas do not correspond very well with your Fund's portfolio:

	MSCI World Index	TBGVF
Europe	27.3%	63.0%
Pacific	34.4	13.1
USA	35.9	11.0

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

Individual country weightings can deviate even more from the MSCI World Index, such as in Switzerland, which comprises only 2.7% of the MSCI World Index, whereas we have 12.1% of our assets invested in Switzerland. The other significant difference between your Fund and the MSCI World Index relates to currency. As we described in our Annual Report dated March 31, 1994, your Fund is fully hedged back into the U.S. dollar. This policy means that, except for the cost of hedging (which is the difference in interest rates between the U.S. and the particular country whose currency we are hedging), fluctuations in currency will not affect our results. At present, the cost is actually a small profit due to higher U.S. interest rates. However, the general long-term effect of our hedging policy is that the Fund wins or loses when its stocks go up or down in local currency terms, not when the local currencies go up or down against the U.S. dollar. So far in 1994, the U.S. dollar has declined in value against most major world currencies. A declining dollar increases the results of the MSCI World Index because it is not hedged. As a result, the MSCI World Index has enjoyed a benefit from the increase in value of other currencies vis-a-vis the U.S. dollar. In fact, much, if not all, of the increase in the MSCI World Index this year may be attributable to the decline of the dollar. We have analyzed our results in a manner which we believe better reflects our abilities at stock picking, which is, after all, what we do. For the nine-month period ended September 30, 1994, we calculated the percent of the portfolio invested in each of 16 countries, and determined what would have been the result of investing that portion of the portfolio in each of those 16 countries' indices as reported in *The Economist*. Constructing such a portfolio would have resulted in a loss of 3.4% versus the gain of 6.6% enjoyed by the Fund, or a difference of 10 percentage points. In Europe, where approximately 63% of our assets are invested, all major country indices are down in local currency with the exception of Italy. While the markets have been declining, thus creating more undervalued investment possibilities for us, we have been able to actually achieve gains in the stocks we own. This is the best of both worlds; however, we caution that this is a state to be *enjoyed*, rather than *expected*.

The composition of your Fund's portfolio has not changed significantly since March 31, 1994. European equities account for 63% of the Fund's assets, up from 61.4%; North America is 12.3%, down from 13.7%; and Asia is 13.1%, down from 15.3%. The overall level of investment is 88% versus 86% at March 31, 1994, and the Fund has positions in 183 issues versus 152 which it had six months ago. The increase in the percent invested and the number of issues in the portfolio is indicative of the continuing availability of undervalued investment opportunities. This "idea flow", as we refer to it, has been enhanced by the decline of most European stock indices. In local currency, France is down 15%, Switzerland and Britain are down 12% each, and Germany is down 9%. These are significant corrections, which in turn can bring significant opportunities for future gains for the value-minded investor.

As of September 30, 1994, 45% of your money was invested in 109 stocks that were trading at a significant discount to book value. The weighted average price-to-book value for these stocks was 68%, or a discount of 32%. By comparison, the average European stock was trading at 250% of book value,



according to the database produced by World Equities International Market Comparisons. The Standard & Poor's 500 Stock Index (the "S&P 500") is 305% of book value. Additionally, among stocks that were purchased on the basis of a low price/earnings ratio, a further 38% of your Fund's net assets were invested in 61 issues with a weighted average price/earnings ratio of 9.7x as compared to 20.2x, which, according to the World Equities database, is the average for European stocks. This is an earnings yield of 10.3%. The S&P 500 is 18.1x earnings, which is an earnings yield of 5.5%.

Among the stocks which are undervalued on the basis of book value, your Fund owns shares of Guillard Musique, a consistently profitable, debt-free distributor of musical instruments and stereo equipment based in Lyons, France. The Fund acquired shares at 175 French francs ("FF"), which is 68% of the company's current assets after subtracting all liabilities, 256 FF per share; it is 66% of its book value, 263 FF per share; and 6.7x earnings of 26 FF per share. Although most companies do not pay out 100% of earnings as a dividend, when we evaluate a stock, we look at it as if we owned 100% of the company, and assume that 100% of earnings will be paid out to us as a dividend. If Guillard Musique were to pay out 100% of earnings as a dividend, the earnings yield on our 175 FF price would be 14.9%. At this rate, we would earn back our 175 FF purchase price in 6.7 years. The 14.9% earnings yield significantly exceeds the long-term bond yield in France, which is 8.2%. An added plus is that earnings are depressed. If Guillard Musique's profits recover to the level attained in 1991, 47 FF per share, our 175 FF price would be 3.7x earnings, an earnings yield of 27%. Debt-free, consistently profitable distribution businesses similar to Guillard Musique have been valued at more than book value in corporate acquisitions.

Among companies that are valued primarily on the basis of current and prospective earnings, your Fund owns shares of Twentsche Kabel, a Dutch producer of electrical and fiber optic cables, whose earnings have increased in each of the last six years. At the current price, 189 guilders, Twentsche Kabel is priced at 8.4x earnings, an earnings yield of 11.9%. This earnings yield is in excess of the long-term bond yield in Holland, which is currently 7.5%. In our global database, out of 5,952 companies with a market capitalization in excess of \$100 million, only 224 companies (less than 4%) are priced at 8.4x earnings or less. Ninety-six percent of the companies are more expensive in relation to earnings. If we could buy 100% of Twentsche Kabel at 189 guilders, we would be able to reduce our purchase price by the company's net cash, 58 guilders per share, to a net price of 131 guilders. This net price is 4.1x the company's pre-tax operating income, 31.5 guilders per share, and is a pre-tax operating income yield of 24%. In acquisitions, businesses like Twentsche Kabel have been valued at 8x to 10x pre-tax operating income, plus an amount equal to the company's underlying net cash. For Twentsche Kabel, a similar appraisal would be 310 to 373 guilders per share, which is 64% to 97% more than the stock price.

