



**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, 2009**

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*Investment Adviser's Letter to Shareholders*

To Our Shareholders:

The stock market's mood has gone from deep despair to exhilaration in a little over six months. In our March 2009 Annual Report, we commented that the stock prices of the businesses we owned during the downturn suffered far more than the businesses themselves. With the dramatic rebound in the equity markets over the past two quarters, it comes as no surprise that the stock prices of the businesses we own more accurately reflect the underlying value of the businesses today. Since the March 9<sup>th</sup> market lows, the Global Value Fund, the Value Fund and the Worldwide High Dividend Yield Value Fund through September 30 have climbed 52.4%, 51.6% and 50.5%, respectively. While the movement in equity markets certainly went a long way in closing an extreme valuation gap between stock prices and business values, the stocks in our Funds' portfolios for the most part remain reasonably priced in our judgment, and we continue to find new opportunities though certainly at a slower pace than six months ago.

**Performance Results and Attribution**

Presented below are the investment results of the three Tweedy, Browne mutual funds, through September 30, 2009, with comparisons to the indices we consider relevant.\*

Period Ended 9/30/09	Tweedy, Browne Global Value Fund	MSCI EAFE Index <sup>(2)(3)</sup> (Hedged to US\$)	MSCI EAFE Index <sup>(2)(3)</sup> (US\$)
Calendar Year-to-Date	22.72%	22.09%	28.97%
6 Months	40.99	35.07	49.85
1 Year	4.70	0.93	3.23
3 Years	-2.87	-5.95	-3.60
5 Years	4.79	5.01	6.07
10 Years	5.48	1.12	2.55
15 Years	9.10	5.09	4.69
Since Inception (6/15/93) <sup>(4)</sup>	9.74	5.19	5.21
Total Annual Fund Operating Expense Ratio as of 3/31/09 was 1.41%†			

Period Ended 9/30/09	Tweedy, Browne Value Fund	S&P 500 <sup>(2)(6)</sup>	MSCI World Index (Hedged to US\$) <sup>(2)(5)</sup>
Calendar Year-to-Date	18.01%	19.26%	21.06%
6 Months	33.86	34.02	34.21
1 Year	-0.36	-6.91	-3.19
3 Years	-2.33	-5.42	-
5 Years	2.05	1.01	-
10 Years	2.96	-0.15	-
15 Years	8.40	7.61	-
Since Inception (12/8/93) <sup>(4)</sup>	8.13	7.31	-
Total Annual Fund Operating Expense Ratio as of 3/31/09 was 1.42%†			

Period Ended 9/30/09	Tweedy, Browne Worldwide High Dividend Yield Value Fund	MSCI World Index in (US\$) <sup>(2)(5)</sup>
Calendar Year-to-Date	18.85%	24.90%
6 Months	33.68	41.81
1 Year	2.06	-2.29
Since Inception (9/5/07) <sup>(4)</sup>	-7.96	-12.44
30-Day Standardized Yield (Subsidized) as of 9/30/09: 2.30%		
30-Day Standardized Yield (Unsubsidized) as of 9/30/09: 2.21%		
Gross Annual Fund Operating Expense Ratio as of 3/31/09 was 1.55%†‡		
Net Annual Operating Expense Ratio as of 3/31/09 was 1.38%†‡		

\* 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-8 for footnotes 2 through 6, 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 and the Worldwide High Dividend Yield Value Fund each impose 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 expense ratios shown above reflect the inclusion of acquired fund fees and expenses and may differ from those shown in the Funds' financial statements.

‡ 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 fees and expenses from investments in other investment companies, brokerage, interest, taxes and extraordinary expenses) at no more than 1.37%. This arrangement will continue at least through December 31, 2010. 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.

The old adage that a rising tide lifts all boats certainly applied to the last six months with virtually all of the stocks held in our three Funds advancing. In fact, the bulk of our stocks were up dramatically. In the Global Value Fund, out of 105 stocks held in the portfolio as of September 30, 101 rose with 3 of the 4 laggards being smaller cap securities in Japan. In the Value Fund, only one holding out of the 43 held in the portfolio on September 30 was down, and all 35 of the stocks held in the Worldwide High Dividend Yield Value Fund on September 30 finished in positive territory for the six months. This change in sentiment in our markets has been quite a remarkable feat, particularly in light of the challenging business conditions that persist in economies around the world.

Fear often creates opportunity in the value community, and we have rarely been busier than over the last six to twelve months. As you can imagine, given the recent rapid run-up in the markets, bargain hunting has slowed, but we took advantage of the crisis in a number of ways. While only a handful of new positions were established over the last several months, we did add to a number of positions and at the same time sold positions we felt had less promising prospects. If one were to look further back, overall the changes to our portfolios have been quite dramatic. We were able to invest in energy stocks for the first time in a long time, focusing on companies with large inventories of proven reserves such as Conoco Phillips, Devon Energy and Total.<sup>7</sup> We built a position in the railroad industry where we believe pricing power has returned, buying stakes in Burlington Northern, Norfolk Southern and Union Pacific. We invested in a number of globally diversified companies which have had above-average growth rates that we rarely have the opportunity to buy at prices that make sense to us; companies such as Henry Schein, Cintas, 3M Corporation, and Emerson Electric. We were able to repurchase several stocks we previously owned because the stock prices had returned to price levels which we felt were attractive once again; e.g., industrial cyclicals such as Kronos and Linde. Also sprinkled along the way were a number of Ben Graham-type statistical bargains such as Guoco Group, National Western Life and Avatar.

We believe the quality of the businesses we own has improved as a result of changes we made in the Funds' portfolios in the last year. Many people incorrectly assume that value investors only own the "cigar butts" of the stock market; companies with just one puff left, albeit a free one. That is simply a misconception. As Warren Buffett always says, value and growth are joined at the hip, it is simply a question of price. When given the opportunity, we love to own better quality businesses. Today, our portfolios consist of companies that we believe for the most part can weather virtually any storm and produce products people require as opposed to the "stuff" people desire; products that people eat, drink, smoke, the gas people put in their cars, the medicines they take, etc. The companies are for the most part underleveraged, globally diversified, and make products that a growing worldwide middle class aspires to — companies such as Nestle, Unilever, Heineken, Phillip Morris International, Novartis, and Johnson & Johnson. While our Funds have meaningfully participated in the market advance over the last six months, we think that valuations still remain attractive. Today, the top 25 holdings in

each of our Funds are trading on average at approximately 12-to-13 times forward earnings, and have annual dividend yields between 3% and 4.5%.

High profile investors such as Bill Gross and his fellow portfolio manager, Mohamed El-Irian, at PIMCO have opined frequently of late that as deleveraging in the U.S. continues, growth will slow in the West but continue to increase in Asia. Investment capital has again been flowing aggressively back into the emerging markets, driving some valuations in those equity markets to levels that do not make sense to most value-oriented investors. You might be surprised to learn that our Funds have significant exposure to these faster growing markets. Much of it is indirect and at valuation levels that we believe are more attractive than the majority of opportunities available from most direct investments in these markets. As of September 30, approximately 10% of the assets in the Tweedy, Browne Global Value Fund were directly invested in what we would describe as the more developed of the emerging markets, (particularly Mexico, South Korea and Croatia) in companies such as Coca-Cola Femsa, Korea Exchange Bank, SK Telecom, and Adris Grupa, among others. Our criteria for direct investment in countries are rather straightforward. We want a political environment with which we are comfortable; we want a fairly well-developed system of contract law with a court system that would allow us to enforce our property rights and seek redress, if necessary; we need reliable financial reporting so that we can value businesses; we would like a forward market in foreign exchange so that we can hedge our currency exposure if we choose to; and finally, we need some mispriced stocks. Absent these basic requirements, from our point of view one is speculating, not investing.

We also have significant indirect exposure to the emerging markets, even those we would be somewhat hesitant to invest in directly. Companies such as Nestle, Unilever, Coca-Cola, Heineken, Diageo, Kone, 3M, and Emerson Electric, among a host of others, derive a surprising amount of their revenue and profits from these faster growing markets. For example, it might surprise you to learn that Heineken has made more money over the last year or so in Africa and the Middle East than it has in the United States where its beer brand is ubiquitous. Its African and Middle Eastern businesses now account for 25% of Heineken's earnings before interest and taxes (EBIT), second only to the European region, which accounts for 36% of EBIT. Over 50% of 3M and Emerson Electric's sales occur outside the U.S. today, and approximately 28% and 30%, respectively, comes from emerging markets. 3M's emerging market segment of its business is growing at a compound annual growth rate of 14%. Diageo, the world leader in premium spirits, generates approximately 35% of its sales from emerging markets. In June, Coca-Cola opened its 37th bottling plant in China, where today Coca-Cola has 52% of the carbonated soft drink market, including the top soda brand, Sprite. Nestle produces over 100 different products that are aggressively sold to the emerging market countries. In 2008, Nestle's food and beverage sales in the emerging markets achieved over 15% organic growth and accounted for over 30% of its overall sales, or 35 billion Swiss francs. Phillip Morris International, which was spun off from Altria in early 2008, sells cigarettes and other tobacco products in over 160 countries with the bulk of its unit growth today

coming from the emerging markets. Its Eastern European, Middle Eastern and African Regions increased its net revenues by 18.2% to reach \$7.5 billion in 2008. It has a 41.4% market share in the cigarette market in Turkey, a 35.2% share in the Ukraine, a 29.5% share in Indonesia, 12.3% in Korea, 71% in Argentina, 67.7% in Mexico, 37.6% in Poland, and 39.2% in the Czech Republic. Kone, our long time Finnish elevator company holding, is reported to be the fourth largest player in the Chinese elevator market, which has been growing reportedly at 20% a year for years, and now represents a third of the global elevator market. In addition, there are a number of other companies in our portfolios that derive a substantial amount of their sales from Asian markets, including Jardine Strategic, Unilever, Richemont, and Sika. And the list goes on and on. (Company data contained in the previous paragraph is derived from internal research, media sources and 2008 annual reports.)

For those of you who believe more direct exposure to these markets would be advantageous, it might surprise you to know what you are getting for the most part when you invest in an emerging market fund, index or otherwise. These markets are emerging, and as a result they generally lack breadth. For instance, in each of the BRIC countries (Brazil, Russia, India, and China), the top five holdings in their constituent indices constitute between 40% and 60% of the index and are largely banks and oil and gas companies. These stocks often sell at premium valuations. Despite this concentration and apparent lack of “value,” from our perspective the BRIC indices have performed extraordinarily well at times. Value investors such as ourselves, however, prefer to pick and choose, and look for value, company by company. Investing indirectly in some of these pricier markets as we described above, is perhaps a safer and cheaper way to participate in the rapid growth in the third world. So despite conventional wisdom that a value investor is not likely to be exposed to the rapid growth of emerging markets, we believe we have a meaningful, if largely indirect, exposure to these areas of the world through the businesses we own.

### A Deadly Reliance on Magic Numbers

*“Everything should be made as simple as possible, but no more simple”*

-Albert Einstein

In looking back over the financial crisis last year, we continue to be struck by the extraordinary faith accorded by financial institutions and hedge funds in just a handful of numbers. Behavioralists have spoken frequently about the dangerous tendency of investors to think highly of themselves and their judgments, and the tendency to overestimate the reliability of their information. That has occurred in spades over the last decade as investors both amateur and professional alike fell prey to this classic form of behavioral error, “overconfidence.” One could argue that this has been a pivotal factor in a number of the financial debacles that have arisen over the last twenty years, including the financial crisis we find ourselves in today. Take a look at the formulas that follow. There’s a lot of behavioral irrationality going on in these “magic numbers.”

### Value at Risk

$$VaR_{\alpha} = \inf\{l \in \mathfrak{R} : P(L > l) \leq 1 - \alpha\} = \inf\{l \in \mathfrak{R} : F_L(l) \geq \alpha\}$$

Value at Risk (“VAR”) is the widely accepted metric used by financial institutions and hedge funds to quantify and manage risk on a daily basis. It purports to measure the risk of loss with a degree of confidence approaching 95% to 99%. It failed miserably last year. Unfortunately, the unexpected tends to occur a little more often than is accounted for in these models. In reality, maybe a more rational model would focus on managing for the rarer events that occur 1% to 5% of the time. This seems to be where the real potential for permanent loss lies.

Take Bear Stearns for example. In his very interesting book entitled, *Lecturing Birds on Flying: Can Mathematical Theories Destroy the Financial Markets?*<sup>8</sup> Pablo Triana points out that in February 2008, shortly before it disappeared for all practical purposes, Bear Stearns had a calculated VAR of approximately \$60 million. The prior August, Bear had \$400 billion in assets, \$40 billion of which had no apparent ready market and \$13 billion in equity. Our back of the envelope math would suggest that given this capital structure, if your assets declined in value by 3% you would be out of business.

