Tweedy, Browne Value Funds SICAV

Investment Manager's Report to Shareholders (Unaudited)

"Interest rates are, of course, prices. They are the prices that set investment hurdle rates and that discount the present value of estimated future cash flows. They are the traffic signals of a market economy."

"Far better that they be discovered in the marketplace than administered from on high."

- James Grant, editor of Grant's Interest Rate Observer

Anyone tasked with having to explain the movement of equity markets around the world since our last letter six months ago has a job we certainly wouldn't willingly volunteer for. To the extent equity markets are a proxy for the overall health of and outlook for the real world, in both an economic and political sense, the patient appears to swing between bouts of fever and complete remission. Volatility, which we believe benefits the few at the expense of the many, has been the defining characteristic of markets of late, and we believe volatility begets more volatility as "investors" try to capture returns from short-term price movements. We do wonder how many of those involved in this effort can be "winners" and how many of those "winners" consistently win. A strategy dependent upon outfoxing the next guy doesn't strike us as a good formula for success over a longer time horizon.

The economic and political backdrop prevailing today surely accounts for a large part of the volatility in financial markets. The list of economic worries, however, does not seem to have lengthened appreciably over the past six months, with perhaps two exceptions: 1) the upcoming referendum in the U.K. on Great Britain leaving the European Union and the economic consequences of a "yes" vote; and 2) the immigration crisis in Europe, which is seen as a new test of Europe's resolve to maintain a single political union. Continuing worries include turmoil in the Middle East, economic prospects in China, increasing doubts as to the success of Japanese policies to move Japan's economy on to sustainable growth, disappointing economic growth in Europe, and inadequate growth in the U.S., depending on whether you are in the "glass half empty" or the "glass half full" camp. Again, these are not new, but they do seem to move on and off the front page periodically. A more astute observer could no doubt add to this list.

The other major element contributing to market volatility has been the continuing inability of governments and, more specifically, central banks to boost their economies by driving the cost of money (interest rates) to levels not seen in our fairly long lifetimes. A recent Bloomberg News article pointed out that yields on approximately $7.8 trillion of government debt around the world are currently negative. Ireland recently issued a 100-year bond with a yield of 2.35%. As of March 31, 2016, ten-year German government bonds were yielding 0.15%, while Japanese ten-year government bonds had a negative yield of 0.03%[1]. Interestingly, corporate bond yields have dropped significantly with the most glaring example being Unilever issuing bonds due in 2020 with a zero coupon and a yield of 0.08% (unlike governments, corporations can't print money to refinance their debt). Whether there will be serious economic and political consequences in the future as a result of this experiment in global monetary largesse remains to be seen.

To us, it doesn't seem surprising that, some six years into rising equity prices, negligible to no yield in fixed income markets, and an uncertain economic backdrop, there is an almost irrational search for returns. Obviously, there have not been many bargains to be had in this environment, and it has been in general a hard couple of years for investors such as us, who have been forced to step back from the "dance floor." However, in a strange twist of fate, we believe the recent heightened level of volatility and uncertainty will, as it has in the past, produce opportunities for us to exchange more of our and your capital for more promising investment opportunities. In this sense, we are optimistic that history will repeat itself.

Investment Performance

Over the last few calendar years, the Sub-Funds of the Tweedy, Browne Value Funds SICAV (the "Fund") have trailed their respective benchmark indexes as rapidly declining interest rates and massive flows into index funds fueled high and escalating equity valuations, resulting in a widening spread in favor of growth over value strategies. During this period, growth in equity prices far outstripped growth in underlying corporate profits (which have been anemic at best)

[1] *"It's Dangerous Out There in the Bond Market," by Anchalee Worrachate and Anooja Debnath, Bloomberg.com, April 24, 2016.*

with the bulk of returns taking the form of expanding price/earnings ratios. We have witnessed similar periods of irrational exuberance three different times in the last 18 years – in the run-up in valuations during the technology bubble between 1998 and 2000; the credit fueled expansion between 2005 and 2007; and today's liquidity driven market. In each of these periods, value investors such as ourselves underperformed as valuations climbed to levels that were simply unsustainable. This too shall pass, and we believe the screw appears to be turning as we write. Our International Value Funds (Euro and CHF) outperformed their respective benchmarks in the first calendar quarter of this year, which led to an index-beating result, albeit negative, over the last six months and one year. The Value Fund (USD) and Global High Dividend Value Fund did not fare as well during the first calendar quarter of this year, underperforming their benchmark indexes during the period and the previous six months and one year.