In selecting investments for the Fund, we generally pick from these two categories: low stock market price in relation to tangible book value or low market price in relation to earnings per share. By using these two basic criteria for stock selection, a statistical aberration can develop which, in our estimation,



does not express the fundamentally undervalued nature of our portfolio. Mutual fund services compute the average price/earnings ratio of funds and the average price-to-book value ratio. In the case of your Fund, the “average” number may be misleading from a value standpoint. For example, we own shares in Cementerie di Sardegna, an Italian cement producer, which we purchased at 4,456 lira, which is 56% of book value. Cash and investments, net of debt (7,270 lira per share) equals 163% of our purchase price. From a statistical point of view, Cementerie di Sardegna is clearly undervalued. However, in the most recent year, earnings declined substantially to 223 lira per share, not a particularly unusual event given its business and economic conditions in general. However, this temporary decline in earnings produces a rather high current price/earnings ratio of 32.6x. This results in an overall average higher P/E ratio for our Fund. Although there is no guarantee that earnings will recover to the level attained in 1992, 1,610 lira per share, the price/earnings ratio for our investment in Cementerie di Sardegna would be 2.8x if earnings do recover to that level. One recent article in the press noted our high overall P/E ratio and questioned whether the Fund was truly a value fund. Such superficial examination of the portfolio’s financial fundamentals is misleading and may be a disservice to investors. While we do not contest the fact that Cementerie di Sardegna is today trading at a high P/E ratio, we do not believe it is in any way overvalued. The reporter who made note of our overall P/E ratio would have been better served at least to have called us for an explanation rather than drawing a broad (and, in our opinion, incorrect) conclusion from one number.

We believe the Fund also differs from most funds in the breadth of market capitalizations among its 183 holdings. Many funds are characterized as large cap, mid-cap, or small cap. Some are even restricted to a particular range of market caps. Just as your Fund is global for the specific reason of enlarging the arena of potentially undervalued stocks (there are 9,000 stocks in our U.S. databases and 8,000 stocks in our foreign databases), we believe it is counterproductive to limit the number of potential investment opportunities by restricting our choices to certain ranges of market capitalizations. That said, because we look at all public companies, we do find many bargains among smaller cap companies. More than 130 companies in our portfolio have a market capitalization below \$700 million. These holdings represent approximately one-half of our total net assets. More than 55 holdings have a market cap of less than \$100 million. Some academic studies have shown a small cap effect in improving investment returns. Small companies sometimes find it easier to grow than large companies, and the number of potential corporate acquirors is probably greater for small companies than large companies.

All of this may sound fine: we have most of our money invested in stocks that are cheap compared to book value, or earnings, or both, and we have a lot of our money invested in smaller cap issues. However, we did not see much benefit from this over the past six months, which may test the patience of some investors. It would be nice, and enormously profitable, to be able to know which stocks were going to rise on any particular day, or on which days the market indices would rise or fall. Then all an investor would have to do is own those stocks on those days, or go long or short the indices, depending upon their



predicted daily direction. Unfortunately, at least for us, we believe this is an impossible task. What we think we do know is that, on average, a portfolio with certain fundamental financial characteristics generally will produce satisfactory, if not superior, returns. It is a bit like planting seeds: sometimes they take longer to germinate due to a patch of bad weather. But given good seeds and proper soil, we will eventually have a harvest.

Through the years numerous academic studies have been performed on fundamental investment criteria and characteristics that produced results better or worse than the stock market averages. We have compiled descriptions of 44 such studies in a booklet entitled *What Has Worked in Investing*, which is included with this Semi-Annual Report to Shareholders. Our choice of studies has not been selective; we merely included most of the major studies we have seen through the years. Approximately one-half of the studies are based on U.S. stocks and the rest are based on stocks outside the U.S. Interestingly, geography had no influence on the basic conclusion: U.S. and non-U.S. stocks performed similarly based on similar financial criteria. The overall conclusion is that stocks with the following characteristics provide the best returns over long periods of time:

1. Low price in relation to book value; i.e., what the company itself has paid for its own assets.
2. Low price in relation to earnings. Included within the broad, low price-to-earnings category are two additional related characteristics: high dividend yield and low price-to-cash flow. Dividends and cash flow are largely a function of earnings.
3. Insider purchases of the company's stock; i.e., purchases of the company's stock by officers, directors or the company itself.
4. A significant decline in the market price.
5. Small market capitalization.

While this conclusion comes as no surprise to us, it provides empirical evidence that Ben Graham's principles of investing, first published in 1934 in his book, *Security Analysis*, do work. More recently, in May 1993, Dr. Josef Lakonishok (University of Illinois), Dr. Robert W. Vishny (University of Chicago) and Dr. Andrei Shleifer (Harvard University) presented a paper funded by the National Bureau of Economic Research entitled, *Contrarian Investment, Extrapolation, and Risk*. This paper examined investment returns from all companies listed on the New York Stock Exchange and the American Stock Exchange in relation to ratios of price-to-book, price-to-earnings and price-to-cash flow between 1968 and 1990. In their abstract, the authors state, "This paper provides evidence that value strategies yield higher returns because these strategies exploit the mistakes of the typical investor and not because these strategies are fundamentally riskier." This paper and the other similar studies described in the sections entitled Assets Bought Cheap and Earnings Bought Cheap of the enclosed booklet, *What Has Worked in Investing*, demonstrate that, at the extreme, investors over value and under value individual stocks, and that the best returns come from buying stocks at the extreme end of the value spectrum.



