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Tweedy, Browne Global Value Fund  
Tweedy, Browne American Value Fund

## 2nd Quarter 2004

Global equity markets as measured by U.S., international and global indices were up modestly in the 2<sup>nd</sup> quarter. The Tweedy, Browne Global Value Fund outpaced the MSCI EAFE Index Hedged to U.S. dollars while the Tweedy, Browne American Value Fund lagged the S&P 500. The range of valuation remains compressed, particularly in the U.S., and bargains continue to be difficult to come by. For more complete information regarding the Funds' performance relative to their benchmarks, please see the attached performance results.

### Tweedy, Browne Global Value Fund

The Tweedy, Browne Global Value Fund finished the quarter up 3.06% versus 2.06% for the MSCI EAFE Index hedged back into U.S. dollars, and 0.22% for the MSCI EAFE Index unhedged.\* Year-to-date through June 30, the Fund is up nearly double its benchmark index (11.92% versus 6.00%) and over 2.5 times the unhedged EAFE Index (11.92% versus 4.56%). The Fund's average annual total returns for the one year, five year, and ten year periods ending June 30, 2004 were 33.81%, 5.98%, and 11.44% respectively. *(The performance data quoted represents past performance. Past performance does not guarantee future results. Investment 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 costs. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.)*

The Fund's performance during the quarter was led by strong returns in its German, Swiss, and Japanese holdings. There were negative returns in a number of countries including the USA, Mexico, Singapore, and Canada among others. From an industry group or sector perspective, our health care and industrial cyclical holdings provided the most value added. As in the first quarter, returns for all market caps were positive, but the smaller capitalization companies produced the best returns. Stocks such as Merck KGAA (Germany), Trinity Mirror (UK), and Sanyo Shinpan (Japan) were significant contributors to the quarter's return, while Hollinger International (U.S.) and Grupo Continental (Mexico) pulled back from previous levels.

At quarter end, the Fund was invested in 159 issues across 22 different countries. The top twenty issues accounted for roughly 43% of net assets with our single largest position being ABN Amro at 3.25% of assets. The dollar weighted median market cap was \$3.6 billion and approximately 58% of equity assets were invested in stocks with market caps of \$5 billion or less. Cash reserves at quarter end represented approximately 14% of net assets including forward contracts.



## Tweedy, Browne American Value Fund

The Tweedy, Browne American Value Fund finished the quarter up 0.29% versus a return of 1.72% for the S&P 500.\* Year-to-date the Fund was up 2.43% versus 3.44% for the S&P 500. The Fund's average annual total returns for the one year, five year, and ten year periods ending June 30, 2004 were 18.96%, 2.52%, and 12.34% respectively. *(The performance data quoted represents past performance. Past performance does not guarantee future results. Investment 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 costs. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.)*

The Fund's highly diversified group of financial stocks outperformed the financial component of the S&P 500 despite finishing the quarter in negative territory. The Fund was also underweighted and underperformed the strong performing industrial component of the S&P 500. Stocks such as Grey Global, GATX Corporation, and Schering Plough provided the greatest contribution to overall return while Hollinger International, MBIA, and Transatlantic Holdings declined in price during the quarter. Grey Global announced its retention of an investment banking firm to explore a possible sale, while Hollinger declined in the wake of its announced sale of the Daily Telegraph.

At quarter end, the Fund was invested in 58 issues including 9 ADRs and 8 direct foreign holdings. The international component including ADRs accounted for approximately 17.5% of net asset value. The top twenty issues accounted for approximately 64% of net assets with our single largest holding being American Express at 5.19% of net assets. The dollar weighted median market cap was approximately \$7.2 billion, and net cash reserves totaled 10.98% of net assets.

Thank you for your business.

### **Tweedy, Browne Company LLC**

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

Dated: July 14, 2004

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\* MSCI EAFE US\$ is an unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. MSCI EAFE Hedged consists of the results of the MSCI EAFE Index hedged 100% back into US dollars and accounts for interest rate differentials in forward currency exchange rates. Results for both indexes are inclusive of dividends, net of foreign withholding taxes and do not reflect any fees or expenses. The S&P 500 is an unmanaged capitalization-weighted index composed of 500 widely held common stocks listed on the New York Stock Exchange and



*the over-the-counter market and includes the reinvestment of dividends.*

*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.*

*The securities of small, less well-known companies may be more volatile than those of larger companies. In addition, investing in foreign securities involves additional risks beyond the risks of investing in securities of U.S. markets. These risks include economic and political considerations not typically found in US markets, including currency fluctuation, political uncertainty and different financial standards, regulatory environments, and overall market and economic factors in the countries. Investors should refer to the prospectus for description of risk factors associated with investments in securities held by the fund.*