According to the author, Lehman Brothers had an equally leveraged financial condition. In February 2008 Lehman had approximately \$785 billion in assets, \$25 billion in equity, average VAR of \$85 million — about 3/10 of 1% of capital. It was funded by \$500+ billion in short-term borrowings, \$120+ billion in long-term borrowings.

With leveraged capital structures such as these, confidence in VAR as a risk management tool was in our judgment a bit “misplaced.”

### Gaussian Copula Formula

$$C_{\rho}(v, v) = \Phi_{\rho}(\Phi^{-1}(v), \Phi^{-1}(v))$$

where  $v, v \in [0, 1]$  and  $\Phi$  denotes the standard normal cumulative distribution function.

Differentiating  $C$  yields the copula density function:

$$C_{\rho}(v, v) = \frac{\varphi_{X, Y, \rho}(\Phi^{-1}(v), \Phi^{-1}(v))}{\varphi(\Phi^{-1}(v))\varphi(\Phi^{-1}(v))}$$

where

$$\varphi_{X, Y, \rho}(x, y) = \frac{1}{2\pi\sqrt{1-\rho^2}} \exp\left(-\frac{1}{2(1-\rho^2)}[x^2 + y^2 - 2\rho xy]\right)$$

is the density function for the standard bivariate Gaussian and Pearson’s product moment correlation coefficient  $\rho$  and  $\varphi$  is the standard normal density.

The Gaussian Copula Formula has been referred to by some in the financial press as the formula that killed Wall Street. While we don’t purport to understand the math, the Gaussian Copula Formula is essentially a mathematical model that enabled the financial world to model the risk of default of Collateralized Debt Obligations (“CDO”) and the default potential between various tranches within the CDO, essentially through a correlation analysis of credit default swaps. This formula enabled rating agencies to model bafflingly large, effectively un-analyzable pools of financial instruments

based on simulated default correlations, and quickly converted a lot of NINJA (no income, no job, no assets) loans into investment grade debt, or as one witty bond manager said, “[It] allowed financial butchers to package chicken gizzards as chicken breasts.”

These formulaic tools represent some of the most extreme examples of overconfidence that we can think of. Both of these institutions were leveraged more than 30-to-1, which meant that if their asset bases declined by more than 3%, they were effectively bankrupt. The problem was that they were reassured by their models that what they were doing would be safe apart from a “100 year storm.” We, of course, now know, thanks to people like Nassim Nicholas Taleb, author of *The Black Swan*, that these 100 year storms have a way of showing up every 10 years or so as evidenced by the dot-com collapse of early 2000, the failure of Long Term Capital Management in 1998, and the portfolio insurance debacle of the late 1980s, among others. As one of our bond manager friends said, “You have to worry about the 1% of the time.....the 99% is not the problem.” In contrast to quantitative finance, we worry a lot about severity or the “1% risk.” It’s very hard for us to rationalize a potential investment where we believe there is the potential for permanent loss of capital. The Aramaic world had a word which sums up our feelings about leverage. In Aramaic, the word for debt and sin are one and the same ... *hobha*. We have always maintained that carrying too much debt is a slippery slope into financial hell.

In some respects, the way we think as value investors is not all that different from the quants. In essence, we are both arbitrageurs with the difference being that the quants are trying to arbitrage smaller short-term pricing inefficiencies while we are trying to arbitrage very large longer-term pricing inefficiencies. We essentially part company when it comes to time horizon and the use of leverage.

Since the technology bubble burst in early 2000, both financial institutions and the alternative investment community flourished, benefitting from many investors’ desire for less volatility in their returns. Investors wanted a steadier, less volatile return, and predictably, Wall Street complied by creating a plethora of alternative strategies designed to smooth out near-term volatility while producing a steadier, if somewhat lower compound return. This response to the technology meltdown was behavioral, but maybe not rational. While volatility was seemingly constrained in these strategies, virtually all of them were built on a fault-line of leverage that could be far more lethal to their financial health. As confidence grew and money poured into these strategies, the leverage had to increase to produce the returns to which investors had become accustomed. In Roger Lowenstein’s book, *When Genius Failed*, one money manager described these quantitative leveraged strategies as “picking up nickles in front of bulldozers”. Warren Buffett has analogized leveraged investing as driving a car with a razor sharp dagger strapped to the steering wheel and aimed directly at the driver’s chest. The mere act of hitting a pothole could be a life threatening event.

In contrast, value-based, long-only investors like us have no interest in stepping in front of the bulldozer, and we definitely want to be able to walk away from a financial accident. We believe the best way to do this is to avoid leverage both in our portfolios as well as in our individual investments. The longer-term spreads we are after are large, and if we are successful, they produce attractive long-term rates of return. There is no need for leverage.

We approach investing accepting the notion that there is no certainty, and that risk is far more than simply a quantitative calculation of standard deviation and correlation coefficients. In a way, financial modeling is partly trying to guess what other people are likely to do based on historic correlations and measures of variability. The problem is that human behavior is much more a variable than it is a constant. Modeling is an attempt to create certainty where there is none, and that is largely due to the fact that markets are driven by people and people are “reliably unreliable.” Charlie Munger, Warren Buffett’s “partner,” in a speech several years back on academic economics at the University of California, Santa Barbara, emphasized the dangerous tendency of people in both academia and the business world when confronted with complex systems, to overweight what can be counted and to underweight the “hard-to-measure stuff,” He goes on to say that this “...craving for physics-style precision does little but get you into trouble.” Put simply, we value investors know our limitations.

So how is it that value investors are able to withstand the behavioral temptations that lead most investors astray? To paraphrase Buffett, it’s not about IQ, it’s more about temperament. We have the great fortune at Tweedy, Browne to have been the beneficiaries of a framework that was passed down to us by the founder of this discipline over 50 years ago. His name was Benjamin Graham. Having begun his business career during the Great Depression, Ben had a tendency to focus on what could go wrong in an investment. He invested in stocks the way a cautious underwriter wrote insurance policies. He searched high and low for stocks trading at big discounts to intrinsic value with a quantifiable margin of safety. He overlaid that with broad diversification to get the benefit of the “law of large numbers,” convinced that if one took care of the downside, the upside would take care of itself. This was not an approach based on any assessment of near certainty to which could be applied a highly leveraged bet, but rather it was an approach that accepted that there would be accidents, or mistakes in valuation, and managed for them. It was an approach that focused on severity and the consequences associated with failed expectations, and not just probabilities.

This is very much the framework within which we ply our craft at Tweedy, Browne today. For example, in our last report we briefly discussed our recent purchase of Krones, the German company which is the world leader in the production of machines that manufacture bottles for beverages such as carbonated soft drinks, water, juices, milk, alcoholic beverages, and sports drinks. They control just under one-half of the global market (roughly \$5 billion) with their next biggest competitor one-third Krones’ size. In competitive terms, they are the elephant in the room. Their machines are made in Germany and exported all over the world.

The average technical and economic life of bottling lines is not long. Due to the wear and tear of thousands of bottles racing through them every hour, often 24/7, they require replacement every seven-to-ten years. Furthermore, technological innovation in this business is strong; new machines are better, quicker and cheaper than old ones, making it possible for the owners of bottling plants to decrease their cash production costs, shed labor and increase their speed and reliability with new machines. The company is a beneficiary of increasing growth in the bottled beverage business, particularly the growth in emerging markets, growth in bottled water, plastic bottles and individual bottles. We like how these factors drive sales over long periods. Finally, a bottling line needs a lot of maintenance that cannot be postponed for long, and maintenance, service and parts provide about 30% of Kroner's profits. This service component provides a bit of a cushion in the economics of the business.

Growth has been very good in the last decade, with compounded sales growth of 9.9% and compounded EBIT growth of nearly 16%. While the size of the company has nearly doubled over the last six-to-seven years, Kroner is still a modestly-sized company with approximately \$1.5 billion in market capitalization. It is controlled by the Kroneder family, which owns 52% of the shares. We like that every share in the company has one vote.

At our initial purchase price of between 24 and 29 euros, it was trading at roughly 7-to-8 times normalized earnings, 5 times normalized EBIT and at a slight premium to its book value. Debt was negligible. This is actually the second time around for us in this stock. We first took a position in Kroner between 1999 and 2001, paying an average price in the low thirties (euros per share), and made 100% plus in most of our accounts on our original cost, selling it between 2002 and 2005. Late last year as the credit crisis accelerated, the stock once again was trading at under 30 euros per share. We decided to take another look, liked what we saw and began investing again. We expect that for the shorter term the company will have a period of weaker/cancelled orders as bottlers seem to be more cautious with their capital expenditures ("capex") and we would not be surprised if the stock price reacted negatively in the short term. In all, we like the business, the competitive position and the price we are paying. We think the investment has limited impairment risk and believe that orders can only be postponed for so long. The company should be able to withstand short-term pain. Eventually, Kroner's clients will have to catch up on overdue capex; it is not a matter of "if" but "when." In January of this year, the company announced that it intends to buy back 10% of its shares, providing extra support to the case.

One might legitimately ask, if this is so clear and apparently riskless, why doesn't everyone pile into Kroner arbitraging away any advantage and erasing the margin of safety that we believe is presently in the price? First of all, it is never perfectly clear how businesses will perform over time. Will Kroner be able to maintain its competitive advantage? How much impairment to earnings will occur in the financial crisis? Will its earnings power be fundamentally altered going forward by changing attitudes of consumers regarding consumption and saving? Could management pursue value-

destroying acquisitions? While we cannot answer these questions with certainty, we feel pretty comfortable that the odds are stacked in our favor, i.e., that Kroner will weather the current financial storm and come out the other side bigger and stronger than before. We feel it is worth the risk of holding a 1% to 2% position within the context of a diversified portfolio. However, it could take time to work out and the stock price could move around somewhat randomly in the short run, which could be disconcerting to investors. Ultimately, we believe it is this willingness to look further out while accepting the near-term randomness of stock price movements that gives true value managers like ourselves their edge. If we are right, we think we are likely to make double digit compound returns over time on a group of securities with characteristics like Kroner. Nevertheless, we cannot tell you when these securities will work out. Additionally, there will certainly be those portfolio holdings that do not work out as anticipated, but we believe that the odds favor a successful investment by employing a strategy like this over the long term. We will never have to face a margin call, and for that matter neither will most of the companies in which we invest.

### **Chris Browne Decides to Take a Step Back**

Chris Browne, our partner and friend of many years, announced in late July that he was taking a step back from his day-to-day involvement and will become a Senior Advisor to the Firm. He will maintain his equity stake in the Firm, and continue to have the bulk of his marketable net worth under management at Tweedy. As Chris indicated in his retirement letter,

*This has been a difficult decision for me, but in the past two years I have had to deal with some personal health issues, and there are other things I want to accomplish with the rest of my life. While my health issues are now mostly resolved, I took this as a wake up call about the fragility of life. I am confident that the investment professionals we have assembled will do a great job going forward — so confident that I am leaving virtually all of my personal investments with the Firm.*

Chris joined Tweedy, Browne after graduating from the University of Pennsylvania in 1969, and became a partner of the Firm in 1974. His tenure at Tweedy spans some 40 years during which time Tweedy, Browne evolved from being a rather small investment advisor managing U.S. equities for high net worth individuals to a firm that, as of September 30, 2009, invests approximately \$10 billion in assets globally for individuals, institutions and family groups from all over the world.

He, and his brother, Will, are the second generation of Brownes to work at Tweedy, Browne, following in the footsteps of their father, Howard Browne. As a partner of the Firm between 1943 and 1980, Howard Browne served both as an investment manager for clients and as a broker and market maker for such legendary value investors as Benjamin Graham and Warren Buffett.

Chris has made an immeasurable contribution to our Firm during his 40-year tenure, and while we will miss the wit and wisdom he brought to his day-to-day involvement, we respect his decision and are looking forward to many more years of his advice and counsel.

Going forward the Firm will continue to be managed by its four Managing Directors who collectively have been working for more than 100 years at Tweedy, Browne. They are supported by nine professional security analysts who on average have spent over 10 years at the Firm. In a year when many investment firms are cutting staff, we are also pleased to announce that we have recently added two new securities analysts to our team. David Krasne, CFA and Sean McDonald, CFA joined Tweedy, Browne in July. Both are experienced analysts who spent time working with the Capital Group Companies prior to receiving their MBAs from Columbia Business School where they completed coursework at the Heilbrunn Center for Graham & Dodd Investing. While all of our analysts at Tweedy, Browne are generalists, David will initially focus on researching high dividend yielding stocks, and Sean will initially focus on researching companies within the emerging markets. We are delighted to have them on board.