In terms of our portfolio, 45% of our assets is invested in stocks with a weighted average price-to-book value of 68%. In our global database, which we mentioned in our earlier discussion about earnings yield, out of 5,952 companies with a market capitalization in excess of \$100 million, only 123 companies (2%) are priced at 68% of book value or less. An additional 38% of our assets is invested in stocks selling at a weighted average price/earnings ratio of 9.7x. Out of the entire group of 5,952 companies with a market value in excess of \$100 million, only 367 companies (6%) are priced at 9.7x earnings or less. Ninety-four percent of the companies are more expensive. Given these characteristics, we sleep well. As of September 30, 1994, the general partners of Tweedy, Browne Company L.P. and their families had an investment of \$8 million in the Fund and have increased that investment in the month of October.

We have been asked the question whether we plan to start any other funds. The answer as far as we know today is “No”. We do not believe in having large cap and small cap funds. Why cheat shareholders in one fund out of owning cheap stocks just because of a market cap constraint? We certainly would not start a growth fund given the statistical evidence supporting value investing. And, to create industry specific funds makes no sense as, from time to time, specific industries may be cheap or expensive, depending upon market conditions. We believe investing should be philosophically driven, in our case by *value*, and that within that philosophic discipline the manager should not be constrained by industries, market caps or borders. Much as if you were seeking to fill a position in your business or place of employment, you would not want to limit your choices by gender, race, height, weight or nationality. You would want to see all the potential candidates and choose the best. In the same manner, we want to see all the potential “investment candidates” worldwide, and choose those that fit our “job description”.

Sincerely,

Christopher H. Browne
William H. Browne
James M. Clark, Jr.
John D. Spears

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

October 18, 1994

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

September 30, 1994 (Unaudited)

<u>Shares</u>	<u>Market Value (Note 1)</u>	<u>Shares</u>	<u>Market Value (Note 1)</u>
COMMON STOCKS — 88.1%			
Australia — 0.0%			
83,000	Allied Queensland Coal Fields \$ 27,955	14,200	Alsacienne de Participation \$ 938,356
Austria — 0.5%			
5,746	Sca Laakirchen AG 1,992,650	19,963	Centenaire Blanz 1,224,955
6,233	Waagner Biro AG 396,281	62,280	Compagnie Financiere de Paribas 3,809,822
	<u>2,388,931</u>	265	Compagnie Financiere de Rombas 22,765
Belgium — 0.8%			
453	Fabrique de Fer de Charleroi 1,175,674	118,150	Compagnie Financiere de Suez 5,616,949
934	Glaces de Charleroi 1,726,216	49,700	Compagnie Lebon SA 2,721,231
408	Henex SA 615,393	119	Didot Bottin 14,042
31	Spadel 43,213	405	Docks Lyonnais 12,158
605	UCO 294,701	24,810	Eurafrance 8,736,080
	<u>3,855,197</u>	977	Fiat France SA 26,286
Canada — 1.1%			
6,100	BRL Enterprises Inc 15,924	38,010	Fonciere Financiere Et De Participation 1,908,932
72,400	Corby Distilleries Ltd., Class A 2,092,485	15,863	France SA 2,994,997
69,400	Corby Distilleries Ltd., Class B 1,979,899	40,570	Gan Group SA 1,999,201
24,400	E.L. Financial Corporation Ltd 1,260,265	16,298	Guillard Musique 584,654
49,900	Melcor Developments Ltd 386,136	13,950	Idia 489,889
	<u>5,734,709</u>	1,022	Idianova 12,745
Denmark — 3.3%			
56,070	Difko Holding, Class B 1,115,426	30,737	Investissements de Paris 754,425
106,250	Girobank A/S 3,493,687	4,584	Jouets Clairbois 88,452
23,930	Gronlandsbanken 885,218	38,975	Klepierre 4,282,724
10,700	Nordvestbank 615,711	22,245	La Concorde 3,561,552
43,388	Ove Arkil, Class B 2,710,680	44,850	Marine Wendel 3,039,960
116,741	Spar Nord Holdings 3,934,615	3,229	Monneret Jouets 60,355
124,698	Syd Sonderjylland Holdings† 4,346,307	21,775	Paluel Marmont 1,541,908
	<u>17,101,644</u>	5,248	Paris Orleans 262,573
Finland — 3.4%			
820,000	Kesko Ord 9,557,434	11,946	Rallye 451,090
65,200	Kone Corporation, Class B 6,875,573	2,048	Sabeton 425,337
17,350	Wemer Soderstrom, Class B 1,132,367	50,652	Salins du Midi, Series A 4,475,623
	<u>17,565,374</u>	57,157	Siparex 890,296
France — 12.7%			
4,650	Agache (Ste Financiere) 877,060	78,400	Vallourec 4,573,889
104,100	Alcatel Alsthom Compagnie Generale d'Electricite 9,616,941		<u>66,015,247</u>
France — (Continued)			
			<u>13,145,934</u>
Germany — 2.5%			
		16,074	Axel Springer Verlag, Class A 6,524,884
		28,628	Sinn AG 6,087,139
		3,069	Tiag Tabbert-ind AF 533,911
Hong Kong — 2.3%			
		1,308,000	Jardine Strategic Holdings 5,298,219
		1,856,000	Semi Tech (Global) 3,398,696

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

September 30, 1994 (Unaudited)