*Portfolio characteristics mentioned above reflect the Funds' investments on the date indicated and may not be representative of the Funds' current or future holdings.*

*Tweedy, Browne Global Value Fund and Tweedy, Browne American 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 Global Value Fund ■ Country Allocations/Top Twenty Holdings

June 30, 2004

ALLOCATION OF INVESTMENTS (by country):

TWENTY LARGEST HOLDINGS:

<u>Country</u>	<u>%</u>	<u>Market Value (USD)</u>	<u>Securities</u>	<u>%</u>	<u>Amount (USD):</u>	<u>Country</u>
Belgium	1.29%	\$72,775,034.97	ABN AMRO	3.25%	\$184,024,084.82	Netherlands
Canada	1.26	71,290,607.86	MERCK KGAA	3.09	175,252,029.97	Germany
Czech Republic	0.03	1,706,253.51	NESTLE	3.03	171,747,045.67	Switzerland
Denmark	1.33	75,402,551.86	KONE CORP	2.99	169,296,418.13	Finland
Finland	3.22	182,132,061.06	AXEL SPRINGER	2.90	164,210,556.86	Germany
France	5.13	290,353,760.74	HEINEKEN	2.82	159,840,364.02	Netherlands
Germany	9.61	544,225,370.53	TRINITY MIRROR	2.69	152,475,959.21	United Kingdom
Hong Kong	2.43	137,421,068.05	CNP ASSURANCES	2.45	138,729,376.22	France
Ireland	0.68	38,312,130.99	PFIZER, INC.	2.07	117,025,064.00	USA
Italy	1.75	98,950,286.45	HOLLINGER INT'L	2.00	112,979,842.84	USA
Japan	7.74	438,297,234.83	TELEGRAAF HOLDING	1.90	107,398,056.09	Netherlands
Mexico	1.16	65,768,294.23	DIAGEO PLC	1.83	103,394,906.32	United Kingdom
Netherlands	15.51	878,554,942.26	NOVARTIS	1.81	102,408,592.50	Switzerland
New Zealand	0.58	32,864,569.22	ALTADIS	1.75	99,337,940.45	Spain
Norway	0.85	47,919,163.99	RANDSTAD HOLDING	1.64	92,874,869.70	Netherlands
Singapore	2.83	160,112,400.85	SANYO SHINPAN	1.50	84,684,378.86	Japan
South Korea	0.14	7,818,600.02	SIKA AG	1.40	79,203,641.80	Switzerland
Spain	1.98	111,991,705.17	SCHERING-PLOUGH	1.35	76,414,800.00	USA
Sweden	0.10	5,483,060.67	AKZO NOBEL	1.29	72,859,401.28	Netherlands
Switzerland	13.67	774,253,197.35	ALMANIJ	1.29	72,775,034.97	Belgium
United Kingdom	8.95	506,638,297.10				
USA	8.17	462,719,539.59				
<b>TOTAL EQUITIES:</b>	<b>88.38%</b>	<b>\$5,004,990,131.30</b>				
HEDGING	-2.31	-130,905,304.34				
ASSETS/(LIABILITIES)	0.28	15,784,858.47				
NET CASH	13.65	773,023,887.93				
<b>TOTAL INVESTMENTS:</b>	<b>100.00%</b>	<b>\$5,662,893,573.36</b>				
			<b>TOTAL:</b>	<b>43.03%</b>	<b>\$2,436,932,363.71</b>	

*NOTE: Allocations of investments shown above reflect the Fund's investments on the date indicated and may not be representative of the Funds' current or future holdings.*



## Tweedy, Browne Global Value Fund ■ Results

### June 30, 2004

	Tweedy, Browne Global Value Fund	MSCI EAFE		Morningstar Fund Averages*	
		US\$ <sup>2</sup>	Hedged <sup>3</sup>	World Stock Funds <sup>4</sup>	Foreign Stock Funds <sup>5</sup>
1993 (June - Dec.)	15.40%	5.88%	10.33%	17.42%	18.94%
1994	4.36	7.78	-1.67	-1.33	-0.33
1995	10.70	11.21	11.23	17.60	10.29
1996	20.23	6.05	13.53	16.54	13.59
1997	22.96	1.78	15.47	13.24	5.81
1998	10.99	20.00	13.70	12.35	13.26
1999	25.28	26.96	36.47	38.52	43.28
2000	12.39	-14.17	-4.38	-8.47	-14.95
2001	-4.67	-21.44	-15.87	-16.13	-21.42
2002	-12.14	-15.94	-27.37	-19.29	-16.11
2003	24.93	38.59	19.17	34.33	36.84
2004 (through 6/30)	11.92%	4.56%	6.00%	3.45%	4.10%