### ***Announcing Our New Unhedged Fund***

On October 26, 2009 we began accepting subscriptions for our new fund, an unhedged version of the Tweedy, Browne Global Value Fund. The formal name of our new fund is the Tweedy, Browne Global Value Fund II-Currency Unhedged. As the name implies, this fund will be managed similarly to our existing Tweedy, Browne Global Value Fund except that its exposure to non-U.S. currencies generally will not be hedged back into the U.S. dollar.

Over the last several years we have observed a growing interest on the part of a number of our existing and prospective investors for an unhedged international investment vehicle. Many of our own investors who have been happy with their investment in the Tweedy, Browne Global Value Fund have asked us to reassess our position on hedging, preferring to be exposed to currency fluctuations. After long and careful deliberation, we decided to give our existing and prospective investors a choice by establishing a new unhedged version of our flagship fund, the Global Value Fund. By taking this step, we are acknowledging that many investors may view exposure to foreign currency as another form of diversification when investing outside the U.S., and/or may have strong opinions regarding the nearer term future direction of the U.S. dollar. We are simply offering our investors a choice of how they want currency treated in the management of a portion of their international assets. In the words of one of our founders, Howard Browne, "Some like chocolate, some like vanilla." This is also consistent with what we offer our separately managed accounts. Over the long term, if the empirical data and our long term experience holds, investors should experience returns in the new fund that are comparable to what they would have achieved had they been hedged. Of course, there are no guarantees regarding future returns.

In establishing this new fund, we are in no way suggesting that investing on an unhedged basis is preferable. Our point of view regarding the benefits of currency hedging in managing foreign currency risk has not changed. The empirical evidence and our experience in managing the Global Value Fund continue to suggest that over long measurement periods, exposure to foreign currency is not meaningfully additive to the total returns a U.S. investor

receives from investing in non-U.S. equities. In other words, the performance of hedged and unhedged indices tend to come together over long measurement periods despite shorter interim periods of great disparity. The frictional costs of hedging have also proven to be *de minimus* over the long term in developed markets. For example, since the inception of the Global Value Fund in 1993, the difference between the annualized returns of the MSCI EAFE (in US\$) and the MSCI EAFE (Hedged to the US\$) was only 2 basis points as of September 30, 2009. The hedged index returned 5.19% annualized and the unhedged index returned 5.21% annualized over this 16 plus year period. The Tweedy, Browne Global Value Fund since inception has compounded at an annualized return of 9.74%. Both our experience in managing the Global Value Fund and studies have shown that hedging currency risk lessens the volatility of international equity returns. In the past, there have been shorter-term periods where non-U.S. currencies have declined significantly. For example, just recently, in the sixteen-month period between November 8, 2007 and March 10, 2009, the British pound declined from \$2.10 to \$1.37, a 35% decline; in the seven-month period from April 22, 2008 to November 20, 2008, the euro declined from \$1.59 to \$1.24, a 22% decline. To a significant extent, this downside volatility can be reduced through hedging. Our original Tweedy, Browne Global Value Fund will continue to be managed on a currency hedged basis.

We would like to be absolutely clear that we have no idea where the U.S. dollar will trade relative to a number of foreign currencies over time. It is completely outside our circle of competence. Nevertheless, many of our investors may have a strong opinion about the near and longer term direction of the U.S. dollar, or may simply prefer to have the added diversification afforded by exposure to non-U.S. currencies. These investors can now invest with Tweedy, Browne in our new fund and gain access to a diversified portfolio of foreign stocks while remaining exposed to the associated foreign currencies. More information regarding the new fund can be obtained by calling Shareholder Services at 1-800-432-4789, or by visiting our website at [www.tweedy.com](http://www.tweedy.com).

### ***Looking Forward***

Global equity markets have risen like a phoenix over the last six months from the dark days of early March. The snapback has been fast and furious, and was not unlike that which has occurred from past recession lows. Confidence appears to have returned for the time being, but the market has come a long way awfully fast despite the continuation of deep economic problems. As a result, our ability to find bargains has significantly slowed over the last couple of quarters. Nevertheless, we have always viewed global equity markets as markets of stocks and not stock markets, and we have always invested for the long term. When you are investing all over the globe as we are, there are usually mispricings available somewhere, and we continue to uncover some even in these recently more buoyant markets.

While we cannot be certain where equity markets are heading in the short term, we all feel pretty confident about the longer term. According to Professor Jeremy Siegel, in an

article<sup>§§</sup> he wrote for *The Financial Times*<sup>§§§</sup>, for the 10 years ending December 31, 2008, U.S. equity returns produced a negative annual average real return of 3.15%. Siegel noted that this has only happened four times since 1871; and the other three periods, ending in 1920, 1974 and 1978, were followed by average annual real returns of 8%, 13% and 9%, respectively, over the next 10 years. These returns are more than twice those available in long-term government bonds. The reason these premium returns are available is no doubt due in part to the lumpiness of equity return streams, and the fact that equity investors must occasionally endure a year like 2008. The last time we faced a year like 2008 was in 1973-1974 when the prices of the “nifty fifty” growth stocks collapsed sending equity markets into a tailspin that resulted in a loss of approximately 44% including dividends. Global equity markets also contracted during the period by roughly 40% in local currencies. Over the next 10 years, the S&P 500 and the MSCI World Index compounded nominally at roughly 15% and 14%, respectively, per year despite a ravaging inflation during the Carter Administration that drove interest rates to as high as 21% in 1980. Investors who are concerned about our near-to-intermediate term economic prospects should not lose sight of the fact that cheap valuations can often offset a lot of macroeconomic ills. While we can provide no guarantees regarding future returns, we nevertheless believe that looking back five-to-ten years from now, even from these levels in the market, this will have proven to be an excellent time to be actively investing.

Thank you for your continued confidence.

Very truly yours,

TWEEDY, BROWNE COMPANY LLC

William H. Browne

Thomas H. Shrager

John D. Spears

Robert Q. Wyckoff, Jr.

***Managing Directors***

October 28, 2009

§ Pablo Triana, [Lecturing Birds on Flying: Can Mathematical Theories Destroy the Financial Markets?](#) (Wiley; June 9, 2009)

§§ Professor Jeremy J. Siegel, “Stocks for the long run still holds in spite of the painful sell-off,” [The Financial Times](#), October 6, 2009

§§§ Professor Siegel does not indicate how he measured these returns, nor does he reference the index or group of securities used in calculating such returns.

## Footnotes:

- (1) While the Funds outperformed their relevant indexes during the calendar year 2008, there have been previous periods when the Funds underperformed their relevant indexes. Since past performance is not indicative of future results, there can be no guarantee that the Funds will outperform the relevant indexes in the future. Please refer to page 2 - 3 of the letter for the Fund's standardized performance results.
  - (2) 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.
  - (3) 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.
  - (4) 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.
  - (5) 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.
  - (6) 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.
  - (7) As of September 30, 2009, Tweedy, Browne Global Value, Tweedy, Browne Value and Tweedy, Browne Worldwide High Dividend Yield Value Funds had invested the following percentages of its net assets, respectively, in the following portfolio holdings: Conoco Phillips (0.7%, 1.9%, 2.6%); Devon Energy (0.1%, 2.5%, 0.0%); Total (3.2%, 3.1%, 3.7%); Burlington Northern (1.0%, 2.1%, 0.0%); Norfolk Southern (0.0%, 1.1%, 1.9%); Union Pacific (0.4%, 2.5%, 0.0%); Henry Schein (0.0%, 1.5%, 0.0%); Cintas (0.0%, 0.0%, 0.0%); 3M Corp (0.0%, 1.9%, 3.3%); Emerson Electric (0.5%, 3.5%, 3.4%); Kronos (1.3%, 1.3%, 0.0%); Linde (2.5%, 4.0%, 0.0%); Kone (3.5%, 0.0%, 2.4%); Guoco Group (0.0%, 0.0%, 0.0%); National Western Life (0.0%, 2.5%, 0.0%); Avatar (0.0%, 0.0%, 0.0%); Nestle (4.2%, 4.1%, 1.5%); Unilever (4.5%, 4.7%, 3.4%); Heineken (5.4%, 5.1%, 0.0%); Phillip Morris International (2.1%, 3.2%, 3.4%); Novartis (3.0%, 2.7%, 3.4%); Johnson & Johnson (0.0%, 3.2%, 2.8%); Coca-Cola Femsa (2.3%, 0.0%, 0.0%); Korea Exchange Bank (1.9%, 1.9%, 0.0%); SK Telecom (2.4%, 1.0%, 1.6%); Adris Grupa (0.2%, 0.0%, 0.0%); Coca-Cola Co. (0.0%, 0.0%, 2.8%); Diageo (3.1%, 4.2%, 3.0%); Jardine Strategic (1.0%, 0.0%, 0.0%); Richemont (0.0%, 0.0%, 0.0%); and Sika (0.2%, 0.0%, 0.0%).
  - (8) Although hedging against currency exchange rate changes reduces the risk of loss from exchange rate movements, it also reduces the ability of a fund to gain from favorable exchange rate movements when the U.S. dollar declines against the currencies in which the fund's investments are denominated and in some interest rate environments may impose out-of-pocket costs on the fund.
- Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks beyond the risks of investing in U.S. 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-U.S. 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. Please refer to the Funds' prospectus for a description of risk factors associated with investments in securities which may be 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 Global Value Fund II – Currency Unhedged, 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.

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, 2009

*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, 2009 to September 30, 2009.

**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 4/1/09	Ending Account Value 9/30/09	Expenses Paid During Period* 4/1/09 – 9/30/09	Beginning Account Value 4/1/09	Ending Account Value 9/30/09	Expenses Paid During Period* 4/1/09 – 9/30/09	Expense Ratio
Global Value Fund	\$1,000	\$1,410	\$8.52	\$1,000	\$1,018	\$7.13	1.41%
Value Fund	\$1,000	\$1,339	\$8.32	\$1,000	\$1,018	\$7.18	1.42%
Worldwide High Dividend Yield Value Fund	\$1,000	\$1,337	\$8.03	\$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, 2009 (Unaudited)