<u>Shares</u>	<u>Market Value (Note 1)</u>	<u>Shares</u>	<u>Market Value (Note 1)</u>
COMMON STOCKS			
Hong Kong — (Continued)			
3,962,000	Sing Tao	133,000	Taisei Fire & Marine Insurance Company
	\$ 3,396,864		\$ 860,272
	<u>12,093,779</u>		<u>56,110,948</u>
Italy — 5.1%			
2,372,500	Banca Toscana		Netherlands — 9.7%
265,100	Banco di Sardegna	2,500	Akzo NV Ord
1,490,700	Banco di Napoli	1,050	Beers Zonen
6,010,000	Banco di Napoli di Risp	31,350	Crown Van Gelder CVA
13,000	Bassetti SPA	97,000	Econosto
87,000	Cementerie di Augusta	22,050	Gelderse Papier
115,000	Cementerie di Barletta Ord	35,000	Giessen Noord
584,000	Cementerie di Sardegna Ord	310,700	Hal Trust Units
459,000	Cementerie Siciliane Ord	120,684	Heineken Holdings NV, Class A
575,000	Falck Ord	118,000	International Nederlanden Groep
469,220	Franco Tosi	26,734	Nedschroef Holdings
205,000	Maffei SPA	7,000	N.K.F. Holdings Certificates
42,500	Marangoni SPA	7,500	Twentsche Kabel
38,000	Serfi SPA	162,100	Unilever NV CVA
1,355,000	Vianini Industria		<u>18,507,077</u>
	<u>916,656</u>		<u>50,284,412</u>
	<u>26,259,898</u>		
Japan — 10.8%			
206,000	Amada Sonoike Company	165,500	Norway — 0.3%
200,000	Chofu Seisakusho		Nordlandsbanken
107,000	Chubu Steel Plate Company		<u>1,657,144</u>
535,000	Daiichi Cement Company		Spain — 2.4%
535,000	Dowa Fire & Marine Insurance Company	70,435	Banco Herrero SA
429,000	Fuji Photo Film Ltd. Ord	26,500	Banco Valencia, Registered
48,000	Kawagishi Bridge Works	100,400	Cordoracino Financiera Reunida
622,000	Kirin Brewery Company	46,101	Grupo Anaya
215,000	Koa Fire & Marine Insurance Company	167,868	Grupo Fosforera
104,000	Kokura Enterprises Company	40,793	Hullas C. Cortes
26,000	Koyosha Inc	15,684	Indo Internacional
179,000	Matsuo Electric	16,200	Mercapital SA
489,000	Nichimo	40,043	Moulinex Espana SA
757,000	Nissan Fire & Marine Insurance Company	22,743	Omsa
414,000	Nisshinbo Industries	58,353	Prim Grupo
593,000	Nittetsu Mining	39,468	Roberto Zubiri
108,000	Oak	131,495	Unipapel
	807,548		<u>3,543,003</u>
	<u>5,683,229</u>		<u>12,657,814</u>
	<u>4,678,910</u>		
	<u>5,289,727</u>		Sweden — 2.3%
	<u>807,548</u>	739,350	Atle Forvaltning F
		777,360	Bure Forvaltning AB†
		65,440	Hidef Capital
			3,268,227
			3,789,215
			244,701

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TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

September 30, 1994 (Unaudited)

<u>Shares</u>	<u>Market Value (Note 1)</u>	<u>Shares</u>	<u>Market Value (Note 1)</u>
COMMON STOCKS			
Sweden — (Continued)			
575,020	Partnerinvesteringar	\$ 2,188,578	
115,400	Pharmacia, Class A	2,057,412	
172,500	Vencap AB Ord†	610,477	
		12,158,610	
Switzerland — 12.1%			
33	Bank of International Settlements America	270,408	
755	Bobst AG, Bearer	961,709	
3,800	Ciba-Geigy AG	2,136,854	
2,085	Daetwyler, Bearer	3,736,806	
2,430	Georg Fischer AG, Bearer	2,868,815	
6,580	Immuno International AG, Bearer	2,810,874	
20,877	Loeb Holdings PS	3,429,503	
19,589	Nestle SA, Registered	17,786,051	
3,300	Rieter Holding PC AG	788,155	
1,627	Rig Rentsch, Bearer	2,650,588	
4,075	Saurer AG	1,392,621	
670	Saurer AG, Bearer	1,196,893	
3,380	Sig Schweiz Industrie, Namen (Reg)	3,334,058	
17,830	Swissair AG, Registered	11,951,293	
13,830	Swisslog Holding AG	3,705,903	
3,000	Vetropack PC	1,055,534	
4,849	Zschokke, Reg	2,918,815	
		62,994,880	
United Kingdom — 7.6%			
4,990,330	Albert Fisher Group PLC Ord	3,653,634	
1,912,000	British Steel Ord	5,200,544	
815,000	First Choice Holding	1,597,606	
803,000	Folkes Group NV	556,302	
1,950	French Property Trusts	2,487	
1,183,465	Guinness PLC Ord	8,496,951	
760,500	Higgs & Hill	1,029,771	
350,000	Johnston Group PLC	1,537,500	
1,119,800	Lloyds Chemist	5,333,456	
843,333	McAlpine (Alfred) PLC	2,549,430	
2,109,150	Proudfoot Alexander	2,058,932	
277,360	Tesco PLC	1,028,437	
325,000	Trio Holdings	157,352	
496,300	Zeneca	6,298,283	
		39,500,685	
United States — 11.2%			
221,000	American Express Company	\$ 6,712,875	
47,700	American National Insurance Company	2,271,712	
46,000	BanPonce Corporation, New	1,523,750	
146,500	Chase Manhattan Corporation	5,072,562	
37,600	Coca Cola Bottling Company	1,081,000	
50,000	Comerica, Inc.	1,387,500	
131,700	Continental Medical Systems†	1,185,300	
67,300	Digital Equipment Corporation†	1,783,450	
35,000	Federal Home Loan Mortgage Corporation	1,868,125	
44,000	First Chicago Corporation	2,018,500	
84,000	Great Atlantic & Pacific Tea Company	2,131,500	
90,000	Hasbro Inc	2,655,000	
65,700	Household International Inc	2,348,775	
20,000	Independent Insurance Group Inc	270,000	
13,000	Jefferies Group Inc	468,000	
130,000	K Mart Stores	2,323,750	
32,100	Lehman Brothers Holdings Inc	473,475	
48,750	Mercantile Bancorporation, Inc	1,797,656	
73,200	Philip Morris Companies Inc	4,474,350	
15,000	Polaroid Corporation	526,875	
35,000	RE Capital Corporation	463,750	
89,300	Reebok International Ltd	3,192,475	
253,200	Salomon Inc	10,001,400	
140,000	Syms Corporation	1,085,000	
7,500	Wells Fargo & Company	1,088,437	
		58,205,217	
TOTAL COMMON STOCKS			
(Cost \$425,528,071)			
			457,758,378
PREFERRED STOCK — 0.1%			
(Cost \$558,317)			
3,142	Stuttgarter Hofbrau, Preferred		799,671