### Annualized Returns For Periods Ending 6/30/2004 (%)

Annualized Results	Tweedy, Browne Global Value Fund			MSCI EAFE		Morningstar Fund Averages*	
	Return Before Taxes	Return After Taxes on Distributions	Return After Taxes on Distributions & Sale of Fund Shares	US\$ <sup>2</sup>	Hedged <sup>3</sup>	World Stock Funds <sup>4</sup>	Foreign Stock Funds <sup>5</sup>
1 year	33.81%	33.75%	22.34%	32.37%	21.60%	25.53%	30.21%
3 years	4.59	4.07	3.69	3.87	-6.40	1.06	3.06
5 years	5.98	4.74	4.53	0.06	-2.52	1.34	1.12
10 years	11.44	9.87	9.25	4.06	5.16	7.59	5.41
Since Inception <sup>1</sup>	12.31	10.89	10.20	4.98	5.51	8.46	6.68

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Returns after taxes on distributions are adjusted for federal income taxes associated with fund distributions, but do not reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Returns after taxes on distributions and sale of fund shares are adjusted for federal income taxes associated with fund distributions and reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The performance shown, before and after taxes, represents past performance and is not a guarantee of future results. Investment 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. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.

#### Index Descriptions

<sup>1</sup> Inception date for the Fund was June 15, 1993. Index information is available at month end only; therefore the closest month end to inception date of the Fund, May 31, 1993, was used.

<sup>2</sup> **MSCI EAFE (US\$):** An unmanaged capitalization-weighted index of companies representing the stock markets of Europe, Australasia and the Far East. Index results are inclusive of dividends and net of foreign withholding taxes

<sup>3</sup> **EAFE Hedged:** Consists of the results of the EAFE Index 100% hedged back into U.S. dollars and accounts for interest differentials in forward currency exchange rates. Index results are inclusive of dividends and net of foreign withholding taxes.

<sup>4</sup> **Morningstar World Stock Fund Average:** Average results of all mutual funds in the Morningstar universe that invest throughout the world while maintaining a percentage of assets (normally 25-50%) in the U.S.

<sup>5</sup> **Morningstar Foreign Stock Fund Average:** Average returns of all mutual funds in the Morningstar universe that have 90% or more of their assets invested in non-U.S. stocks.

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## Tweedy, Browne American Value Fund ■ Allocation of Investments/Top Twenty Holdings

June 30, 2004

### ALLOCATION OF INVESTMENTS:

<u>Description</u>	<u>%</u>	<u>Market Value</u>
Equities-US	71.83%	\$511,127,569.65
Equities-ADR	13.24	94,193,218.83
Equities-Foreign	4.27	30,412,796.68
<b>Total Equities</b>	<b>89.35%</b>	<b>\$635,733,585.16</b>
Hedging	-0.30	-2,137,835.37
Other Assets (Liabilities)	-0.02	-150,753.99
Net Cash	10.98	78,097,416.50
<b>Total Net Assets:</b>	<b>100.00%</b>	<b>\$711,542,412.30</b>

Total Issues: **58**

Shares Outstanding: 29,097,892.14

NAV **24.45**

### TWENTY LARGEST HOLDINGS:

<u>Securities</u>	<u>%</u>	<u>Amount</u>
AMERICAN EXPRESS	5.19%	\$36,962,258.20
TRANSATLANTIC HOLDINGS	4.23	30,082,115.70
POPULAR, INC.	3.89	27,693,575.00
MBIA INC.	3.79	26,936,249.76
FEDERATED INVESTORS	3.78	26,926,750.00
HOLLINGER INT'L	3.61	25,717,562.01
FREDDIE MAC	3.41	24,284,728.50
PROQUEST CO	3.33	23,702,867.50
NESTLE	3.33	23,668,560.00
PNC FINANCIAL	3.20	22,772,381.60
ABN AMRO	3.17	22,538,936.82
TORCHMARK CORP.	3.14	22,314,948.80
COMCAST CORP	3.01	21,427,016.60
WELLS FARGO & CO	2.90	20,602,800.00
PFIZER INC.	2.84	20,174,122.80
HEINEKEN	2.50	17,812,514.44
NAT'L WESTERN LIFE INS.	2.37	16,890,500.00
AMERICAN NAT'L INS.	2.14	15,245,991.25
SCHERING-PLOUGH	2.13	15,190,560.00
DIAGEO	2.12	15,111,000.00
<b>Total:</b>	<b>63.76%</b>	<b>\$456,055,438.98</b>

**NOTE:** Allocations of investments shown above reflect the Fund's investments on the date indicated and may not be representative of the Funds' current or future holdings.