<u>Shares</u>	<u>Value (Note 2)</u>	<u>Shares</u>	<u>Value (Note 2)</u>
<b>COMMON STOCKS—91.9%</b>			
<b>Canada—1.7%</b>			
1,246,000	National Bank of Canada, Toronto . . . . .		\$69,120,321
<b>Czech Republic—0.0%†</b>			
2,800	Philip Morris CR a.s. . . . .		1,422,867
<b>Finland—4.6%</b>			
1,878,574	Cargotec Corporation, B Share . . . . .		44,154,576
3,850,000	Kone Oyj, Class B . . . . .		141,364,945
			<u>185,519,521</u>
<b>France—7.7%</b>			
1,780,523	CNP Assurances . . . . .		181,219,675
2,188,000	Total SA . . . . .		129,863,827
			<u>311,083,502</u>
<b>Germany—13.8%</b>			
56,272	Boewe Systec AG †† . . . . .		551,098
2,289,458	Henkel AG & Company, KGaA . . . . .		83,094,210
957,807	Krones AG . . . . .		50,849,327
42,354	KSB AG . . . . .		25,169,220
920,345	Linde AG . . . . .		99,658,190
833,000	Muenchener Rueckversicherungs-		
	Gesellschaft AG . . . . .		132,755,456
1,620,636	Springer (Axel) Verlag AG . . . . .		169,850,176
			<u>561,927,677</u>
<b>Greece—0.3%</b>			
480,695	Coca Cola Hellenic Bottling		
	Company SA . . . . .		12,780,966
<b>Hong Kong—1.0%</b>			
2,372,500	Jardine Strategic Holdings Ltd. . . . .		40,237,600
<b>Ireland—0.0%†</b>			
1,111,317	Unidare PLC †† . . . . .		97,465
<b>Italy—2.5%</b>			
205,576	Gruppo Minerali Maffei †† . . . . .		1,529,507
4,467,000	Mediaset SPA . . . . .		31,210,823
8,281,500	Mondadori (Arnoldo) Editore SPA †† . . . . .		41,278,580
4,795,392	Sol SPA . . . . .		27,827,615
805,250	Vincenzo Zucchi SPA †† . . . . .		628,541
			<u>102,475,066</u>
<b>Japan—6.5%</b>			
545,600	Aica Kogyo Company Ltd. . . . .		5,843,864
1,594,700	Canon Inc. . . . .		64,653,610
306,800	Daikoku Denki Company Ltd. . . . .		6,938,851
2,218,000	Fujitec Company Ltd. . . . .		12,633,942
446,600	Fukuda Denshi Company Ltd. . . . .		12,719,383
1,073,600	Hi-Lex Corporation . . . . .		10,156,243
1,566,000	Honda Motor Company Ltd. . . . .		48,360,864
22,100	Hurxley Corporation . . . . .		214,496
321,000	Katsuragawa Electric Company Ltd. . . . .		953,661
220,000	Kawasumi Laboratories, Inc. . . . .		1,594,684
1,849,500	Kuroda Electric Company Ltd. . . . .		22,722,399
69,100	Mandom Corporation . . . . .		1,983,437
21,670	Medikit Company Ltd. . . . .		5,190,296
<b>Japan (continued)</b>			
76,200	Meito Sangyo Company Ltd. . . . .		\$1,075,745
36,240	Milbon Company Ltd. . . . .		971,419
307,100	Mirai Industry Company Ltd. . . . .		2,778,254
162,780	Nippon Kanzai Company Ltd. . . . .		3,054,341
1,051,000	Nippon Konpo Unyu Soko		
	Company Ltd. . . . .		12,560,116
420,500	Nitto FC Company Ltd. . . . .		2,583,068
20,100	Ryoyo Electro Corporation . . . . .		173,758
349,200	Sangetsu Company Ltd. . . . .		7,858,804
85,700	Shingakukai Company Ltd. . . . .		319,694
172,000	SK Kaken Company Ltd. . . . .		4,648,908
528,500	T. Hasegawa Company Ltd. . . . .		9,001,647
1,281,300	Takata Corporation . . . . .		23,483,702
			<u>262,475,186</u>
<b>Mexico—4.6%</b>			
1,921,351	Coca-Cola Femsa SA de CV,		
	Sponsored ADR . . . . .		92,416,983
14,623,380	Embotelladoras Arca SA de CV . . . . .		36,133,179
30,132,400	Grupo Continental SA . . . . .		60,242,042
			<u>188,792,204</u>
<b>Netherlands—12.4%</b>			
2,093,000	Akzo Nobel NV . . . . .		129,518,008
23,620	Crown Van Gelder Gemeenschappelijk		
	Bezit NV . . . . .		276,308
4,584,708	Heineken Holding NV . . . . .		186,804,753
700,000	Heineken NV . . . . .		32,235,832
450,000	Imtech NV . . . . .		11,461,637
2,009,134	Telegraaf Media Groep NV . . . . .		38,178,039
307,955	TKH Group NV . . . . .		5,131,608
3,470,000	Unilever NV, CVA . . . . .		99,895,707
			<u>503,501,892</u>
<b>Norway—1.4%</b>			
3,395,700	Schibsted ASA †† . . . . .		57,060,261
<b>Singapore—2.1%</b>			
30,338,550	Fraser and Neave Ltd. . . . .		85,478,900
<b>South Korea—4.5%</b>			
150,900	Daegu Department Store Company Ltd. . . . .		1,607,295
11,330	Daehan City Gas Company Ltd. . . . .		279,824
90,974	Hanil Cement Company Ltd. . . . .		6,223,216
6,546,040	Korea Exchange Bank . . . . .		76,946,874
241,172	SK Telecom Company Ltd. . . . .		37,355,307
3,437,422	SK Telecom Company Ltd., ADR . . . . .		59,983,014
			<u>182,395,530</u>
<b>Spain—2.7%</b>			
8,546,756	Gestevisión Telecinco SA . . . . .		107,688,651
<b>Sweden—0.0%†</b>			
63,360	Cloetta Fazer AB, B Shares †† . . . . .		277,257
<b>Switzerland—13.4%</b>			
186,990	Coltene Holding AG . . . . .		9,325,623
1,559,000	Compagnie Financiere Richemont AG . . . . .		43,991,249
570,116	Daetwyler Holding AG, Bearer . . . . .		32,855,912

SEE NOTES TO FINANCIAL STATEMENTS





**Sector Diversification**

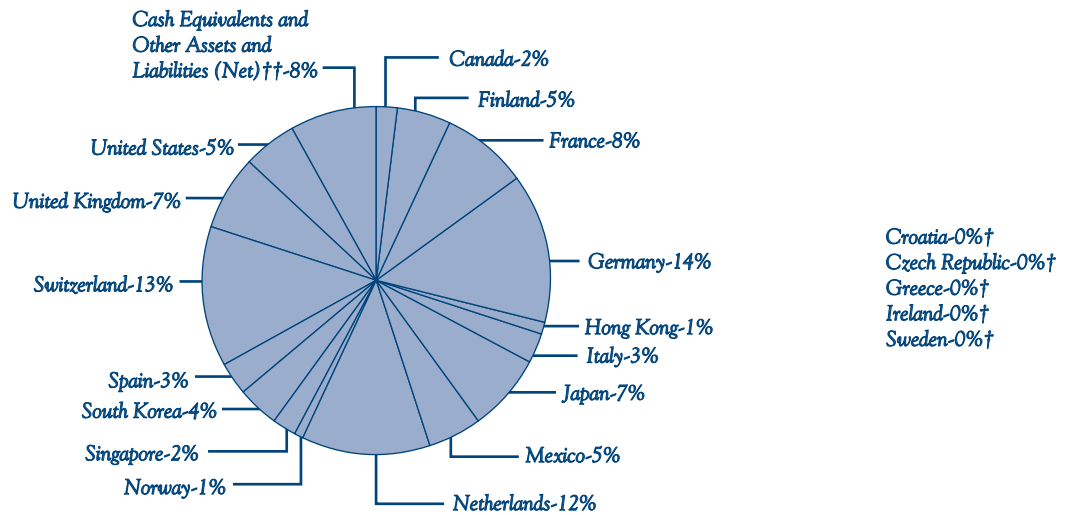
September 30, 2009 (Unaudited)

Sector Diversification	Percentage of Net Assets	Value (Note 2)
<b>COMMON STOCKS:</b>		
Beverage . . . . .	13.6%	\$546,905,761
Media . . . . .	13.4	542,101,112
Capital Goods . . . . .	11.2	456,320,110
Food . . . . .	8.9	360,814,620
Insurance . . . . .	8.3	336,100,810
Materials . . . . .	7.5	304,923,863
Pharmaceuticals, Biotechnology & Life Sciences. . . . .	4.5	184,500,892
Energy . . . . .	4.0	159,688,750
Banks . . . . .	3.6	146,067,195
Telecommunication Services. . . . .	2.4	97,338,321
Technology Hardware & Equipment . . . . .	2.3	94,868,907
Consumer Durables & Apparel. . . . .	2.1	86,965,085
Tobacco . . . . .	2.1	86,854,437
Household & Personal Products . . . . .	2.1	86,049,066
Automobiles & Components . . . . .	2.0	82,000,809
Transportation . . . . .	1.9	77,461,949
Diversified Financials . . . . .	1.0	40,237,600
Health Care Equipment & Services . . . . .	0.7	28,829,986
Commercial Services & Supplies . . . . .	0.2	7,503,323
Retailing. . . . .	0.1	6,087,882
Consumer Services . . . . .	0.0†	534,190
Utilities . . . . .	0.0†	279,824
<b>Total Common Stocks . . . . .</b>	<b>91.9</b>	<b>3,732,434,492</b>
Preferred Stocks . . . . .	0.4	13,827,572
Registered Investment Company. . . . .	7.6	307,055,950
U.S. Treasury Bill . . . . .	2.8	114,989,174
Unrealized Depreciation on Forward Contracts (Net) . . . . .	(3.0)	(122,250,138)
Other Assets and Liabilities (Net) . . . . .	0.3	13,860,498
<b>Net Assets . . . . .</b>	<b>100.0%</b>	<b>\$4,059,917,548</b>

† Amount represents less than 0.1% of net assets

**Portfolio Composition**

September 30, 2009 (Unaudited)



† Amount represents less than 1% of net assets  
 †† Includes Unrealized Depreciation on Forward Contracts (Net)



TWEEDY, BROWNE GLOBAL VALUE FUND

Schedule of Forward Exchange Contracts  
September 30, 2009 (Unaudited)

Contracts	Contract Value Date	Contract Value on Origination Date	Value 9/30/09 (Note 2)	Unrealized Gain (Loss)
<b>FORWARD EXCHANGE CONTRACTS TO BUY</b>				
100,000,000 Norwegian Krone	10/13/09	\$14,565,582	\$17,227,727	\$2,662,145
<b>TOTAL</b>		<b>\$14,565,582</b>	<b>\$17,227,727</b>	<b>\$2,662,145</b>
<b>FORWARD EXCHANGE CONTRACTS TO SELL</b>				
15,000,000 Canadian Dollar	3/12/10	\$(11,738,008)	\$(13,976,655)	\$(2,238,647)
45,000,000 Canadian Dollar	5/14/10	(38,913,871)	(41,927,901)	(3,014,030)
6,000,000 Canadian Dollar	6/1/10	(5,369,368)	(5,590,293)	(220,925)
20,000,000 Canadian Dollar	6/10/10	(18,294,914)	(18,634,154)	(339,240)
100,000,000 European Union Euro	10/6/09	(143,259,990)	(146,170,280)	(2,910,290)
60,000,000 European Union Euro	10/13/09	(82,442,100)	(87,701,553)	(5,259,453)
20,000,000 European Union Euro	12/30/09	(27,672,002)	(29,230,510)	(1,558,508)
50,000,000 European Union Euro	2/5/10	(64,892,497)	(73,069,952)	(8,177,455)
40,000,000 European Union Euro	3/30/10	(54,324,000)	(58,448,368)	(4,124,368)
25,000,000 European Union Euro	4/19/10	(32,886,251)	(36,530,550)	(3,644,299)
65,000,000 European Union Euro	5/4/10	(84,910,802)	(94,980,056)	(10,069,254)
85,000,000 European Union Euro	5/14/10	(115,582,146)	(124,205,233)	(8,623,087)
15,000,000 European Union Euro	5/25/10	(20,375,252)	(21,918,676)	(1,543,424)
35,000,000 European Union Euro	5/27/10	(47,543,128)	(51,143,623)	(3,600,495)
90,000,000 European Union Euro	6/2/10	(125,887,507)	(131,512,518)	(5,625,011)
45,000,000 European Union Euro	6/10/10	(63,706,495)	(65,756,490)	(2,049,995)
40,000,000 European Union Euro	8/2/10	(56,947,600)	(58,452,186)	(1,504,586)
45,000,000 European Union Euro	8/30/10	(64,237,279)	(65,760,055)	(1,522,776)
120,000,000 European Union Euro	9/2/10	(170,740,803)	(175,360,530)	(4,619,727)
57,000,000 European Union Euro	9/15/10	(82,735,509)	(83,297,043)	(561,534)
75,000,000 European Union Euro	9/24/10	(109,447,509)	(109,602,093)	(154,584)
30,000,000 Great Britain Pound Sterling	12/30/09	(46,242,000)	(47,968,902)	(1,726,902)
27,000,000 Great Britain Pound Sterling	4/19/10	(39,606,300)	(43,169,798)	(3,563,498)
15,000,000 Great Britain Pound Sterling	5/14/10	(22,613,700)	(23,982,434)	(1,368,734)
15,000,000 Great Britain Pound Sterling	8/31/10	(24,705,225)	(23,978,902)	726,323
9,500,000 Great Britain Pound Sterling	9/15/10	(15,689,725)	(15,186,325)	503,400
5,500,000,000 Japanese Yen	2/24/10	(60,492,741)	(61,496,615)	(1,003,874)
2,000,000,000 Japanese Yen	3/5/10	(20,708,221)	(22,364,016)	(1,655,795)
1,800,000,000 Japanese Yen	5/14/10	(18,557,179)	(20,151,420)	(1,594,241)
5,000,000,000 Japanese Yen	6/22/10	(51,380,861)	(56,023,213)	(4,642,352)
3,200,000,000 Japanese Yen	9/15/10	(34,896,401)	(35,920,657)	(1,024,256)
415,000,000 Mexican Peso	10/19/09	(30,471,016)	(30,644,415)	(173,399)
400,000,000 Mexican Peso	10/28/09	(28,318,584)	(29,498,264)	(1,179,680)
500,000,000 Mexican Peso	1/15/10	(34,536,350)	(36,455,721)	(1,919,371)
230,000,000 Mexican Peso	2/5/10	(15,299,776)	(16,718,933)	(1,419,157)
200,000,000 Mexican Peso	5/4/10	(13,618,412)	(14,352,250)	(733,838)
330,000,000 Mexican Peso	5/25/10	(23,738,445)	(23,606,853)	131,592
240,000,000 Mexican Peso	5/27/10	(17,581,774)	(17,163,488)	418,286
240,000,000 Norwegian Krone	10/13/09	(38,937,019)	(41,346,544)	(2,409,525)
156,000,000 Norwegian Krone	9/24/10	(25,942,926)	(26,466,080)	(523,154)
45,000,000 Singapore Dollar	11/19/09	(29,896,359)	(31,924,743)	(2,028,384)
23,000,000 Singapore Dollar	6/10/10	(15,898,801)	(16,303,935)	(405,134)
22,000,000,000 South Korean Won	2/5/10	(16,070,124)	(18,631,349)	(2,561,225)
30,000,000,000 South Korean Won	3/30/10	(22,654,333)	(25,374,628)	(2,720,295)
41,350,000,000 South Korean Won	5/4/10	(30,784,693)	(34,940,217)	(4,155,524)
25,000,000,000 South Korean Won	5/25/10	(19,841,270)	(21,112,190)	(1,270,920)
40,000,000,000 South Korean Won	6/29/10	(31,347,962)	(33,746,256)	(2,398,294)
40,350,000,000 South Korean Won	9/24/10	(32,962,993)	(33,958,453)	(995,460)
70,000,000 Swiss Franc	10/6/09	(64,659,154)	(67,463,052)	(2,803,898)
40,000,000 Swiss Franc	10/9/09	(36,363,636)	(38,551,151)	(2,187,515)
40,000,000 Swiss Franc	10/13/09	(35,762,181)	(38,552,266)	(2,790,085)
25,000,000 Swiss Franc	5/4/10	(21,893,336)	(24,152,107)	(2,258,771)
20,000,000 Swiss Franc	5/14/10	(18,184,959)	(19,325,438)	(1,140,479)
47,000,000 Swiss Franc	8/17/10	(43,570,965)	(45,498,728)	(1,927,763)
46,000,000 Swiss Franc	8/30/10	(43,523,100)	(44,541,937)	(1,018,837)
77,000,000 Swiss Franc	10/5/10	(74,895,438)	(74,625,274)	270,164
<b>TOTAL</b>		<b>\$(2,523,552,990)</b>	<b>\$(2,648,465,273)</b>	<b>\$(124,912,283)</b>
<b>Unrealized Depreciation on Forward Contracts (Net)</b>				<b>\$(122,250,138)</b>