Presented below are the results of the Sub-Funds for various periods through March 31, 2016, with comparisons to their respective benchmark indexes. In this report, we have presented the Investment Manager's Report for the four Sub-Funds, including performance details and our views on the performance, as well as the financial statements for each Sub-Fund.*

Tweedy, Browne Value Fund (USD)

Annualized Results* ending March 31, 2016

	Tweedy, Browne Value Fund (USD)	***MSCI World (in USD)***	***S&P 500 Index***
6 Months	0.55%	5.13%	8.49%
1 Year	-8.22	-3.45	1.78
3 Years	0.24	6.82	11.82
5 Years	3.35	6.51	11.58
10 Years	3.13	4.27	7.01
Since Inception *(10/31/96)*	5.22	5.69	7.66

** Performance returns are annualized and time weighted. The value of the shares and the return they generate can go down as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne Value Fund (USD) performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.***

Tweedy, Browne International Value Fund (Euro)

Annualized Results* ending March 31, 2016

	Tweedy, Browne International Value Fund (Euro)†	***MSCI EAFE (Hedged to USD/EUR)***	***MSCI EAFE (in USD/EUR)***
6 Months	-0.43%	-0.65%	-0.51%
1 Year	-9.96	-11.33	-13.55
3 Years	2.94	6.07	6.38
5 Years	6.29	5.73	6.88
10 Years	4.72	1.41	2.41
Since Inception *(10/31/96)*	8.23	4.43	4.49

** Performance returns are annualized and time weighted. The value of the shares and the return they generate can go down as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne International Value Fund (Euro) performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.***

† Prior to May 17, 2004 the Sub-Fund was denominated in USD and its investments were hedged to USD. Effective May 17, 2004, the base currency of the Sub-Fund was changed to EUR and its investments were hedged to EUR. Calendar year 2004 performance and annualized 15-year and since inception performance figures are based on percentage increase in USD value of shares to May 17, 2004, and percentage increase in EUR value of shares thereafter. Accordingly, such performance figures do not represent the percentage increase in the USD or EUR value of shares in the sub-fund over the whole of the indicated periods.

For comparative performance purposes, the linked MSCI EAFE Index (hedged to USD/EUR) and linked MSCI EAFE Index (hedged to USD/EUR) are shown, and represent index performance for the applicable performance periods. For comparative performance purposes, for the period prior to May 17, 2004,the MSCI EAFE Index (hedged to USD) and the MSCI EAFE Index (in USD) were used; for the period thereafter, the MSCI EAFE Index (hedged to EUR) and the MSCI EAFE Index (in EUR) are used.

Tweedy, Browne International Value Fund (CHF)

Annualized Results* ending March 31, 2016

	Tweedy, Browne International Value Fund (CHF)	*MSCI EAFE (Hedged to CHF)*	*MSCI EAFE (in CHF)*
6 Months	-0.55%	-1.21%	-0.46%
1 Year	-9.59	-12.38	-9.56
3 Years	0.63	5.35	2.62
5 Years	4.53	5.04	3.23
10 Years	2.40	0.75	-1.13
Since Inception *(10/31/96)*	6.48	3.16	2.68

** Performance returns are annualized and time weighted. The value of the shares and the return they generate can go down as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne International Value Fund (CHF) performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares.***

Tweedy, Browne Global High Dividend Value Fund

Annualized Results* ending March 31, 2016

	Tweedy, Browne Global High Dividend Value	*MSCI World (Hedged to Euro)*	*MSCI World (in Euro)*
6 Months	-1.16%	3.84%	2.98%
1 Year	-12.59	-4.94	-9.01
3 Years	2.28	8.35	11.16
5 Years	5.44	7.79	11.29
Since Inception *(6/1/07)*	2.03	1.93	4.28

** Performance returns are annualized and time weighted. The value of the shares and the return they generate can go down as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Tweedy, Browne Global High Dividend Value Fund performance results complies with the "Guidelines on the Calculation and Publication of Fund Performance Data," which were published for the Swiss Funds Association (SFA) on May 16, 2008.* ***Performance calculations are presented for Investor Shares****.*