## Tweedy, Browne American Value Fund ■ Results

### June 30, 2004

	<u>Tweedy, Browne American Value Fund</u>	<u>S&amp;P 500<sup>2</sup></u>	<u>Russell Mid-Cap Value<sup>3</sup></u>	<u>Russell 2000<sup>4</sup></u>	<u>Morningstar Fund Averages*</u>	
					<u>Mid-Cap Value<sup>5</sup></u>	<u>Domestic Stock<sup>6</sup></u>
1993 (December)	-0.60%	1.21%	3.30%	3.42%	2.73%	N/A
1994	-0.56	1.32	-2.13	-1.82	-0.86	-0.98%
1995	36.21	37.59	34.93	28.45	28.81	21.94
1996	22.45	22.97	20.26	16.54	19.80	20.09
1997	38.87	33.38	34.37	22.23	25.71	25.06
1998	9.59	28.58	5.08	-2.54	2.11	15.76
1999	2.00	21.04	-0.11	21.26	7.44	28.77
2000	14.45	-9.13	19.18	-3.02	18.42	-1.03
2001	-0.09	-11.88	2.33	2.49	6.92	-10.20
2002	-14.91	-22.09	-9.64	-20.48	-12.90	-22.53
2003	23.24	28.69	38.07	47.26	34.38	31.57
2004 (through 6/30)	2.43%	3.44%	7.17%	6.76%	6.21%	3.61%

### Annualized Returns For Periods Ending 6/30/2004 (%)

	<u>Tweedy, Browne American Value Fund</u>				<u>Morningstar Fund Averages*</u>			
<u>Annualized Results</u>	<u>Return Before Taxes</u>	<u>Return After Taxes on Distributions</u>	<u>Return After Taxes on Distributions &amp; Sale of Fund Shares</u>	<u>S&amp;P 500<sup>2</sup></u>	<u>Russell Mid-Cap Value<sup>3</sup></u>	<u>Russell 2000<sup>4</sup></u>	<u>Mid-Cap Value<sup>5</sup></u>	<u>Domestic Stock<sup>6</sup></u>
1 year	18.96%	18.79%	12.32%	19.04%	30.81%	33.37%	27.37%	20.55%
3 years	0.80	0.19	0.38	-0.69	9.83	6.24	7.61	0.62
5 years	2.52	1.72	1.77	-2.20	8.62	6.63	8.10	1.85
10 years	12.34	11.53	10.62	11.81	14.19	10.94	12.71	10.11
Since Inception <sup>1</sup>	11.44	10.69	9.85	10.81	13.35	9.94	12.49	9.27

After-tax returns are calculated using the historical highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Returns after taxes on distributions are adjusted for federal income taxes associated with fund distributions, but do not reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Returns after taxes on distributions and sale of fund shares are adjusted for federal income taxes associated with fund distributions and reflect the federal income tax impact of gains or losses recognized when fund shares are sold. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts. The performance shown, before and after taxes, represents past performance and is not a guarantee of future results. Investment 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. Current performance may be lower or higher than the performance data quoted. Please visit [www.tweedy.com](http://www.tweedy.com) to obtain performance data which is current to the most recent month end.

#### Index Descriptions

<sup>1</sup> Inception date for the Fund was December 8, 1993. Index information is available at month end only; therefore the closest month end to inception date of the Fund, November 30, 1993, was used, except for the Morningstar Domestic Stock Funds Average where the closest date with data available was December 31, 1993.

<sup>2</sup> **S&P 500:** An unmanaged capitalization-weighted index which assumes reinvestment of dividends, and which is generally considered representative of U.S. large capitalization stocks.

<sup>3</sup> **Russell Mid-cap Value Index:** Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

<sup>4</sup> **Russel 2000:** An unmanaged capitalization-weighted index, which assumes reinvestment of dividends that is comprised of the smallest 2000 companies in the Russell 3000 Index and generally considered representative of U.S. small capitalization stocks.

<sup>5</sup> **Morningstar Mid-Cap Value Funds Average:** Average returns of funds in the Morningstar Universe that invest in companies with market capitalizations greater than or equal to \$1 billion but less than or equal to \$5 billion.

<sup>6</sup> **Morningstar Domestic Stock Fund Average:** Average returns of all domestic equity mutual funds in the Morningstar Universe.

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