**Portfolio of Investments**  
September 30, 2009 (Unaudited)

<u>Shares</u>	<u>Value (Note 2)</u>	<u>Shares</u>	<u>Value (Note 2)</u>
<b>COMMON STOCKS—94.6%</b>		<b>United States (continued)</b>	
<b>France—5.8%</b>		758,590	Comcast Corporation, Special Class A . . . \$12,198,127
99,100	CNP Assurances . . . . . \$10,086,289	153,905	ConocoPhillips . . . . . 6,950,350
195,100	Total SA . . . . . 11,579,722	136,105	Devon Energy Corporation . . . . . 9,163,950
	21,666,011	320,770	Emerson Electric Company . . . . . 12,856,462
<b>Germany—12.9%</b>		236,780	Federated Investors, Inc., Class B . . . . . 6,243,889
282,000	Henkel AG & Company, KGaA . . . . . 10,234,985	75,560	FinishMaster, Inc. † . . . . . 1,290,187
94,000	Krones AG . . . . . 4,990,397	100,804	Henry Schein, Inc. † . . . . . 5,535,148
136,458	Linde AG . . . . . 14,776,152	136,018	Home Depot, Inc. . . . . 3,623,519
78,360	Muenchener Rueckversicherungs- Gesellschaft AG . . . . . 12,488,256	194,449	Johnson & Johnson . . . . . 11,840,000
50,600	Springer (Axel) Verlag AG . . . . . 5,303,115	357,000	Leucadia National Corporation † . . . . . 8,825,040
	47,792,905	52,084	National Western Life Insurance Company, Class A . . . . . 9,165,742
<b>Italy—0.6%</b>		98,000	Norfolk Southern Corporation . . . . . 4,224,780
335,000	Mediaset SPA . . . . . 2,340,637	241,910	Philip Morris International, Inc. . . . . 11,790,693
<b>Japan—2.3%</b>		199,032	Transatlantic Holdings, Inc. . . . . 9,985,435
148,100	Canon Inc. . . . . 6,004,389	137,202	UniFirst Corporation . . . . . 6,098,629
87,000	Honda Motor Company Ltd. . . . . 2,686,715	159,680	Union Pacific Corporation . . . . . 9,317,328
	8,691,104	238,000	Wal-Mart Stores, Inc. . . . . 11,683,420
<b>Mexico—0.3%</b>		85,235	WellPoint, Inc. † . . . . . 4,036,730
565,000	Grupo Continental SA . . . . . 1,129,573		170,772,532
<b>Netherlands—7.4%</b>		<b>TOTAL COMMON STOCKS</b>	
461,000	Heineken Holding NV . . . . . 18,783,528	<b>(COST \$238,993,493) . . . . . 351,033,150</b>	
297,691	Unilever NV, ADR . . . . . 8,591,362	<b>REGISTERED INVESTMENT COMPANY—3.6%</b>	
	27,374,890	13,413,326	Dreyfus Government Prime Cash Management . . . . . 13,413,326
<b>South Korea—2.9%</b>		<b>TOTAL REGISTERED</b>	
596,480	Korea Exchange Bank . . . . . 7,011,456	<b>INVESTMENT COMPANY</b>	
206,544	SK Telecom Company Ltd., ADR . . . . . 3,604,193	<b>(COST \$13,413,326) . . . . . 13,413,326</b>	
	10,615,649	<b>Face Value</b>	
<b>Spain—2.3%</b>		<b>U.S. TREASURY BILL—3.5%</b>	
665,700	Gestevision Telecinco SA . . . . . 8,387,783	\$13,000,000	0.340% * due 12/17/09 †† . . . . . 12,997,725
<b>Switzerland—7.5%</b>		<b>TOTAL U.S. TREASURY BILL</b>	
360,600	Nestle SA, Registered, Sponsored ADR . . . . . 15,394,014	<b>(COST \$12,990,560) . . . . . 12,997,725</b>	
201,255	Novartis AG, Registered . . . . . 10,056,447	<b>TOTAL INVESTMENTS</b>	
13,700	Roche Holding AG . . . . . 2,211,487	<b>(Cost \$265,397,379**) . . . . . 101.7% 377,444,201</b>	
	27,661,948	<b>UNREALIZED DEPRECIATION ON</b>	
<b>United Kingdom—6.6%</b>		<b>FORWARD CONTRACTS (Net) . . . . . (2.5) (9,257,637)</b>	
256,000	Diageo PLC, Sponsored ADR . . . . . 15,741,440	<b>OTHER ASSETS AND LIABILITIES (Net) 0.8 2,941,029</b>	
308,880	Unilever PLC, Sponsored ADR . . . . . 8,858,678	<b>NET ASSETS . . . . . 100.0% \$371,127,593</b>	
	24,600,118		
<b>United States—46.0%</b>			
94,535	3M Company . . . . . 6,976,683	* Rate represents annualized yield at date of purchase.	
107,002	American National Insurance Company . . . . . 9,116,570	** Aggregate cost for federal tax purposes is \$265,397,379.	
110,276	Avatar Holdings Inc. † . . . . . 2,095,244	† Non-income producing security.	
97,139	Burlington Northern Santa Fe Corporation . . . . . 7,754,606	†† At September 30, 2009, liquid assets totalling \$3,999,300 have been segregated to cover certain open forward contracts.	

Abbreviations:  
ADR — American Depository Receipt



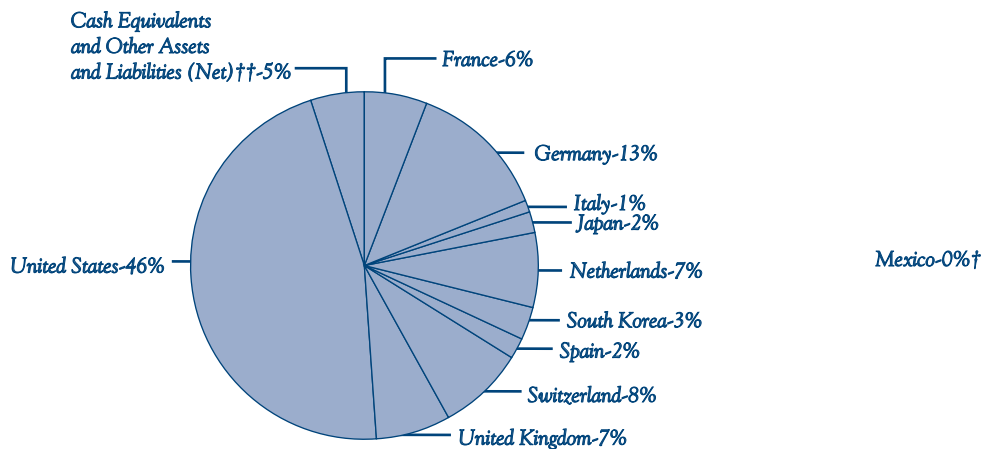
**Sector Diversification**

September 30, 2009 (Unaudited)

Sector Diversification	Percentage of Net Assets	Value (Note 2)
<b>COMMON STOCKS:</b>		
Insurance .....	13.7%	\$50,842,292
Beverage .....	9.6	35,654,541
Food .....	8.8	32,844,054
Media .....	7.6	28,229,662
Energy .....	7.5	27,694,022
Capital Goods .....	6.7	24,823,542
Pharmaceuticals, Biotechnology & Life Sciences. . .	6.5	24,107,934
Transportation .....	5.7	21,296,714
Diversified Financials .....	4.0	15,068,929
Materials .....	4.0	14,776,152
Tobacco .....	3.2	11,790,693
Food & Staples Retailing .....	3.1	11,683,420
Household & Personal Products .....	2.8	10,234,985
Health Care Equipment & Services .....	2.6	9,571,878
Banks .....	1.9	7,011,456
Consumer Durables & Apparel .....	1.6	6,098,629
Technology Hardware & Equipment .....	1.6	6,004,389
Automobiles & Components .....	1.1	3,976,902
Retailing .....	1.0	3,623,519
Telecommunication Services .....	1.0	3,604,193
Real Estate .....	0.6	2,095,244
<b>Total Common Stocks .....</b>	<b>94.6</b>	<b>351,033,150</b>
Registered Investment Company .....	3.6	13,413,326
U.S. Treasury Bill .....	3.5	12,997,725
Unrealized Depreciation on Forward Contracts (Net) .....	(2.5)	(9,257,637)
Other Assets and Liabilities (Net) .....	0.8	2,941,029
<b>Net Assets .....</b>	<b>100.0%</b>	<b>\$371,127,593</b>

**Portfolio Composition**

September 30, 2009 (Unaudited)



† Amount represents less than 1% of net assets  
 †† Includes Unrealized Depreciation on Forward Contracts (Net)



Schedule of Forward Exchange Contracts  
September 30, 2009 (Unaudited)

<u>Contracts</u>	<u>Contract Value Date</u>	<u>Contract Value on Origination Date</u>	<u>Value 9/30/09 (Note 2)</u>	<u>Unrealized Gain (Loss)</u>
<b>FORWARD EXCHANGE CONTRACTS TO SELL</b>				
11,500,000 European Union Euro.....	11/19/09	\$(14,603,850)	\$(16,809,032)	\$(2,205,182)
16,000,000 European Union Euro.....	2/5/10	(20,765,599)	(23,382,385)	(2,616,786)
9,000,000 European Union Euro.....	5/4/10	(11,756,880)	(13,151,084)	(1,394,204)
5,500,000 European Union Euro.....	5/14/10	(7,478,845)	(8,036,809)	(557,964)
4,600,000 European Union Euro.....	7/20/10	(6,494,878)	(6,721,938)	(227,060)
9,000,000 European Union Euro.....	8/2/10	(12,813,210)	(13,151,742)	(338,532)
5,000,000 European Union Euro.....	8/30/10	(7,137,476)	(7,306,673)	(169,197)
1,500,000 Great Britain Pound Sterling.....	11/19/09	(2,218,005)	(2,398,605)	(180,600)
1,750,000 Great Britain Pound Sterling.....	5/18/10	(2,662,625)	(2,797,936)	(135,311)
4,000,000 Great Britain Pound Sterling.....	8/2/10	(6,599,200)	(6,394,629)	204,571
1,500,000 Great Britain Pound Sterling.....	8/31/10	(2,470,522)	(2,397,890)	72,632
220,000,000 Japanese Yen.....	2/5/10	(2,471,077)	(2,459,491)	11,586
4,250,000,000 South Korean Won.....	2/5/10	(3,104,456)	(3,599,238)	(494,782)
7,300,000,000 South Korean Won.....	5/4/10	(5,434,783)	(6,168,406)	(733,623)
4,000,000 Swiss Franc.....	10/13/09	(3,576,218)	(3,855,226)	(279,008)
4,500,000 Swiss Franc.....	8/2/10	(4,240,482)	(4,354,990)	(114,508)
4,500,000 Swiss Franc.....	8/30/10	(4,257,695)	(4,357,364)	(99,669)
<b>TOTAL.....</b>		<b>\$(118,085,801)</b>	<b>\$(127,343,438)</b>	<b>\$(9,257,637)</b>
<b>Unrealized Depreciation on Forward Contracts (Net).....</b>				<b>\$(9,257,637)</b>



