



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

### 3rd Quarter 2004

We've provided herein a brief commentary regarding last quarter's performance. This marks the fifth time we have provided a quarterly commentary, and we want to reiterate what by now is probably apparent to most of our shareholders. Trying to come up with something that is relevant and meaningful to say about why our funds performed the way they did during a given quarter from our point of view is a difficult exercise because so much of what occurs to stock prices during such a short period seems random to us, and indicative of very little. In addition, given the typically low turnover of both Funds, there is usually not much change from quarter to quarter in the security holdings of either the Tweedy, Browne Global Value Fund or the Tweedy, Browne American Value Fund. Going forward we will continue to simply try to present you with a few facts regarding the quarter's results, and limit speculation as to why the stocks or markets reacted the way they did. As you know, we comment at length every six months in our Investment Adviser's Report.

The third quarter was again "much ado about nothing" in global equity markets as both the S&P 500 and the MSCI EAFE Index finished the quarter in slightly negative territory. Both the Tweedy, Browne Global Value and American Value Funds marginally outperformed their respective benchmark indexes for the quarter. From a bargain hunting perspective, very little has changed over the last quarter. Valuations remain compressed, particularly in the U.S., and stocks today, in general, appear to be rather fully priced. While there is some percolation in foreign markets, bargains are virtually non-existent, from our point of view, in the United States. 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 down -0.27% versus -1.17% for the MSCI EAFE Index hedged back into U.S. dollars, and -0.28% for the MSCI EAFE Index unhedged.\* Year-to-date through September 30, the Fund is up more than double its benchmark index, the MSCI EAFE Index hedged to U.S. dollars (11.61% versus 4.76%). The Fund's average annual total returns for the one year, five year, and ten year periods ending September 30, 2004 were 23.09%, 6.19%, and 11.33%, 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 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.)*

Roughly half the countries in the Fund had positive returns for the quarter, while half had negative returns. Significant contributions on the positive side came from Hong Kong, Singapore, Spain, and France, while significant negative contributors included Switzerland, Germany and the U.K. Our residual underweighting in Japan was an important contributor to our relative outperformance despite the fact that the Japanese stocks as a group were down. From an industry group or sector perspective, our consumer discretionary and financial holdings provided the most value added. From a market capitalization perspective, the Fund's best returns for the quarter came from its mid-cap issues. Stocks such as Jardine Strategic (Hong Kong), Randstad Holdings (Netherlands) and CNP Assurance (France)



were significant contributors to the quarter's return, while Nestle (Swiss), Heineken Holding (Netherlands) and Merck KGAA (Germany) 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 3.44% of assets. The dollar weighted median market cap was \$4.2 billion and approximately 51% of equity assets was invested in stocks with market caps of \$5 billion or less. Cash reserves at quarter end represented approximately 12% of net assets including forward contracts.

## **Tweedy, Browne American Value Fund**

The Tweedy, Browne American Value Fund finished the quarter down -1.06% versus a return of -1.87% for the S&P 500.\* Year-to-date the Fund was up 1.34% versus 1.51% 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 12.57%, 3.87%, and 11.73% 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 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.)*

Once again the Fund's financial stocks led the way in terms of contribution to overall return. The Fund's consumer staples holdings including its food and beverage stocks contributed the least. Stocks such as Popular, National Western Life and Leucadia National were strong performers during the quarter while Transatlantic Holdings, Nestle and Unilever were down.

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 16.8% of net asset value. The top twenty issues accounted for approximately 66% of net assets with our single largest holding being American Express at 5.39% of net assets. The dollar weighted median market cap was approximately \$7 billion, and net cash reserves totaled 9.07% 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: October 18, 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

September 30, 2004

### ALLOCATION OF INVESTMENTS (by country):

Country	%	Market Value (USD)
Belgium	1.44%	\$82,016,249.76
Canada	1.35	77,349,312.54
Czech Republic	0.03	1,640,129.59
Denmark	1.33	76,122,230.77
Finland	3.19	182,133,412.40
France	5.45	311,037,822.40
Germany	9.61	548,654,745.58
Hong Kong	2.81	160,409,857.11
Ireland	0.72	41,367,491.78
Italy	1.74	99,408,881.62
Japan	7.18	410,175,615.44
Mexico	1.11	63,559,628.46
Netherlands	15.69	895,859,292.67
New Zealand	0.50	28,513,059.42
Norway	1.00	56,888,285.26
Singapore	3.09	176,616,863.83
South Korea	0.72	41,029,791.82
Spain	2.15	122,925,376.98
Sweden	0.01	849,907.96
Switzerland	13.43	766,795,833.13
United Kingdom	8.78	501,668,879.86
USA	8.09	461,877,962.32
<b>TOTAL EQUITIES:</b>	<b>89.42%</b>	<b>\$5,106,900,630.70</b>
HEDGING	-1.47	-83,809,139.32
ASSETS/(LIABILITIES)	-0.28	-16,019,017.13
NET CASH	12.33	704,275,873.75
<b>TOTAL INVESTMENTS:</b>	<b>100.00%</b>	<b>\$5,711,348,348.00</b>