We have found over the years that a precondition to an excellent long-term investment record is an ability to withstand periods of relative underperformance. Sometimes these periods can last for stretches of time that are challenging, and almost invariably uncomfortable. We are hopeful that we are nearing the end of what has been a difficult, but quite normal one of those periods currently with respect to our value driven investment approach. Over the last two calendar years, the spread between the growth and value components of the MSCI World Index widened to levels last seen in 2007, immediately before the financial crisis, and before that, leading up to the bursting of the technology bubble in 2000. In fact, in 2015, four of these "growth" securities (the so-called FANG stocks: Facebook, Amazon, Netflix, and Google) accounted for 51% of what was a mediocre return for the index. As of calendar year-end, the trailing 12 month price/earnings multiples for these four companies were 82x, 544x, 402x, and 33x, respectively. While we purchased Google (now called "Alphabet") for each of the four Sub-Funds (other than the Global High Dividend Value Fund) a few years ago when it was trading below our estimate of its intrinsic value, none of these securities qualifies for purchase in a value based portfolio today. In fact, if we had purchased them, you would no doubt be wondering if we had lost our way. We have been through periods like this before, and we will go through them again. It goes with the territory.

Our Sub-Funds hold different securities than benchmark indexes, so it goes without saying that the results will differ over time from the index, often markedly so in the short run. As Ben Graham postulated many years ago, "the market is a voting machine in the short run, but a weighing machine in the long run." It is fair to say from an examination of what follows that our value based approach, up until more recently, has not been "receiving the votes" that the indexes have been receiving, particularly over the last two to three years. We are not alone, as some of the world's most acclaimed value investors have shared our experience.

While the underlying growth of our estimates of intrinsic value for the bulk of the securities held in our Sub-Fund portfolios has progressed quite nicely over the last several years, the stock market's pricing of that increase in intrinsic value has paled in comparison to its pricing of securities enjoying more near term price momentum. Nowhere has this been more apparent in our Sub-Fund group than in the Global High Dividend Value Fund, perhaps the most defensive of our four Sub-Funds. This Sub-Fund has delivered a satisfactory absolute return of 25.6%[2] on a cumulative basis since 2011, a year when it bested its benchmark by a considerable margin and was our best performing Sub-Fund. However, it trailed its benchmark index during this period. The good news is that this phenomenon has been quite common along the course of long-term return streams, particularly in the later stages of a bull market, and empirically has not been predictive of poorer relative results over longer-term measurement periods for the fundamental, value driven investor. In fact, over the longer term, value investors such as ourselves have often delivered premium returns to the benchmark net of fees, generally at lower levels of volatility and underlying fundamental risk. With the exception of the Value Fund (USD), our long-term track records for each Sub-Fund and independent empirical studies bear this out. In fact, an examination of the up and down periods that comprise our long-term investment results has indicated that the best time to have invested with Tweedy, Browne in the past has often been after a period of underperformance such as we have experienced over the last several years. (Past performance is no indication of future results.) Unfortunately, to achieve the long-term benefits of a value driven strategy, clients must be willing to stay the course during periods of underperformance, which can challenge confidence. However, for those with patience and fortitude, better returns have often followed, for the markets are indeed "weighing machines" over the long term.

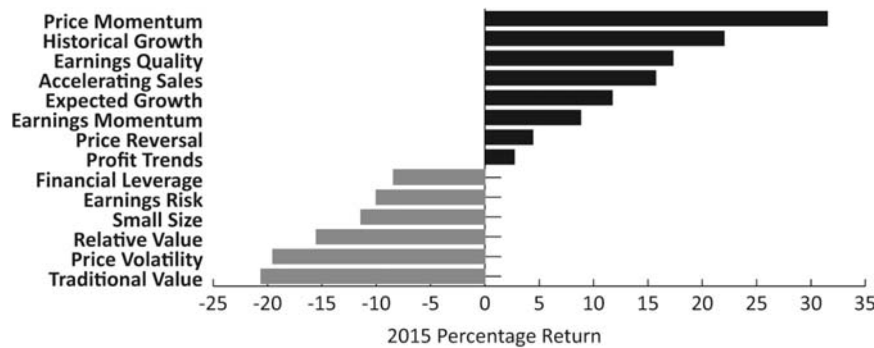
Here are some of the facts associated with our results to date as they compare to the MSCI World Index and the MSCI EAFE Index:

- The indexes do not include fees and expenses and are fully invested at all times, while our Sub-Fund results are net of fees and reflect average cash levels over the last several years of 10% to 15%.
- The fundamental risk, in our opinion, remains low in our Sub-Fund portfolios, which consist, for the most part, of larger capitalization, higher quality businesses with low leverage and, often, a history of consistent and growing dividends, priced at the time of purchase to afford what we believe to be significant collateral value protection. While we do not view volatility as risk, for those that do, the standard deviation[3] of returns of our Sub-Fund portfolios has compared favorably to that of their respective benchmark indexes.
- On a market capitalization weighted basis, the MSCI World Index as of March 31, 2016 had 59% of its value in U.S. domiciled equities and 8% of its value in Japanese equities, versus 30% and 1%, respectively, for the Value Fund (USD), and 21% and 0% for the Global High Dividend Value Fund. In addition, the MSCI EAFE Index had 22% of its assets in Japanese equities versus 1.2% and 1.3%, respectively, for the International Value Fund (Euro) and International Value Fund (CHF).
- Together, the U.S. and Japan accounted for 86% of the return of the MSCI World Index over the last three calendar years; while Japan alone accounted for 38% of the performance of the MSCI EAFE Index. Price/earnings multiples in the U.S. and Japan have remained high, averaging approximately 17x and 18x, respectively, over the period October 2011-January 2016. Being underweighted in these two countries, where valuations have been high and (in the case of Japan) above-average dividends scarce has been a significant impediment to our ability to achieve index-besting returns during this period.
- During 2014 and 2015, the performance spread between the value component of these benchmarks and the growth components (1,077 basis points for the MSCI World Index and 1,162 basis points for the MSCI EAFE Index when each was measured in local currencies) widened to levels last seen in 2007, immediately before the financial crisis, and before that leading up to the bursting of the technology bubble in 2000. The chart below illustrates this dichotomy for the last calendar year.

[2] *Reflects the Sub-Fund's return for the period January 1, 2012 through March 31, 2016.*

[3] *Standard deviation is the statistical measurement of dispersion about an average, depicting how widely a fund's returns have varied over a certain period of time.*

Price Momentum Has Been the Best Stock Strategy in 2015



Source: Evercore ISI **Bloomberg**

Source: "Too Much Momentum Is Hazard for U.S. Stocks Stuck in Neutral," by Joseph Ciolli, Bloomberg.com, January 4, 2016. Used with permission of Bloomberg L.P. Copyright© 2016. All rights reserved. Past performance is no guarantee of future results.

As we've discussed in recent letters, we believe that virtually all of the *relative* underperformance of our Sub-Funds versus their respective benchmarks in 2014 and 2015 is explained by our Sub-Funds' cash positions, poor relative currency translations in our unhedged Sub-Fund, and a few positions in oil & gas and Asian-related bank stocks; underweightings in Japan; and, with respect to the Value Fund (USD) and Global High Dividend Value Fund, underweightings in the United States. The cash reserves were, for the most part, residual and reflected our inability to find enough undervalued securities in this momentum driven market; the underweightings in Japan and the U.S. are understandable in light of valuations; currency translations are beyond our control and have been volatile to say the least; and our oil & gas and Asian related bank stocks to date simply haven't met our expectations.

Through April, with the exception of the Global High Dividend Value Fund, year-to-date, our Sub-Funds are once again besting their benchmark indexes, which has allowed our two International Value Funds to also move ahead of their benchmarks for the last six months and one year ending March 31, 2016. In the past, periods of underperformance have almost always been followed by periods of relative outperformance. While this pattern is not guaranteed, nothing has significantly changed at Tweedy, Browne in terms of people, process, or approach, and we hope that Tweedy's successful past will be prologue for the future.