# TWEEDY, BROWNE WORLDWIDE HIGH DIVIDEND YIELD VALUE FUND

## Portfolio of Investments

September 30, 2009 (Unaudited)

<u>Shares</u>	<u>Value (Note 2)</u>	<u>Shares</u>	<u>Value (Note 2)</u>
<b>COMMON STOCKS—88.8%</b>		<b>United States—35.5%</b>	
<b>Canada—1.9%</b>		52,670	3M Company . . . . . \$3,887,046
56,100	IGM Financial, Inc. . . . . \$2,219,329	132,645	Altria Group, Inc. . . . . 2,362,407
<b>Finland—2.3%</b>		115,800	AT&T, Inc. . . . . 3,127,758
74,500	Kone Oyj, Class B . . . . . 2,735,503	60,460	Coca-Cola Company/The . . . . . 3,246,702
<b>France—7.5%</b>		67,215	ConocoPhillips . . . . . 3,035,429
43,100	CNP Assurances . . . . . 4,386,671	97,610	Emerson Electric Company . . . . . 3,912,209
72,880	Total SA . . . . . 4,325,629	76,600	Federated Investors, Inc., Class B . . . . . 2,019,942
	8,712,300	96,010	Genuine Parts Company . . . . . 3,654,141
<b>Germany—3.7%</b>		85,945	Home Depot, Inc. . . . . 2,289,575
27,200	Muenchener Rueckversicherungs- Gesellschaft AG . . . . . 4,334,872	53,520	Johnson & Johnson . . . . . 3,258,833
<b>Italy—4.3%</b>		51,625	Norfolk Southern Corporation . . . . . 2,225,554
133,905	Eni SPA . . . . . 3,343,074	81,745	Philip Morris International, Inc. . . . . 3,984,251
246,275	Mediaset SPA . . . . . 1,720,718	45,190	Reynolds American, Inc. . . . . 2,011,859
	5,063,792	90,360	Sysco Corporation . . . . . 2,245,446
<b>Mexico—5.0%</b>			41,261,152
1,235,000	Embotelladoras Arca SA de CV . . . . . 3,051,584	<b>TOTAL COMMON STOCKS</b>	
653,600	Kimberly-Clark de Mexico SA de CV, Class A . . . . . 2,710,690	<b>(COST \$98,458,871) . . . . . 103,366,979</b>	
	5,762,274	<b>REGISTERED INVESTMENT COMPANY—5.3%</b>	
<b>Netherlands—6.0%</b>		6,125,791	Dreyfus Government Prime Cash Management . . . . . 6,125,791
47,880	Akzo Nobel NV . . . . . 2,962,887	<b>TOTAL REGISTERED</b>	
138,105	Unilever NV, CVA . . . . . 3,975,820	<b>INVESTMENT COMPANY</b>	
	6,938,707	<b>(COST \$6,125,791) . . . . . 6,125,791</b>	
<b>South Korea—1.6%</b>		<b>Face Value</b>	
108,565	SK Telecom Company Ltd., ADR . . . . . 1,894,459	<b>TREASURY BILLS—5.1%</b>	
<b>Spain—2.1%</b>		<b>Germany—3.8%</b>	
88,745	Telefonica SA . . . . . 2,445,861	€3,000,000	0.210% * due 10/14/09 . . . . . 4,384,799
<b>Switzerland—4.9%</b>		<b>United States—1.3%</b>	
42,200	Nestle SA, Registered . . . . . 1,795,935	\$1,500,000	0.340% * due 12/17/09 . . . . . 1,499,738
79,325	Novartis AG, Registered . . . . . 3,963,765	<b>TOTAL TREASURY BILLS</b>	
	5,759,700	<b>(COST \$5,768,035) . . . . . 5,884,537</b>	
<b>United Kingdom—14.0%</b>		<b>TOTAL INVESTMENTS</b>	
231,230	BP PLC . . . . . 2,045,105	(Cost \$110,352,697**) . . . . . 99.2%	115,377,307
164,025	Daily Mail & General Trust, Class A . . . . . 1,204,642	<b>OTHER ASSETS AND</b>	
228,700	Diageo PLC, Sponsored ADR . . . . . 3,511,427	<b>LIABILITIES (Net) . . . . . 0.8</b>	
209,097	GlaxoSmithKline PLC . . . . . 4,111,711	<b>NET ASSETS . . . . . 100.0%</b>	
293,700	Pearson PLC . . . . . 3,621,634	<b>\$116,333,910</b>	
778,000	Vodafone Group PLC . . . . . 1,744,511		
	16,239,030		

\* Rate represents annualized yield at date of purchase.  
 \*\* Aggregate cost for federal tax purposes is \$110,352,697.

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



## TWEEDY, BROWNE WORLDWIDE HIGH DIVIDEND YIELD VALUE FUND

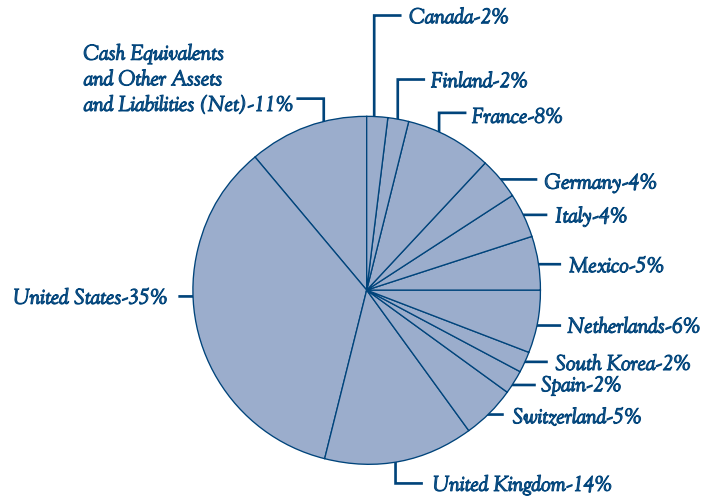
### Sector Diversification

September 30, 2009 (Unaudited)

Sector Diversification	Percentage of Net Assets	Value (Note 2)
<b>COMMON STOCKS:</b>		
Energy .....	11.0%	\$12,749,237
Pharmaceuticals, Biotechnology & Life Sciences....	9.7	11,334,309
Capital Goods .....	9.1	10,534,758
Beverage.....	8.4	9,809,713
Telecommunication Services.....	7.9	9,212,589
Insurance .....	7.5	8,721,543
Tobacco .....	7.2	8,358,517
Media .....	5.6	6,546,994
Retailing.....	5.1	5,943,716
Food .....	5.0	5,771,755
Diversified Financials .....	3.6	4,239,271
Materials .....	2.6	2,962,887
Household & Personal Products.....	2.3	2,710,690
Food & Staples Retailing .....	1.9	2,245,446
Transportation .....	1.9	2,225,554
<b>Total Common Stocks .....</b>	<b>88.8</b>	<b>103,366,979</b>
Registered Investment Company.....	5.3	6,125,791
Treasury Bills .....	5.1	5,884,537
Other Assets and Liabilities (Net) .....	0.8	956,603
<b>Net Assets.....</b>	<b>100.0%</b>	<b>\$116,333,910</b>

### Portfolio Composition

September 30, 2009 (Unaudited)



TWEEDY, BROWNE FUND INC.

*Statements of Assets and Liabilities*

September 30, 2009 (Unaudited)

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Investments, at cost . . . . .	\$2,829,849,604	\$265,397,379	\$110,352,697
Investments, at value (Note 2) . . . . .	\$4,168,307,188	\$377,444,201	\$115,377,307
Cash . . . . .	—	7	—
Foreign currency (a) . . . . .	2,177,491	2,605,548	—
Dividends and interest receivable . . . . .	7,775,844	605,705	333,754
Receivable for investment securities sold . . . . .	6,310,361	—	441,244
Recoverable foreign withholding taxes . . . . .	8,339,522	222,018	57,976
Receivable for Fund shares sold . . . . .	1,676,655	7,093	281,660
Unrealized appreciation of forward exchange contracts (Note 2) . .	4,711,923	288,789	—
Prepaid expense . . . . .	203,730	19,830	5,620
<b>Total Assets</b> . . . . .	<u>4,199,502,714</u>	<u>381,193,191</u>	<u>116,497,561</u>
<b>LIABILITIES</b>			
Unrealized depreciation of forward exchange contracts (Note 2) . .	\$126,962,061	\$9,546,426	\$ —
Payable for Fund shares redeemed . . . . .	8,871,764	175,585	77,390
Investment advisory fee payable (Note 3) . . . . .	2,594,707	239,398	68,480
Transfer agent fees payable (Note 3) . . . . .	421,878	44,602	2,148
Administration and accounting fees payable (Note 3) . . . . .	88,857	8,322	2,656
Custodian fees payable (Note 3) . . . . .	81,142	3,315	2,629
Accrued expenses and other payables . . . . .	564,757	47,950	10,348
<b>Total Liabilities</b> . . . . .	<u>139,585,166</u>	<u>10,065,598</u>	<u>163,651</u>
<b>NET ASSETS</b> . . . . .	<u>\$4,059,917,548</u>	<u>\$371,127,593</u>	<u>\$116,333,910</u>
<b>NET ASSETS consist of</b>			
Undistributed (distributions in excess of) net investment income .	\$63,071,168	\$4,141,307	\$(498,788)
Accumulated net realized gain (loss) on securities, forward exchange contracts and foreign currencies . . . . .	(181,638,224)	3,987,465	(14,165,109)
Net unrealized appreciation of securities, forward exchange contracts, foreign currencies and net other assets . . . . .	1,216,222,961	102,810,977	5,023,740
Par value . . . . .	20,353	2,178	1,452
Paid-in capital in excess of par value . . . . .	2,962,241,290	260,185,666	125,972,615
<b>Total Net Assets</b> . . . . .	<u>\$4,059,917,548</u>	<u>\$371,127,593</u>	<u>\$116,333,910</u>
<b>CAPITAL STOCK</b> , (common stock outstanding) . . . . .	<u>203,533,043</u>	<u>21,779,184</u>	<u>14,516,461</u>
<b>NET ASSET VALUE</b> , offering and redemption price per share . . . .	<u>\$19.95</u>	<u>\$17.04</u>	<u>\$8.01</u>

(a) Foreign currency held at cost for the Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund was \$2,177,194, \$2,596,130 and \$0, respectively.