### TWENTY LARGEST HOLDINGS:

Securities	%	Amount (USD):	Country
ABN AMRO HOLDING	3.44%	\$196,718,780.46	Netherlands
NESTLE	3.02	172,366,132.77	Switzerland
AXEL SPRINGER	3.00	171,218,053.40	Germany
KONE CORP	2.95	168,719,762.77	Finland
CNP ASSURANCES	2.72	155,310,506.11	France
TRINITY MIRROR	2.70	154,017,410.87	U.K.
HEINEKEN	2.58	147,226,986.77	Netherlands
MERCK KGAA	2.49	142,404,010.13	Germany
HOLLINGER INT'L	2.04	116,344,340.84	USA
ALTADIS	1.92	109,393,126.00	Spain
TELEGRAAF HOLDING	1.90	108,740,111.78	Netherlands
NOVARTIS	1.89	108,196,209.65	Switzerland
PFIZER, INC.	1.83	104,462,280.00	USA
DIAGEO PLC	1.68	95,746,557.71	U.K.
JARDINE STRATEGIC	1.58	90,259,000.00	Hong Kong
RANDSTAD HOLDING	1.57	89,681,332.81	Netherlands
SIKA AG, BEARER	1.45	83,012,476.97	Switzerland
ALMANIJ	1.44	82,016,249.76	Belgium
SANYO SHINPAN	1.39	79,398,267.02	Japan
SCHERING-PLOUGH	1.38	78,813,100.00	USA
<b>TOTAL:</b>	<b>42.97%</b>	<b>\$2,454,044,695.82</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

### September 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	38.57	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 9/30)	11.61%	4.27%	4.76%	2.07%	3.87%

### Annualized Returns For Periods Ending 9/30/2004 (%)

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	23.09%	23.03%	15.34%	22.08%	14.49%	16.20%	20.06%
3 years	9.30	8.76	7.75	9.12	-0.03	6.74	9.19
5 years	6.19	4.95	4.72	-0.85	-2.62	1.19	0.31
10 years	11.33	9.76	9.14	4.02	5.13	6.95	5.07
Since Inception <sup>1</sup>	12.00	10.61	9.94	4.84	5.27	8.28	6.46

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

September 30, 2004

### ALLOCATION OF INVESTMENTS:

Description	%	Market Value
Equities-US	74.31%	\$510,452,845.76
Equities-ADR	12.80	87,951,448.63
Equities-Foreign	3.99	27,382,303.13
<b>Total Equities</b>	<b>91.10%</b>	<b>\$625,786,597.52</b>
Hedging	-0.19	-1,284,783.50
Other Assets (Liabilities)	0.02	168,062.03
Net Cash	9.07	62,275,311.00
<b>Total Net Assets:</b>	<b>100.00%</b>	<b>\$686,945,187.05</b>

Total Issues: **58**

Shares Outstanding: 28,392,944.16

NAV **24.19**

### TWENTY LARGEST HOLDINGS:

Securities	%	Amount
AMERICAN EXPRESS	5.39%	\$37,019,809.40
POPULAR, INC.	4.96	34,058,500.00
MBIA INC.	4.00	27,450,264.33
HOLLINGER INT'L	3.86	26,483,421.51
FEDERATED INVESTORS	3.67	25,240,500.00
TRANSATLANTIC HOLDINGS	3.67	25,233,998.45
FREDDIE MAC	3.64	25,028,999.80
ABN AMRO HOLDING	3.49	23,948,914.12
PNC FINANCIAL SERVICES	3.38	23,209,982.00
PROQUEST CO	3.25	22,354,631.00
TORCHMARK CORP.	3.21	22,057,787.68
COMCAST CORP	3.15	21,667,595.20
WELLS FARGO & CO	3.12	21,466,800.00
NESTLE	2.97	20,435,915.55
PFIZER INC.	2.62	18,008,406.00
NAT'L WESTERN LIFE INS.	2.61	17,919,000.00
HEINEKEN	2.38	16,341,203.50
AMERICAN NAT'L INS	2.33	15,982,448.75
SCHERING-PLOUGH	2.28	15,667,320.00
BRISTOL MYERS SQUIBB	2.07	14,202,000.00
<b>Total:</b>	<b>66.06%</b>	<b>\$453,777,497.29</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

### September 30, 2004

	<b>Tweedy, Browne American Value Fund</b>	S&P 500 <sup>2</sup>	Russell Mid-Cap Value <sup>3</sup>	Russell 2000 <sup>4</sup>	<u>Morningstar Fund Averages*</u>	
					Mid-Cap Value <sup>5</sup>	Domestic Stock <sup>6</sup>
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 9/30)	1.34%	1.51%	9.03%	3.71%	5.78%	1.42%

### Annualized Returns For Periods Ending 9/30/2004 (%)

	<b>Tweedy, Browne American Value Fund</b>				<u>Morningstar Fund Averages*</u>			
Annualized Results	Return Before Taxes	Return After Taxes on Distributions	Return After Taxes on Distributions & Sale of Fund Shares	S&P 500 <sup>2</sup>	Russell Mid-Cap Value <sup>3</sup>	Russell 2000 <sup>4</sup>	Mid-Cap Value <sup>5</sup>	Domestic Stock <sup>6</sup>
1 year	12.57%	12.40%	8.17%	13.87%	25.62%	18.77%	20.89%	12.98%
3 years	3.90	3.27	3.02	4.03	15.07	13.71	11.99	5.94
5 years	3.87	3.05	2.93	-1.31	11.47	7.41	10.28	2.44
10 years	11.73	10.92	10.05	11.07	13.88	9.87	12.07	9.33
Since Inception <sup>1</sup>	11.06	10.32	9.51	10.40	13.21	9.42	12.17	8.83

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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