Impact of Volatile Currencies

Low to negative interest rate policies around the world have been in part responsible for increasing volatility in global currencies and, until recently, the strength of the U.S. dollar versus the euro and Swiss franc, among others. Commercial banks must now pay the European Central Bank, the Danish National Bank, the Swedish National Bank, the Swiss National Bank, and, more recently, the Bank of Japan to hold their reserves. The sovereign bonds (two-year maturities) of 12 European countries and Japan now carry negative interest rates. The increase in currency volatility that these low and negative interest rate policies have in part spawned has had a significant impact on unhedged returns over the last several years. For example, equity returns in our unhedged Value Fund (USD) were diluted during this period by the strong U.S. dollar, though that trend has reversed in the first quarter of 2016 as the dollar weakened against most major currencies. With the euro and Swiss franc strengthening against many of the major currencies represented in our Sub-Funds' portfolios in the first quarter, currency hedging had a positive impact on the six month and one year returns of our three hedged Sub-Funds.

As a reminder, in our International Value Fund (Euro), International Value Fund (CHF) and Global High Dividend Value Fund, our practice is to hedge what we believe to be our "perceived" foreign currency exposure, as opposed to fully hedging our "nominal" exposure. This means that many of our larger multi-national portfolio companies that have significant revenues and earnings in euros and Swiss francs are not fully hedged, but rather are partially hedged to the extent of their approximate non-euro and non-Swiss franc revenues and earnings. For example, a company such as Nestlé, which earns a substantial amount of its profits in euros, is only partially hedged in our euro-based Sub-Funds. We believe that its euro revenues and earnings act as an implicit hedge. When the euro strengthens versus the Swiss franc, Nestlé's euro based earnings translate into more Swiss francs, thereby boosting Nestlé's Swiss franc earnings and intrinsic value, which offsets to some extent the euro based investor's loss from the translation of a weak Swiss franc back into a strong

euro. To fully hedge the currencies of companies such as Nestlé would, in our opinion, be to overhedge those positions. The hedged MSCI World and EAFE Indexes, on the other hand, are fully hedged back into euros and Swiss francs, which puts our currency hedged Sub-Funds at somewhat of a competitive performance disadvantage versus those indexes when the euro or Swiss franc are very strong, as they were several years ago.

Our Sub-Fund Portfolios

Please note that individual companies discussed herein were held in one or more of our Sub-Funds during the period ended March 31, 2016, but were not necessarily held in all four of our Sub-Funds. See the attached Schedules of Investments for the Sub-Funds' holdings in each of these companies as of March 31, 2016.

Global equity markets over the last six months are perhaps best characterized by a roller coaster ride, with an autumn resurgence in equity prices that followed a violent down tick in late summer, which preceded another comeuppance as we headed into the new year, only to be followed again by a run-up in equity valuations in late February and March. When the dust settled, non-U.S. equity valuations in developed markets, as measured by the MSCI EAFE Index, finished the twelve months ended March 31, 2016 down approximately 11.2% in local currency, 13.5% in euros, and 9.6% in Swiss francs. While we welcomed this volatility for the opportunities it brought, three of our Sub-Funds did lose some ground on an absolute basis over the last six months, while the Value Fund (USD) experienced a small gain during the period. Perhaps the greatest impact from the market's turbulence in the Sub-Funds' portfolios occurred in our oil & gas, bank, and pharmaceutical holdings. Oil prices became increasingly more volatile over the last year, negatively impacting our oil related stocks; difficulties in the oil patch, together with increasing uncertainty surrounding China's economy, dragged down our Asian related bank holdings; and our pharmaceutical stocks faced challenges from political headwinds.

Energy related holdings such as Halliburton and oil & gas production companies such as Devon Energy, Cenovus, Total, and Royal Dutch were up and down over the last six months (mostly down), as oil prices vascillated between $30 and $50 per barrel, even dipping down into the $20s briefly after calendar year-end. While your crystal ball is as good as ours, we continue to believe that, given industry demand and cost considerations, oil prices are likely to move higher over the longer term, and if that indeed bears out, we are well positioned in what we feel is a diversified and undervalued group of companies in the sector. We also have little doubt that the oil companies currently in our Sub-Fund portfolios have the financial resources to weather this period of lower energy prices.