# TWEEDY, BROWNE FUND INC.

## Statements of Operations

For the Six Months Ended September 30, 2009 (Unaudited)

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
<b>INVESTMENT INCOME</b>			
Dividends . . . . .	\$89,659,927	\$7,264,715	\$2,508,648
Foreign withholding taxes . . . . .	(10,775,763)	(716,355)	(181,837)
Interest . . . . .	214,843	25,464	15,961
<b>Total Investment Income . . . . .</b>	<b>79,099,007</b>	<b>6,573,824</b>	<b>2,342,772</b>
<b>EXPENSES</b>			
Investment advisory fee (Note 3) . . . . .	23,059,565	2,181,153	640,592
Transfer agent fees (Note 3) . . . . .	827,303	118,898	29,013
Custodian fees (Note 3) . . . . .	744,611	24,687	13,089
Administration and accounting fees (Note 3) . . . . .	504,463	49,011	15,392
Legal and audit fees . . . . .	227,643	23,405	6,925
Directors' fees and expenses (Note 3) . . . . .	124,835	22,608	7,855
Other . . . . .	531,353	64,662	36,746
<b>Total Expenses before waivers . . . . .</b>	<b>26,019,773</b>	<b>2,484,424</b>	<b>749,612</b>
Less: Investment advisory fees waived and/or expenses reimbursed (Note 3) . . . . .	—	—	(47,523)
<b>Net Expenses . . . . .</b>	<b>26,019,773</b>	<b>2,484,424</b>	<b>702,089</b>
<b>NET INVESTMENT INCOME . . . . .</b>	<b>53,079,234</b>	<b>4,089,400</b>	<b>1,640,683</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>			
(Notes 2 and 4):			
Net realized gain on:			
Securities . . . . .	137,537,270	7,821,160	1,200,870
Forward exchange contracts . . . . .	116,354,686	7,029,467	—
Foreign currencies and net other assets . . . . .	918,122	16,708	801,540
<b>Net realized gain on investments during the period . . . . .</b>	<b>254,810,078</b>	<b>14,867,335</b>	<b>2,002,410</b>
Net unrealized appreciation (depreciation) of:			
Securities . . . . .	1,265,141,340	99,618,426	24,965,648
Forward exchange contracts . . . . .	(339,099,066)	(18,368,870)	—
Foreign currencies and net other assets . . . . .	816,919	24,349	2,883
<b>Net unrealized appreciation of investments during the period . . . . .</b>	<b>926,859,193</b>	<b>81,273,905</b>	<b>24,968,531</b>
<b>NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS . . . . .</b>	<b>1,181,669,271</b>	<b>96,141,240</b>	<b>26,970,941</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .</b>	<b>\$1,234,748,505</b>	<b>\$100,230,640</b>	<b>\$28,611,624</b>

TWEEDY, BROWNE FUND INC.

Statements of Changes in Net Assets

	Global Value Fund		Value Fund		Worldwide High Dividend Yield Value Fund	
	Six Months Ended 9/30/2009 (Unaudited)	Year Ended 3/31/2009	Six Months Ended 9/30/2009 (Unaudited)	Year Ended 3/31/2009	Six Months Ended 9/30/2009 (Unaudited)	Year Ended 3/31/2009
Net investment income . . . . .	\$53,079,234	\$150,110,863	\$4,089,400	\$3,752,451	\$1,640,683	\$2,217,844
Net realized gain (loss) on securities, forward exchange contracts and currency transactions during the period . . . . .	254,810,078	(482,007,240)	14,867,335	8,807,166	2,002,410	(16,827,053)
Net unrealized appreciation (depreciation) of securities, forward exchange contracts, foreign currencies and net other assets during the period . . . . .	926,859,193	(2,018,655,763)	81,273,905	(138,896,404)	24,968,531	(17,297,479)
Net increase (decrease) in net assets resulting from operations	1,234,748,505	(2,350,552,140)	100,230,640	(126,336,787)	28,611,624	(31,906,688)
<b>Distributions:</b>						
Dividends to shareholders from net investment income . . . . .	—	(151,157,844)	—	(4,058,653)	(1,637,603)	(2,319,850)
Distributions to shareholders from net realized gain on investments	—	(415,942,376)	—	(39,043,896)	—	—
Net increase (decrease) in net assets from Fund share transactions	(269,295,905)	(652,232,893)	(33,889,931)	62,988,730	9,445,867	43,739,295
Redemption Fees . . . . .	104,962	374,744	—	—	1,092	13,845
Net increase (decrease) in net assets	965,557,562	(3,569,510,509)	66,340,709	(106,450,606)	36,420,980	9,526,602
<b>NET ASSETS</b>						
Beginning of period . . . . .	3,094,359,986	6,663,870,495	304,786,884	411,237,490	79,912,930	70,386,328
End of period . . . . .	<u>\$4,059,917,548</u>	<u>\$3,094,359,986</u>	<u>\$371,127,593</u>	<u>\$304,786,884</u>	<u>\$116,333,910</u>	<u>\$79,912,930</u>
Undistributed (distributions in excess of) net investment income at end of period . . . .	<u>\$63,071,168</u>	<u>\$9,991,934</u>	<u>\$4,141,307</u>	<u>\$51,907</u>	<u>\$(498,788)</u>	<u>\$(501,868)</u>

## TWEEDY, BROWNE FUND INC.

### Financial Highlights

#### Tweedy, Browne Global Value Fund

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/09 (Unaudited)	Year Ended 3/31/09	Year Ended 3/31/08	Year Ended 3/31/07	Year Ended 3/31/06	Year Ended 3/31/05
Net asset value, beginning of period . . . . .	\$14.15	\$27.21	\$32.31	\$28.56	\$24.08	\$21.23
<b>Income from investment operations:</b>						
Net investment income . . . . .	0.26	0.66 <sup>(a)(f)</sup>	0.50	0.47	0.34	0.31 <sup>(b)</sup>
Net realized and unrealized gain (loss) on investments . . .	5.54	(10.90)	(2.24)	4.06	4.51	2.81
Total from investment operations . . . . .	5.80	(10.24)	(1.74)	4.53	4.85	3.12
<b>Distributions:</b>						
Dividends from net investment income . . . . .	—	(0.75)	(0.48)	(0.43)	(0.37)	(0.27)
Distributions from net realized gains . . . . .	—	(2.07)	(2.88)	(0.35)	—	—
Total distributions . . . . .	—	(2.82)	(3.36)	(0.78)	(0.37)	(0.27)
Redemption fees <sup>(c)</sup> . . . . .	0.00	0.00	0.00	0.00	0.00	0.00
Net asset value, end of period . . . . .	\$19.95	\$14.15	\$27.21	\$32.31	\$28.56	\$24.08
Total return <sup>(d)</sup> . . . . .	40.99%	(38.57)%	(6.35)%	16.01%	20.24%	14.75%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in 000s) . . . . .	\$4,059,918	\$3,094,360	\$6,663,870	\$8,323,689	\$8,060,962	\$6,707,322
Ratio of operating expenses to average net assets . . . . .	1.41% <sup>(e)</sup>	1.40%	1.37%	1.37%	1.38%	1.39%
Ratio of net investment income to average net assets . . . .	2.88% <sup>(e)</sup>	3.05% <sup>(f)</sup>	1.45%	1.53%	1.33%	1.41% <sup>(b)</sup>
Portfolio turnover rate . . . . .	5%	16%	9%	13%	6%	13%

(a) Net investment income per share was calculated using the average shares method.

(b) 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.

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

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

(e) Annualized.

(f) For year ended 3/31/09, investment income per share reflects a special dividend which amounted to \$0.14 per share. Excluding the special dividend, the ratio of net investment income to average net assets would have been 2.42% per share.

#### Tweedy, Browne Value Fund

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/09 (Unaudited)	Year Ended 3/31/09	Year Ended 3/31/08	Year Ended 3/31/07	Year Ended 3/31/06	Year Ended 3/31/05
Net asset value, beginning of period . . . . .	\$12.73	\$20.90	\$24.65	\$24.27	\$24.67	\$24.38
<b>Income from investment operations:</b>						
Net investment income . . . . .	0.19	0.18	0.22	0.21	0.30 <sup>(a)</sup>	0.35 <sup>(b)</sup>
Net realized and unrealized gain(loss) on investments . . .	4.12	(6.22)	(1.43)	2.38	1.49	0.69
Total from investment operations . . . . .	4.31	(6.04)	(1.21)	2.59	1.79	1.04
<b>Distributions:</b>						
Dividends from net investment income . . . . .	—	(0.20)	(0.19)	(0.27)	(0.33)	(0.39)
Distributions from net realized gains . . . . .	—	(1.93)	(2.35)	(1.94)	(1.86)	(0.36)
Total distributions . . . . .	—	(2.13)	(2.54)	(2.21)	(2.19)	(0.75)
Net asset value, end of period . . . . .	\$17.04	\$12.73	\$20.90	\$24.65	\$24.27	\$24.67
Total return <sup>(c)</sup> . . . . .	33.86%	(30.01)%	(5.41)%	10.76%	7.41%	4.18%
<b>Ratios/Supplemental Data:</b>						
Net assets, end of period (in 000s) . . . . .	\$371,128	\$304,787	\$411,237	\$515,527	\$548,169	\$659,077
Ratio of operating expenses to average net assets . . . . .	1.42% <sup>(d)</sup>	1.41%	1.37%	1.38%	1.36%	1.37%
Ratio of net investment income to average net assets . . . .	2.34% <sup>(d)</sup>	1.02%	0.83%	0.80%	1.08% <sup>(a)</sup>	1.30% <sup>(b)</sup>
Portfolio turnover rate . . . . .	7%	37%	11%	9%	9%	4%

(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.

*Financial Highlights*

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

For a Fund share outstanding throughout each period.

	Six Months Ended 9/30/09 (Unaudited)	Year Ended 3/31/09	Period Ended 3/31/08 <sup>(a)</sup>
Net asset value, beginning of period . . . . .	\$6.09	\$9.70	\$10.00
<b>Income from investment operations:</b>			
Net investment income . . . . .	0.12	0.22	0.10
Net realized and unrealized gain (loss) on investments . . . . .	1.92	(3.57)	(0.37)
Total from investment operations . . . . .	2.04	(3.35)	(0.27)
<b>Distributions:</b>			
Dividends from net investment income . . . . .	(0.12)	(0.26)	(0.03)
Distributions from net realized gains . . . . .	—	—	—
Total distributions . . . . .	(0.12)	(0.26)	(0.03)
Redemption fees <sup>(b)</sup> . . . . .	0.00	0.00	0.00
Net asset value, end of period . . . . .	\$8.01	\$6.09	\$9.70
Total return <sup>(c)</sup> . . . . .	33.68%	(35.25)%	(2.69)%
<b>Ratios/Supplemental Data:</b>			
Net assets, end of period (in 000s) . . . . .	\$116,334	\$79,913	\$ 70,386
Ratio of operating expenses to average net assets . . . . .	1.37% <sup>(d)</sup>	1.37%	1.37% <sup>(d)</sup>
Ratio of operating expenses to average net assets excluding waivers and/or reimbursement of expenses . . . . .	1.46% <sup>(d)</sup>	1.54%	1.86% <sup>(d)</sup>
Ratio of net investment income to average net assets . . . . .	3.20% <sup>(d)</sup>	2.99%	2.38% <sup>(d)</sup>
Portfolio turnover rate . . . . .	8%	38%	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”), (each a “Fund” and together, the “Funds”), are each a diversified series of the Company.

The Funds commenced operations as follows:

Fund	Commencement of Operations
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** 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.

**Fair Value Measurements** The inputs and valuations techniques used to measure fair value of the Funds’ net assets are summarized into three levels as described in the hierarchy 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)

	Global Value Fund			
	Total Value at September 30, 2009	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Investments in Securities:				
Equity Securities				
Common Stocks				
Canada	\$69,120,321	\$69,120,321	\$—	\$—
Czech Republic	1,422,867	1,422,867	—	—
Finland	185,519,521	185,519,521	—	—
France	311,083,502	311,083,502	—	—
Germany	561,927,677	561,927,677	—	—
Greece	12,780,966	12,780,966	—	—
Hong Kong	40,237,600	40,237,600	—	—
Ireland	97,465	—	—	97,465
Italy	102,475,066	102,475,066	—	—
Japan	262,475,186	252,635,982	9,839,204	—
Mexico	188,792,204	188,792,204	—	—
Netherlands	503,501,892	503,501,892	—	—
Norway	57,060,261	57,060,261	—	—
Singapore	85,478,900	85,478,900	—	—
South Korea	182,395,530	182,395,530	—	—
Spain	107,688,651	107,688,651	—	—
Sweden	277,257	277,257	—	—
Switzerland	544,594,105	517,984,700	26,609,405	—
United Kingdom	299,393,506	299,393,506	—	—
United States	216,112,015	216,112,015	—	—
Preferred Stocks	13,827,572	13,827,572	—	—
Registered Investment Company	307,055,950	307,055,950	—	—
U.S. Treasury Bill	114,989,174	—	114,989,174	—
<b>Total Investments in Securities</b>	<b>4,168,307,188</b>	<b>4,016,771,940</b>	<b>151,437,783</b>	<b>97,465</b>
Other Financial Instruments:				
Asset				
Unrealized appreciation of forward exchange contracts	4,711,923	—	4,711,923	—
Liability				
Unrealized depreciation of forward exchange contracts	(126,962,061)	—	(126,962,061)	—
<b>Total</b>	<b>\$4,046,057,050</b>	<b>\$4,016,771,940</b>	<b>\$29,187,645</b>	<b>\$97,465</b>

	Value Fund			
	Total Value at September 30, 2009	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Investments in Securities:				
Equity Securities				
Common Stocks				
France	\$21,666,011	\$21,666,011	\$—	\$—
Germany	47,792,905	47,792,905	—	—
Italy	2,340,637	2,340,637	—	—
Japan	8,691,104	8,691,104	—	—
Mexico	1,129,573	1,129,573	—	—
Netherlands	27,374,890	27,374,890	—	—
South Korea	10,615,649	10,615,649	—	—
Spain	8,387,783	8,387,783	—	—
Switzerland	27,661,948	27,661,948	—	—
United Kingdom	24,600,118	24,600,118	—	—
United States	170,772,532	169,482,345	1,290,187	—

TWEEDY, BROWNE FUND INC.