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Portfolio of Investments

September 30, 1994 (Unaudited)

<u>Sector Diversification</u>	<u>Percentage of Net Assets</u>	<u>Market Value (Note 1)</u>	<u>Sector Diversification</u>	<u>Percentage of Net Assets</u>	<u>Market Value (Note 1)</u>
COMMON STOCKS:					
Financial Services	17.5%	\$ 91,025,262	Medical Research and Supplies ..	0.9%	\$ 4,472,618
Food and Beverages	9.6	50,133,312	Utilities	0.5	2,721,231
Banking	7.5	38,795,521	Oil and Gas	0.3	1,815,540
Consumer Non-Durables	6.4	33,464,483	Leisure	0.3	1,657,961
Retail	4.1	21,238,678	Consumer Services	0.2	1,028,437
Mining and Metal Fabrication ...	4.1	21,232,747	Autos	0.1	560,197
Insurance	3.8	19,952,236	Health Care	0.1	548,818
Transportation	3.1	16,037,760	Closed-End Funds	0.0	2,487
Chemicals	2.9	15,248,256	Other	3.8	19,050,518
Printing and Publishing	2.6	13,470,546	Total Common Stocks	88.1	457,758,378
Machinery	2.5	13,055,400	Preferred Stock	0.1	799,671
Engineering and Construction ...	2.4	12,626,128	Common Stock Rights	0.0	16,678
Technology and Computers	2.3	11,873,159	Common Stock Warrants	0.0	16,621
Communications	2.3	11,753,796	Convertible Corporate Bond ...	0.2	868,974
Textiles	2.1	10,766,049	U.S. Treasury Bills	0.4	2,271,439
Building Materials and Concrete	1.9	10,108,414	Repurchase Agreement	14.6	75,772,000
Consumer Durables	1.9	9,653,582	Other Assets and Liabilities		
Electronics	1.7	8,842,136	(Net)	(3.4)	(17,886,973)
Paper	1.2	6,461,005	Total Investment Portfolio	100.0%	\$519,616,788
Miscellaneous Manufacturing	1.1	5,481,082			
Real Estate	0.9	4,681,019			

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

September 30, 1994 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Market Value (Note 1)</u>
FORWARD EXCHANGE CONTRACTS TO BUY		
2,466,115 Australian Dollar	11/30/94	\$ 1,823,197
661,041 Australian Dollar	12/30/94	488,396
448,846 Australian Dollar	1/31/95	331,298
962,209 Australian Dollar	2/28/95	709,522
1,102,576 Australian Dollar	4/28/95	811,051
1,411,632 Australian Dollar	12/29/95	1,025,602
5,551,620 Austrian Schilling	10/3/94	509,324
7,315,988 Austrian Schilling	11/30/94	671,543
4,430,176 French Franc	10/28/94	836,136
4,924,885 French Franc	11/30/94	929,362
5,591,858 French Franc	12/30/94	1,055,263
46,790,035 French Franc	3/31/95	8,828,662
38,645,650 French Franc	4/28/95	7,291,186
98,855 German Mark	10/4/94	63,695
74,186 German Mark	10/6/94	47,801
91,781 Great Britain Pound Sterling	10/12/94	144,494
61,188 Great Britain Pound Sterling	10/13/94	96,328
1,707,801 Great Britain Pound Sterling	11/30/94	2,686,861
2,168,165 Great Britain Pound Sterling	12/30/94	3,410,464
3,470,262 Great Britain Pound Sterling	1/31/95	5,454,903
1,747,862 Great Britain Pound Sterling	2/28/95	2,745,427
1,702,997 Great Britain Pound Sterling	3/31/95	2,672,353
1,327,481 Great Britain Pound Sterling	4/28/95	2,081,223
3,258,596 Great Britain Pound Sterling	5/31/95	5,102,759
2,017,680 Hong Kong Dollar	10/4/94	261,114
98,080,000 Italian Lira	10/5/94	62,884
108,095,000 Italian Lira	10/7/94	69,295
45,931,405 Japanese Yen	10/3/94	463,501
5,272,836 Japanese Yen	10/4/94	53,211
6,633,982 Japanese Yen	10/5/94	66,950
469,099,600 Japanese Yen	11/30/94	4,757,334
520,999,600 Japanese Yen	12/30/94	5,299,902
967,250,700 Japanese Yen	1/31/95	9,868,018
973,805,000 Japanese Yen	2/28/95	9,960,429
453,070,550 Japanese Yen	3/31/95	4,647,543
1,350,439 Netherlands Guilder	10/3/94	776,337
375,122 Netherlands Guilder	10/4/94	215,649
2,017,035 Norwegian Krone	10/3/94	297,004
3,108,787 Norwegian Krone	11/30/94	456,704
4,609,780 Norwegian Krone	12/30/94	676,219
1,450,270 Norwegian Krone	1/31/95	212,449
2,338,228 Norwegian Krone	2/28/95	342,104
6,675,270 Norwegian Krone	3/31/95	975,319
2,013,340 Norwegian Krone	4/28/95	293,883
2,614,300 Spanish Peseta	10/7/94	20,324
888,729 Swiss Franc	10/3/94	690,284
162,551 Swiss Franc	10/4/94	126,256
178,104 Swiss Franc	10/6/94	138,342
2,946,350 Swiss Franc	11/30/94	2,292,614
7,191,918 Swiss Franc	12/30/94	5,603,574
2,036,876 Swiss Franc	1/31/95	1,588,956