While our bank stocks as a group were being buffeted by slowing global growth, increasing concern about the Chinese economy and collapsing oil prices, it is our position in Standard Chartered Bank that has to date proven to be the most disappointing. As you know from our prior letters, we first purchased shares in this emerging market dependent bank for the Sub-Funds back in early 2014, after it had declined from 18 pounds to approximately 12 pounds per share, a price we felt did not adequately account for its future prospects. As Will Browne has sometimes said, "there is a fine line between being early and being wrong."

At the time of purchase, Standard Chartered, in our view, was conservatively financed, traded at a significant discount to our estimates of its intrinsic value, and paid an attractive dividend. That dividend was omitted last November due to mounting capital concerns, loan losses and uncertainty associated with the bank's oil & gas loan book. As of March 31, 2016, Standard Chartered was priced at roughly 50% of its tangible per share net asset value (book value). If Standard Chartered's earnings power were to recover to a 10% return on tangible equity (based on today's book value), it would generate a 20% after-tax earnings yield on the current price. In other words, the current stock price would be 5 times after-tax earnings, if earnings recover to a 10% return on equity. In the past, banks in Asia have been acquired at significant premiums to tangible net asset value and at more than 10 times after-tax earnings. The bank is in the midst of a restructuring with new management, and appears to be taking all the right steps to put it back into a more competitive and more profitable position. That said, the near-term headwinds are significant. We continue to monitor the position carefully, and have eliminated it from our Global High Dividend Value Fund because it suspended its dividend.

As you also may know, we have investments in two Singapore banks, DBS Group and United Overseas Bank, both of which, in our view, are high quality, conservatively financed, and well-managed banking institutions that have significant growth prospects and currently pay us very attractive, 3% to 4% annual dividend yields. These bank investments have not been getting the votes from "Mr. Market" over the near term; however, over the longer term, China and other parts

of Asia will, in our opinion, continue to grow at rates in excess of the growth rates found in most of the Western world, and we believe these banks should remain significant beneficiaries of that growth.

Despite near term challenges in our oil & gas, bank, and pharmaceutical stocks, the bulk of our Sub-Fund holdings made financial progress during the last six months. With markets in a state of flux, it is not surprising that it was some of the more defensive components of our portfolios that performed the best over this period. This included tobacco holdings such as Imperial Brands, Philip Morris and British American Tobacco; the Dutch and UK based food giant, Unilever; and beverage companies such as Diageo, Heineken and Davide-Campari Milano. We also had strong results in our technology companies, Cisco and Google (now Alphabet), which, when we purchased them a few years ago, were simply too cheap to pass up, and had solid prospects for continued growth in intrinsic value. Verizon was also a strong contributor to return, as was TNT Express, as its deal with Federal Express was formally approved by European regulators.

In terms of portfolio activity, for the Value Fund (USD) we bought AGCO, a manufacturer and distributor of agricultural equipment throughout the world; and for the Global High Dividend Value Fund we bought Safran, a supplier of systems and equipment in aerospace, defense, and security. We increased a handful of positions in the Sub-Funds, including Hyundai Motor, which was added to the Sub-Fund portfolios about one year ago at a discount to book value and when its price to earnings ratio was in the mid-single digits. We were able to add to the position amidst the volatility that erupted earlier this year. We also added to HSBC in the Global High Dividend Value Fund, but overall we have been net sellers of our portfolio holdings over the last six months. We sold our remaining shares of Krones, Torchmark, and Imperial Brands, all of which had traded up to or near our estimates of their respective intrinsic values. As previously mentioned herein, we sold Standard Chartered in the Global High Dividend Value Fund. We also sold oil & gas holding, Cenovus, which we believe is among those facing more severe headwinds than most from low oil prices. We also took advantage of pricing opportunities to trim back a number of other holdings that were trading at, or marginally above, our estimates of intrinsic value, including Johnson & Johnson, Mandom, Novartis, and Roche.

As we write, our Sub-Fund portfolios remain, in our view, well positioned with a diversified mix of businesses that, in our estimation, are mostly reasonably valued and underleveraged and, as a group, appear to have strong future prospects, pay attractive dividends and have the financial strength to weather whatever storms may come their way. In addition, the Sub-Funds carry meaningful, but declining levels of cash reserves. Should global equity markets continue their advance despite recent volatility, our Sub-Funds should participate; however, should we revisit the instability of January and early September, we believe we are well positioned to take meaningful advantage.