Notes to Financial Statements (Unaudited)

Value Fund (continued)				
	Total Value at September 30, 2009	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Registered Investment Company . . . . .	\$13,413,326	\$13,413,326	\$—	\$—
U.S. Treasury Bill . . . . .	12,997,725	—	12,997,725	—
<b>Total Investments in Securities . . . . .</b>	<b>377,444,201</b>	<b>363,156,289</b>	<b>14,287,912</b>	<b>—</b>
Other Financial Instruments:				
Asset				
Unrealized appreciation of forward exchange contracts . . . . .	288,789	—	288,789	—
Liability				
Unrealized depreciation of forward exchange contracts . . . . .	(9,546,426)	—	(9,546,426)	—
<b>Total</b>	<b>\$368,186,564</b>	<b>\$363,156,289</b>	<b>\$5,030,275</b>	<b>\$—</b>

Worldwide High Dividend Yield Value Fund				
	Total Value at September 30, 2009	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Investments in Securities:				
Equity Securities				
Common Stocks				
Canada . . . . .	\$2,219,329	\$2,219,329	\$—	\$—
Finland . . . . .	2,735,503	2,735,503	—	—
France . . . . .	8,712,300	8,712,300	—	—
Germany . . . . .	4,334,872	4,334,872	—	—
Italy . . . . .	5,063,792	5,063,792	—	—
Mexico . . . . .	5,762,274	5,762,274	—	—
Netherlands . . . . .	6,938,707	6,938,707	—	—
South Korea . . . . .	1,894,459	1,894,459	—	—
Spain . . . . .	2,445,861	2,445,861	—	—
Switzerland . . . . .	5,759,700	5,759,700	—	—
United Kingdom . . . . .	16,239,030	16,239,030	—	—
United States . . . . .	41,261,152	41,261,152	—	—
Registered Investment Company	6,125,791	6,125,791	—	—
Treasury Bills				
Germany . . . . .	4,384,799	—	4,384,799	—
United States . . . . .	1,499,738	—	1,499,738	—
<b>Total Investments in Securities</b>	<b>\$115,377,307</b>	<b>\$109,492,770</b>	<b>\$5,884,537</b>	<b>\$—</b>

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.

	Total	Equity Securities	
		Ireland	United Kingdom
Balance as of March 31, 2009 . . . . .	\$93,798	\$88,530	\$5,268
Accrued discounts/premiums . . . . .	—	—	—
Realized gain (loss) . . . . .	(1,344,549)	—	(1,344,549)
Change in unrealized appreciation (depreciation) . . . . .	1,348,216	8,935	1,339,281
Net purchases (sales) . . . . .	—	—	—
Transfer in and/or out of Level 3 . . . . .	—	—	—
Balance as of September 30, 2009	<u>\$97,465</u>	<u>\$97,465</u>	<u>\$—</u>

*Notes to Financial Statements (Unaudited)*

**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 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 Global Value Fund and Value Fund are subject to foreign currency exchange risk in the normal course of pursuing their investment objectives and 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 each of the Funds as an unrealized gain or loss. When the contract is closed, the Funds record 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 Funds could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts.

For open contracts at September 30, 2009, see the Schedule of Investments, which is also indicative of activity for the six months ended September 30, 2009.

**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, 2009, Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund reimbursed Tweedy, Browne \$195, \$675 and \$240, 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 Funds 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 Funds, timing differences and differing characterization of distributions made by the Funds.

The character of distributions paid on a tax basis during the fiscal year ended March 31, 2009 is as follows:

Distributions paid from:	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Investment income	\$267,790,335	\$5,472,114	\$2,319,850
Short-term capital gain	—	—	—
Ordinary income	267,790,335	5,472,114	2,319,850
Long-term capital gain	299,309,885	37,630,435	—
Total Distributions	\$567,100,220	\$43,102,549	\$2,319,850

As of March 31, 2009, the components of distributable earnings on a tax basis were as follows:

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Undistributed ordinary income	\$10,283,720	\$121,518	\$390,640

Notes to Financial Statements (Unaudited)

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Undistributed net realized gain	\$—	\$—	\$—
Unrealized appreciation/ (depreciation)	75,576,760	12,428,396	(19,941,038)
Accumulated capital and other losses	(224,316,914)	(1,838,248)	(17,002,408)
Total	\$(138,456,434)	\$10,711,666	\$(36,552,806)

**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.

Reclassifications are recorded to the Funds' capital accounts for any permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations. For the year ended March 31, 2009, permanent book and tax basis differences resulting primarily from differing treatments for foreign currency transactions and equalization were identified and reclassified among the components of each Fund's net assets as follows:

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Undistributed ordinary income	\$(3,373,099)	\$(107,205)	\$(898,968)
Undistributed net realized gain	16,668	(395,852)	890,106
Paid-in capital	3,356,431	503,057	8,862

Results of operations and net assets were not affected by these reclassifications.

As of March 31, 2009, the Worldwide High Dividend Yield Value Fund had a capital loss carryforward of \$3,065,719, expiring in 2017, which may be available to reduce future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code.

Net capital and foreign currency losses incurred after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. Post-October capital losses are available to offset future realized capital gains and thereby reduce future capital gains distributions. Post-October foreign currency losses will offset future net investment income and thereby reduce future ordinary income distributions. For the year ended March 31, 2009, the Funds deferred to April 1, 2009 post-October capital and currency losses of:

Fund	Capital Losses	Foreign Currency Losses
Global Value Fund	\$223,854,871	\$462,043
Value Fund	1,773,333	64,915
Worldwide High Dividend Yield Value Fund	13,101,800	834,889

The Funds implemented Accounting for Uncertainty in Income Taxes which establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax-return positions in the financial statements. Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (through tax years ended March 31, 2009) and has concluded that as of September 30, 2009 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, 2009, Tweedy, Browne received \$23,059,565, \$2,181,153 and \$640,592 for Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund, respectively. In the six month period ended September 30, 2009, Tweedy, Browne waived \$47,523 for Worldwide High Dividend Yield Value Fund.

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 fees and expenses from investments in other investment companies, brokerage, interest, taxes and extraordinary expenses) at no more than 1.37%. This arrangement will continue at least through December 31, 2010. 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, 2009,

Notes to Financial Statements (Unaudited)

the amount of potential recovery expiring March 31, 2010, March 31, 2011 and March 31, 2012 was \$146,360, \$124,612 and \$47,523, respectively.

As of September 30, 2009, the current and retired managing directors and their families, as well as employees of Tweedy, Browne, have approximately \$86.9 million, \$49.5 million and \$6.1 million of their own money invested in Global Value Fund, Value Fund and Worldwide High Dividend Yield Value Fund, respectively.

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, 2009, 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, 2009, are as follows:

	Global Value Fund	Value Fund	Worldwide High Dividend Yield Value Fund
Purchases	\$164,958,629	\$21,334,504	\$16,663,427
Sales	419,004,651	36,611,955	7,431,825

The aggregate gross unrealized appreciation/(depreciation) and net unrealized appreciation/(depreciation) as computed on a federal income tax basis, at September 30, 2009 for each Fund is as follows:

	Gross Appreciation	Gross (Depreciation)	Net Appreciation/ (Depreciation)
Global Value Fund	\$1,452,435,648	\$(113,978,064)	\$1,338,457,584
Value Fund	117,181,625	(5,134,803)	112,046,822
Worldwide High Dividend Yield Value Fund	10,400,305	(5,375,695)	5,024,610

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, 2009 were as follows:

	Global Value Fund	
	Shares	Amount
Sold	7,921,223	\$136,445,341
Reinvested	—	—
Redeemed	(23,092,601)	(405,741,246)
Net Decrease	(15,171,378)	\$(269,295,905)

	Value Fund	
	Shares	Amount
Sold	1,241,492	\$17,481,752
Reinvested	—	—
Redeemed	(3,408,435)	(51,371,683)
Net Increase	(2,166,943)	\$(33,889,931)

Notes to Financial Statements (Unaudited)

Worldwide High Dividend Yield Value Fund		
	Shares	Amount
Sold	2,188,714	\$15,113,703
Reinvested	221,289	1,568,936
Redeemed	(1,011,483)	(7,236,772)
Net Increase	1,398,520	\$9,445,867

Changes in shares outstanding for the year ended March 31, 2009 were as follows:

Global Value Fund		
	Shares	Amount
Sold	24,699,707	\$508,756,456
Reinvested	34,345,990	535,102,451
Redeemed	(85,243,886)	(1,696,091,800)
Net Decrease	(26,198,189)	\$(652,232,893)

Value Fund		
	Shares	Amount
Sold	7,673,065	\$123,824,211
Reinvested	2,851,396	40,684,498
Redeemed	(6,250,927)	(101,519,979)
Net Increase	4,273,534	\$62,988,730

Worldwide High Dividend Yield Value Fund		
	Shares	Amount
Sold	8,633,567	\$62,996,941
Reinvested	273,434	2,202,921
Redeemed	(3,047,595)	(21,460,567)
Net Increase	5,859,406	\$43,739,295

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, 2009, the Funds did not have any securities out on loan.

8. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds and the Company through November 13, 2009, the date financial statements were issued, and has determined that the following subsequent event requires recognition or disclosure in the financial statements. The Company filed Post-Effective Amendments to its Registration Statement on August 10, 2009 and October 23, 2009 for the purpose of adding a new series to the Company, Tweedy, Browne Global Value Fund II – Currency Unhedged (“Global Value Fund II”). The Global Value Fund II commenced operations on October 26, 2009. A discussion regarding the Board of Directors’ basis for approving the investment advisory agreement for the Global Value Fund II will be available in the Company’s annual shareholder report dated March 31, 2010.

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 27, 2009, the Company’s Board of Directors (the “Board”), including a majority of the Independent Directors, approved the renewal of the Advisory Agreements between Tweedy, Browne and the Company on behalf of the Global Value Fund, the Value Fund and the Worldwide High Dividend Yield Value Fund 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, and portfolio trading practices, 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; sample reports demonstrating Tweedy, Browne's extensive research process; fact sheets and performance histories for each of the Funds; information for several of Tweedy, Browne's managed account performance composites; fee schedules; information regarding fees paid to intermediaries; information about the personnel providing investment management and administrative services to the Funds; and information concerning Tweedy, Browne's brokerage services and best execution policy.

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 providing "behind the scenes" services, such as those provided by Tweedy, Browne's order desk; monitoring the Funds' service providers and performing shadowing functions; monitoring information with regard to corporate reorganizations involving the Funds' portfolio companies; preparing the Funds' semi-annual and annual reports to shareholders; developing and enforcing procedures to monitor trading activity in the Funds; actively monitoring and assessing valuation issues for the Funds; and preparing 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, such as preparing Board reports and establishing and monitoring the Funds' operating budgets, 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, and that it is likely that Tweedy, Browne will continue to be in a position to do so in the long term. 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 Worldwide High Dividend Yield Value Fund, which commenced operations in September 2007, the Board considered the long-term performance history of the Global High Dividend Strategy. The Global High Dividend Strategy has been implemented by Tweedy, Browne since 1979 and is the investment strategy on which the Worldwide 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 Worldwide 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 Morningstar category averages. The Board noted that with respect to the Worldwide High Dividend Yield Value Fund, certain expenses had been partially reimbursed by Tweedy, Browne since the Fund's inception in September 2007 in order to assist the Fund in building a shareholder base. This has resulted in keeping the Fund's net expenses in line with the expense ratio of the Global Value Fund. The Board compared the advisory fees paid by the Funds against Tweedy, Browne's standard fee rate for separate account portfolios. The Board also 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 considered that in the past year,

*Notes to Financial Statements (Unaudited)*

trading expenses and shareholder tax liabilities had been kept to a minimum for the Global Value and Value Funds. With respect to the Worldwide High Dividend Yield Value Fund, the Board considered the Fund's low portfolio turnover and its expected impact on the Fund's trading expenses and tax liabilities. 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.

**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, 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 and medium 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 in concentrated positions and/or only in larger market capitalization companies. 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 Worldwide 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 extensive 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 by Tweedy, Browne on behalf of the other Funds. 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.

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