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

September 30, 1994 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Market Value (Note 1)</u>
FORWARD EXCHANGE CONTRACTS TO BUY		
18,920,200 Swiss Franc	4/28/95	\$ 14,811,017
TOTAL FORWARD EXCHANGE CONTRACTS TO BUY		
(Contract Amount \$113,905,906)		<u>\$114,844,066</u>
FORWARD EXCHANGE CONTRACTS TO SELL		
2,466,115 Australian Dollar	11/30/94	\$ 1,823,197
661,041 Australian Dollar	12/30/94	488,397
448,846 Australian Dollar	1/31/95	331,298
962,209 Australian Dollar	2/28/95	709,522
1,102,575 Australian Dollar	4/28/95	811,050
1,411,632 Australian Dollar	12/29/95	1,025,602
13,526,209 Austrian Schilling	11/30/94	1,241,586
1,252,000 Austrian Schilling	12/30/94	115,001
2,575,185 Austrian Schilling	2/28/95	236,680
7,008,810 Austrian Schilling	7/31/95	645,867
6,171,416 Austrian Schilling	8/31/95	569,118
2,738,859 Austrian Schilling	12/29/95	253,121
11,662,875 Belgian Franc	11/30/94	365,397
10,976,975 Belgian Franc	12/30/94	343,966
21,154,800 Belgian Franc	1/31/95	662,862
19,413,776 Belgian Franc	2/28/95	608,247
20,387,450 Belgian Franc	3/31/95	638,638
3,449,340 Belgian Franc	4/28/95	108,032
8,470,000 Belgian Franc	5/31/95	265,208
8,723,473 Belgian Franc	8/31/95	272,855
4,509,400 Belgian Franc	9/15/95	141,015
12,781,883 Belgian Franc	12/29/95	399,448
2,134,200 Canadian Dollar	6/30/95	1,589,119
3,483,171 Canadian Dollar	7/31/95	2,592,325
844,575 Canadian Dollar	8/31/95	628,233
554,960 Canadian Dollar	9/15/95	412,689
674,638 Canadian Dollar	12/29/95	501,172
12,934,858 Danish Krona	11/30/94	2,122,873
11,462,755 Danish Krona	12/30/94	1,879,413
2,293,830 Danish Krona	1/31/95	375,640
25,145,729 Danish Krona	2/28/95	4,113,151
5,906,109 Danish Krona	3/31/95	964,760
9,280,900 Danish Krona	4/28/95	1,514,485
6,577,062 Danish Krona	5/31/95	1,071,965
3,902,400 Danish Krona	6/30/95	635,329
16,354,662 Danish Krona	8/31/95	2,656,450
11,727,503 Danish Krona	9/15/95	1,903,794
2,485,300 Danish Krona	12/29/95	401,924
4,576,937 Finnish Marrka	11/30/94	940,759
1,382,400 Finnish Marrka	12/30/94	284,138
7,380,466 Finnish Marrka	1/31/95	1,516,426
4,579,237 Finnish Marrka	2/28/95	940,443
1,109,280 Finnish Marrka	3/31/95	227,667
11,098,000 Finnish Marrka	5/31/95	2,274,610
1,888,020 Finnish Marrka	6/30/95	386,642
16,884,525 Finnish Marrka	7/31/95	3,454,396

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TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

September 30, 1994 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Market Value (Note 1)</u>
FORWARD EXCHANGE CONTRACTS TO SELL		
16,179,728 Finnish Marrka	8/31/95	\$ 3,306,654
11,799,690 Finnish Marrka	9/15/95	2,410,160
5,671,400 Finnish Marrka	10/16/95	1,157,517
3,387,465 Finnish Marrka	12/29/95	690,416
4,924,886 French Franc	11/30/94	929,362
5,591,858 French Franc	12/30/94	1,055,263
46,790,035 French Franc	3/31/95	8,828,661
38,645,650 French Franc	4/28/95	7,291,187
14,275,760 French Franc	5/31/95	2,693,049
26,412,010 French Franc	6/30/95	4,981,945
33,917,285 French Franc	7/31/95	6,397,077
32,542,625 French Franc	8/31/95	6,137,311
19,795,650 French Franc	9/15/95	3,733,182
160,152,000 French Franc	9/29/95	30,201,295
12,508,530 French Franc	10/16/95	2,358,714
59,369,422 French Franc	12/29/95	11,192,488
8,170 German Mark	10/4/94	5,264
922,997 German Mark	11/30/94	594,874
1,449,897 German Mark	12/30/94	934,885
1,310,223 German Mark	2/28/95	845,531
2,726,481 German Mark	3/31/95	1,760,432
672,520 German Mark	4/28/95	434,410
5,485,650 German Mark	7/31/95	3,548,754
6,168,990 German Mark	8/31/95	3,992,923
1,746,359 German Mark	9/15/95	1,130,640
1,180,820 German Mark	12/29/95	765,638
127,245 Great Britain Pound Sterling	10/03/94	200,346
1,707,802 Great Britain Pound Sterling	11/30/94	2,686,861
2,168,166 Great Britain Pound Sterling	12/30/94	3,410,465
3,470,263 Great Britain Pound Sterling	1/31/95	5,454,904
1,747,862 Great Britain Pound Sterling	2/28/95	2,745,427
1,702,997 Great Britain Pound Sterling	3/31/95	2,672,353
1,327,480 Great Britain Pound Sterling	4/28/95	2,081,223
3,258,596 Great Britain Pound Sterling	5/31/95	5,102,758
397,062 Great Britain Pound Sterling	6/30/95	621,036
2,208,366 Great Britain Pound Sterling	7/31/95	3,449,979
15,467,626 Great Britain Pound Sterling	8/15/95	24,149,450
548,768 Great Britain Pound Sterling	8/31/95	856,213
3,348,534 Great Britain Pound Sterling	9/15/95	5,221,169
909,241 Great Britain Pound Sterling	10/16/95	1,416,253
140,883 Great Britain Pound Sterling	12/29/95	218,981
92,710,800 Hong Kong Dollar	3/29/95	12,000,777
492,240,000 Italian Lira	6/30/95	307,798
955,196,170 Italian Lira	8/31/95	593,541
1,200,833,500 Italian Lira	9/15/95	745,017
36,104,405,000 Italian Lira	10/16/95	22,332,852
5,736,695,358 Italian Lira	12/29/95	3,524,310
469,099,600 Japanese Yen	11/30/94	4,757,333
520,999,600 Japanese Yen	12/30/94	5,299,902
967,250,700 Japanese Yen	1/31/95	9,868,018
973,805,000 Japanese Yen	2/28/95	9,960,429