Looking Forward

We have worked hard over the years to develop a "repeating golf swing" in the investment business - one that we hope will allow for some consistency of results over the longer term. While we believe our long-term records demonstrate some success in our service to shareholders, we remain humbled by the day-to-day vagaries of our capital markets, and how little control we ultimately have over our investment fortunes in the short run. The stocks we own don't know that we own them, and therefore do not behave in ways that are always consistent with our near-term interests. We can ferret out pockets of what we believe to be undervaluation in our markets and individual securities that offer clues to future investment opportunity, but we have no assurance as to when, or if, that value will be recognized by other market participants, or by an acquirer.

In Plato's *Apology*, considered by many to be one of his finest works, Plato offers his version of a speech given by Socrates over twenty-four hundred years ago where he postulated the following paradox in his lifelong quest for wisdom:

> *... it seems that neither of us knows anything great, but he thinks he knows something when he does not, whereas when I do not know, neither do I think I know. So it seems I am wiser than he in this one small thing, that I do not think I know what I do not know.*

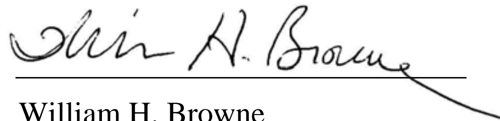
As with Socrates' disdain for the arrogance of those who think they know, Benjamin Graham humbly fashioned an investment methodology focused on the knowable while protecting mightily against the unknowable. Distinguishing between investment and speculation, he required in his analysis for the former a "margin of safety," "available for absorbing the effect of miscalculations or worse than average luck," and placed "particular emphasis on the ability of the investment to withstand adverse developments." In addition, Graham opined that:

Probably most speculators believe they have the odds in their favor when they take their chances, and therefore they may lay claim to a safety margin in their proceedings. Each one has the feeling that the time is propitious for his purchase, or that his skill is superior to the crowd's, or that his adviser or system is trustworthy. But such claims are unconvincing. They rest on subjective judgment, unsupported by any body of favorable evidence or any conclusive line of reasoning. We greatly doubt whether the man who stakes money on his view that the market is heading up or down can ever be said to be protected by a margin of safety in any useful sense of the phrase... Thus, in sum, we say that to have a true investment there must be present a true margin of safety. And a true margin of safety is one that can be demonstrated by figures, by persuasive reasoning, and by reference to a body of actual experience.

While there is much that remains unknowable in financial markets, what we do know is that Graham's "big idea" - that a common stock represents a fractional ownership interest in a business and that the essence of investment is to attempt to exploit discrepancies between the intrinsic value of a business and its price in publicly traded markets - has empirically and practically worked over the long term. We have done our best at Tweedy, Browne over these past 95 years to hone an investment organization that can execute on Graham's promise. It is fair to say that our "road to Damascus" moment as an organization came when our forebears first met Ben Graham and adopted the tenets of his approach, and, to the extent we have achieved some success along the way, it can be largely explained by our steadfast commitment to that discipline. Today's investment team remains unwaveringly dedicated to those principles, and we are confident that they will continue to serve us well over the long term.

Thank you for investing with us, and for your continued confidence. We work hard to earn and keep your trust, and we believe it is critical to our mutual success.

Sincerely,



William H. Browne
Thomas H. Shrager
John D. Spears
Robert Q. Wyckoff, Jr.
Managing Directors, Tweedy, Browne Company LLC

April 2016

Footnotes:

Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks which include currency fluctuations; political uncertainty; different accounting and financial standards; different regulatory environments; and different market and economic factors in various 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. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time. Diversification does not guarantee a profit and does not protect against a loss in a declining market. Please refer to the Fund's prospectus for a description of risk factors associated with investments in securities which may be held by the Sub-Funds.

Although the practice of hedging against currency exchange rate changes utilized by the Tweedy, Browne International Value Fund (Euro), Tweedy, Browne International Value Fund (CHF) and Tweedy, Browne Global High Dividend Value Fund reduces the risk of loss from exchange rate movements, it also reduces the ability of the Sub-Funds to gain from favorable exchange rate movements when the currency to which the Sub-Fund is being hedged declines against the currencies in which the Sub-Funds' investments are denominated and in some interest rate environments may impose out-of-pocket costs on the Sub-Funds.

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