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts

September 30, 1994 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Market Value (Note 1)</u>
FORWARD EXCHANGE CONTRACTS TO SELL		
453,070,550	Japanese Yen	3/31/95 \$ 4,647,542
181,677,000	Japanese Yen	4/28/95 1,868,764
428,761,000	Japanese Yen	5/31/95 4,425,017
89,830,000	Japanese Yen	6/30/95 929,959
2,835,750,000	Japanese Yen	7/14/95 29,398,615
408,859,000	Japanese Yen	7/31/95 4,246,077
764,249,039	Japanese Yen	8/31/95 7,962,411
385,323,400	Japanese Yen	9/15/95 4,020,856
58,134,000	Japanese Yen	10/16/95 608,520
162,806,397	Japanese Yen	12/29/95 1,716,630
5,179,084	Netherlands Guilder	11/30/94 2,977,801
2,385,273	Netherlands Guilder	12/30/94 1,372,081
11,526,595	Netherlands Guilder	1/31/95 6,632,572
8,494,557	Netherlands Guilder	2/28/95 4,889,484
12,541,100	Netherlands Guilder	3/31/95 7,221,603
1,889,900	Netherlands Guilder	4/28/95 1,088,643
10,286,248	Netherlands Guilder	5/31/95 5,927,774
5,247,775	Netherlands Guilder	7/31/95 3,026,875
6,623,980	Netherlands Guilder	8/31/95 3,822,540
866,350	Netherlands Guilder	9/15/95 500,074
1,556,820	Netherlands Guilder	10/16/95 899,002
4,407,148	Netherlands Guilder	12/29/95 2,547,175
3,108,787	Norwegian Krone	11/30/94 456,704
4,609,780	Norwegian Krone	12/30/94 676,219
1,450,270	Norwegian Krone	1/31/95 212,449
2,338,228	Norwegian Krone	2/28/95 342,104
6,675,270	Norwegian Krone	3/31/95 975,319
2,013,340	Norwegian Krone	4/28/95 293,883
9,853,129	Norwegian Krone	7/31/95 1,433,829
174,766,500	Spanish Peseta	5/31/95 1,334,695
271,863,664	Spanish Peseta	8/31/95 2,060,994
1,137,157,500	Spanish Peseta	10/16/95 8,589,527
131,569,589	Spanish Peseta	12/29/95 988,318
6,217,324	Swedish Krona	11/30/94 826,853
7,586,931	Swedish Krona	12/30/94 1,006,947
3,534,088	Swedish Krona	1/31/95 467,820
9,051,617	Swedish Krona	2/28/95 1,195,227
3,888,448	Swedish Krona	3/31/95 511,955
9,463,140	Swedish Krona	4/28/95 1,242,903
9,888,450	Swedish Krona	5/31/95 1,294,953
4,841,880	Swedish Krona	6/30/95 632,349
1,544,600	Swedish Krona	7/31/95 201,183
18,176,660	Swedish Krona	8/31/95 2,361,080
21,110,810	Swedish Krona	9/15/95 2,738,584
4,309,697	Swedish Krona	12/29/95 554,264
2,946,350	Swiss Franc	11/30/94 2,292,613
7,191,918	Swiss Franc	12/30/94 5,603,574
2,036,876	Swiss Franc	1/31/95 1,588,955
18,920,200	Swiss Franc	4/28/95 14,811,017
6,817,130	Swiss Franc	5/31/95 5,343,613
413,130	Swiss Franc	6/30/95 324,229

SEE NOTES TO FINANCIAL STATEMENTS

TWEEDY, BROWNE GLOBAL VALUE FUND

Statement of Changes in Net Assets

	Six Months Ended 9/30/94 (Unaudited)	Period Ended 3/31/94*
Net investment income (loss)	\$ 3,520,578	\$ (4,043)
Net realized gain on securities, forward exchange contracts and foreign currencies during the period	4,077,316	2,792,934
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the period	<u>(10,365,190)</u>	<u>22,669,868</u>
Net increase (decrease) in net assets resulting from operations	(2,767,296)	25,458,759
Net increase in net assets from Fund share transactions (Note 4)	<u>224,949,904</u>	<u>271,875,421</u>
Net increase in net assets	222,182,608	297,334,180
NET ASSETS:		
Beginning of period	<u>297,434,180</u>	<u>100,000</u>
End of period (including undistributed net investment income (accumulated net investment loss) of \$3,299,355 and \$(221,223), respectively)	<u>\$519,616,788</u>	<u>\$297,434,180</u>

* The Fund commenced operations on June 15, 1993.

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

TWEEDY, BROWNE GLOBAL VALUE FUND

Financial Highlights

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/94 (Unaudited)	Period Ended 3/31/94(a) (h)
Net asset value, beginning of period	\$ 12.26	\$ 10.00
Income from investment operations:		
Net investment income (loss) (c)	0.09	(0.00) (f)
Net realized and unrealized gain (loss) on investments	<u>(0.05)</u>	<u>2.26</u>
Total from investment operations	<u>0.04</u>	<u>2.26</u>
Net asset value, end of period	<u>\$ 12.30</u>	<u>\$ 12.26</u>
Total return (d)	<u>0.33%</u>	<u>22.60%</u>
Ratios/Supplemental Data:		
Net assets, end of period (in 000's)	\$519,617	\$297,434
Ratio of operating expenses to average net assets (e)	1.65%(b)	1.73%(b)
Ratio of net investment income (loss) to average net assets	1.71%(b)	(0.00)%(b) (g)
Portfolio turnover rate	11%	14%

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

(b) Annualized.

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

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

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

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

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

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

TWEEDY, BROWNE GLOBAL VALUE FUND

Notes to Financial Statements (Unaudited)

1. Significant Accounting Policies

Tweedy, Browne Global Value Fund (the “Fund”) is a diversified series of Tweedy, Browne Fund Inc. (the “Company”). The Company is an open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. The Company was organized as a Maryland corporation on January 28, 1993. The Fund commenced operations on June 15, 1993. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

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

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

Foreign Currency The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions. Unrealized gains and losses which result from changes in foreign currency exchange rates

TWEEDY, BROWNE GLOBAL VALUE FUND

Notes to Financial Statements (Unaudited)

have been included in the unrealized appreciation (depreciation) of currencies and net other assets. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amount actually received. The portion of foreign currency gains and losses related to fluctuation in the exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gains and losses on investment securities sold.

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

The use of forward exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's investment securities, but it does establish a rate of exchange that can be achieved in the future. Although forward exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts.

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

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

Federal Income Taxes The Fund intends to qualify as a regulated investment company, if such qualification is in the best interest of its shareholders, by complying with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and by distributing substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.



TWEEDY, BROWNE GLOBAL VALUE FUND

Notes to Financial Statements (Unaudited)

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

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

The four general partners of Tweedy, Browne, the investment adviser to the Fund and their families have approximately \$8 million of their own money invested in the Fund.

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

	Fees on Assets		
	Up to \$200 Million	Between \$200 and \$500 Million	Exceeding \$500 Million
Administration Fees	0.12%	0.10%	0.08%
	Up to \$50 Million	Between \$50 and \$100 Million	Exceeding \$100 Million
	Accounting Fees	0.08%	0.06%

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

Prior to the close of business on May 6, 1994, The Boston Company Advisors, Inc. (“Boston Advisors”), a wholly owned subsidiary of Mellon Bank Corporation (“Mellon”), served as the Fund’s administrator and received fees equivalent to the current rates for its services. On May 6, 1994, Mellon sold the assets comprising Boston Advisors’ third party mutual fund business to TSSG. Effective as of the close of business on that day, TSSG became the Fund’s administrator pursuant to an assignment to TSSG by Boston Advisors of the Fund’s administration agreement.

TWEEDY, BROWNE GLOBAL VALUE FUND

Notes to Financial Statements (Unaudited)

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

Boston Safe Deposit and Trust Company ("Boston Safe"), an indirect wholly owned subsidiary of Mellon, serves as the Fund's custodian pursuant to a custody agreement (the "Custody Agreement"). Unified Advisers, Inc., serves as the Fund's transfer agent. Tweedy, Browne also serves as the distributor to the Fund.

Notwithstanding the foregoing, TSSG and Boston Safe each agreed to limit fees charged pursuant to the Administration Agreement and Custody Agreement to 0.42% of the value of the Fund's average daily net assets during the Fund's first 12 months of operation.

3. Purchases and Sales of Securities

Cost of purchases and proceeds from sales, excluding short-term investments, for the six months ended September 30, 1994, aggregated \$227,706,070 and \$37,224,463, respectively.

At September 30, 1994, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$46,216,785 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$13,570,970.

4. Capital Stock

The Company is authorized to issue one billion shares of \$.0001 par value capital stock, of which 600,000,000 of the unissued shares have been designated as shares of the Fund. Changes in shares outstanding for the Fund were as follows:

	Six Months Ended 9/30/94		Period Ended 3/31/94*	
	Shares	Amount	Shares	Amount
Sold	21,499,417	\$268,539,647	26,617,894	\$300,748,974
Redeemed	(3,512,317)	(43,589,743)	(2,374,782)	(28,873,553)
Net Increase	17,987,100	\$224,949,904	24,243,112	\$271,875,421

* The Fund commenced operations on June 15, 1993.

5. Organization Costs

The Fund bears all costs in connection with its organization including the fees and expenses of registering and qualifying its shares for distribution under Federal and state securities regulations. All such costs have been deferred

TWEEDY, BROWNE GLOBAL VALUE FUND

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and are being amortized over a five-year period using the straight-line method from the commencement of operations of the Fund. In the event that any of the initial shares of the Fund are redeemed during such amortization period, the Fund will be reimbursed for any unamortized organization costs in the same proportion as the number of shares redeemed bears to the number of initial shares held at the time of redemption.

6. Foreign Securities

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

7. Line of Credit

On April 29, 1994, the Fund and Mellon Bank, N.A. entered into a Line of Credit Agreement (the "Agreement") which provides the Fund with a \$30 million line of credit primarily for temporary or emergency purposes, including the meeting of redemption requests that might otherwise require the untimely disposition of securities. The Fund may borrow up to the lesser of \$30 million or one-third of its net assets. Interest is payable at the bank's money market rate plus 0.75% on an annualized basis. Under the Agreement, the Fund is charged a facility fee equal to 0.10% annually of the unutilized credit. The Agreement requires, among other provisions, the Fund to maintain a ratio of net assets (not including funds borrowed pursuant to the Agreement) to an aggregate amount of indebtedness pursuant to the Agreement of no less than three to one. For the six months ended September 30, 1994, the Fund did not borrow under this Agreement.



This report is for the information of the shareholders of Tweedy, Browne Fund Inc. Its use in connection with any offering of the Company's shares is authorized only in a case of a concurrent or prior delivery of the Company's current prospectus. Tweedy, Browne Company L.P. is a member of the NASD and is the Distributor of the Company.

