# Tweedy, Browne Value Funds

INVESTMENT COMPANY WITH VARIABLE SHARE CAPITAL
ORGANIZED UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG
*(Société d'Investissement à Capital Variable)*

*R.C.S. Luxembourg N° B - 56.751*

# ANNUAL REPORT

*September 30, 2014*

**SUB-FUNDS:**

Tweedy, Browne Value Fund (USD)
Tweedy, Browne International Value Fund (Euro)
Tweedy, Browne International Value Fund (CHF)
Tweedy, Browne Global High Dividend Value Fund

*No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest Annual Report and latest Semi-Annual Report if published thereafter.*

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# Tweedy, Browne Value Funds SICAV

## Directors and Administration

### Board of Directors

William H. Browne
Kurt Gubler
Nicolaus P. Bocklandt

### Investment Manager

Tweedy, Browne Company LLC
One Station Place
Stamford, CT 06902
United States of America

### Distribution Manager
effective as of October 1, 2014

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Norwalk, CT 06854
United States of America

### Luxembourg Administrator, Custodian and Transfer Agent

State Street Bank Luxembourg S.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg

### Independent Auditor

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Parc d'Activité Syrdall 2
L - 5365 Munsbach, Luxembourg

### Registered Office

49, avenue J.F. Kennedy
L-1855 Luxembourg

### Paying Agent in Switzerland
through December 31, 2014

Schwyzer Kantonalbank
Bahnhofstrasse 3, Postfach
CH-6431 Schwyz, Switzerland

### Paying Agent in Switzerland
effective January 1, 2015

NPB Neue Privat Bank AG
Limmatquai 1/am Bellevue
CH-8022 Zurich, Switzerland

### Information Agent and Paying Agent in Germany

State Street Bank GmbH
Brienner Strasse 56
D-80333 München, Germany

State Street Bank GmbH- Frankfurt Branch
Solmsstraße 83
D-60486 Frankfurt am Main, Germany

### Representative in Switzerland

First Independent Fund Services Ltd
Klausstrasse 33
CH-8008 Zurich, Switzerland

### Legal and Tax Advisers

*in the United States*
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One Bryant Park
New York, New York 10036
United States of America

*in Luxembourg*
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L-2010 Luxembourg

## General Information

Tweedy, Browne Value Funds (the "Fund") is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable* with the capacity to divide its assets into several separate investment portfolios (the "Sub-Funds").

The audited financial statements contained herein present the financial positions of each of the Sub-Funds, as at September 30, 2014: Tweedy, Browne Value Fund (USD); Tweedy, Browne International Value Fund (Euro); Tweedy, Browne International Value Fund (CHF) and Tweedy, Browne Global High Dividend Value Fund.

The investments of the Fund are managed by Tweedy, Browne Company LLC (the "Investment Manager"), a U.S. registered investment adviser located at One Station Place, Stamford, CT 06902. Effective September 30, 2014, the Investment Manager has ceased to operate as a broker-dealer. AMG Distributors, Inc., an affiliate of the Investment Manager, has been appointed distribution manager of the Fund (the "Distribution Manager") pursuant to a Global Distribution Agreement, as of October 1, 2014.

Shares in the Fund are offered to investors at the net asset value twice each month, on the fifteenth and the last day of the month. Copies of the prospectus, key investor information document ("KIID") and the audited financial statements of the Fund are available by writing to the Fund in care of its Luxembourg Administrator:

***State Street Bank Luxembourg S.A.***
***49, avenue J.F. Kennedy***
***L-1855 Luxembourg***

For Swiss investors, the articles of incorporation, the prospectus, the KIID, the unaudited semi-annual reports, the annual reports and audited financial statements, as well as a special information report including a list containing all the sales and purchases of the investment portfolio may be obtained free of charge from the Swiss representative and paying agent:

***First Independent Fund Services Ltd***
***Klausstrasse 33***
***CH-8008 Zurich, Switzerland***

The Fund's Paying Agent in Switzerland through December 31, 2014 is:

***Schwyzer Kantonalbank***
***Bahnhofstrasse 3, Postfach***
***CH-6431 Schwyz, Switzerland***

The Fund's Paying Agent in Switzerland effective January 1, 2015 is:

***NPB Neue Privat Bank AG***
***Limmatquai 1/am Bellevue***
***CH-8022 Zurich, Switzerland***

For German investors, the articles of incorporation, the original versions and German translated versions of the prospectus, the KIID, the unaudited semi-annual reports, the annual reports and audited financial statements may be obtained free of charge from the German information and paying agent:

***State Street Bank GmbH***
***Brienner Strasse 59***
***D-80333 München, Germany***

***State Street Bank GmbH- Frankfurt Branch***
***Solmsstraße 83***
***D-60486 Frankfurt am Main, Germany***

# *Investment Manager's Report*

*"Everything is in a state of flux, including the status quo."*

***– Robert Byrne***

In our shareholder letter of one year ago, we used the same quote. We are using it again not because we're lazy or incapable of coming up with something new to say, but rather because it underlines some of our thoughts about equity markets, the challenges which seem to be part of the DNA of markets, and for what it is worth, our perspective on how to think about the business of investing. A year ago, much of the conventional market wisdom was that Japan was "working out," and Europe was probably a better bet than the U.S., and for sure a better bet than the emerging markets. There was an undercurrent of concern about the level of economic growth around the world, but it did not stand in the way of a further rise in equity prices. The double-barreled worry of secular stagnation and deflation was certainly not on the front pages of the business sections. In fact, you would have to go back to 2011 for a meaningful interruption in the rise of equity prices over the past five years. For those who simply enjoy the ride on a rising equity market, the past couple of years have been a pleasant experience. For those who think about individual business valuations as an important underpinning of equities, rising stock prices bring with them valuation considerations which we have talked about in previous letters.

Then, in the latter part of September, something happened that has certainly rattled the relative calm in equity markets. We say "something" for several reasons. First, speaking for ourselves, while we have a view, it is obviously subjective. Therefore, we don't really know. Moreover, copious amounts of ink have been used to explain the renewed volatility in markets without any real consensus emerging. The debate over the relative importance of changed facts versus changed sentiment defies an answer but hasn't squelched the debate. Perhaps they're joined at the hip. We have found interesting the perspective of some strategists who have attributed the recent volatility to various human qualities of the market, suggesting the market is "purging its excesses" or going through a "healthy and cathartic pause." Others have simply said they are waiting for the market to "capitulate" but haven't seen it yet. For our part, we don't find the discussion of much use in answering the question: "What do we do now?"

Leaving aside the litany of new factors, such as the recent outbreak of Ebola (remember SARS and Bird Flu), renewed but certainly not new chaos in the Middle East, and the conflict in Ukraine, some of the broader economics questions have been with us for some time. What is new is the renewed attention being paid to them. Moreover, it seems there has always been some unsettling new problem waiting around the corner and our suspicion is that will continue to be the case for at least as long as we're in the business, and we hope to be in it for quite some time still.

When you are in the middle of the investment ring waiting for the first punch to be thrown, the tension can be enormous and it can be hard to hear yourself think over the roar of the crowd. As Mike Tyson said when talking about how he approached a fight, "Everyone has a plan 'til you get punched in the mouth." Making matters worse, there is an accumulating body of knowledge in the fields of behavioral economics and behavioral finance indicating that we are not well wired to be rational and objective when it comes to decisions in economics and investing. In our estimation, these factors elevate the chances of getting caught up in what we term the "buy high, sell low syndrome." Fear is a powerful motivator, and managing it is a stress-inducing challenge, even for the "pros." Contributing to this daunting challenge is the enormous emphasis on short-term results. Without commenting on any other dimension of the hedge fund world, we find the enormous emphasis in the media on the hedge fund world's October results odd, if not bizarre. What does any one month's return mean? What is the predictive value of one month's results? At Tweedy, Browne, most of our energy is concentrated around

a three- to five-year time horizon, asking ourselves where a company is likely to be over that time frame. We know all of our clients don't think that way, and some operate with shorter time horizons, but we believe we have a better opportunity of earning higher rates of return by "arbitraging" a longer time horizon even though it may mean forgoing some short-term returns. We believe it is a more sensible way to manage your money and our money, and improves our odds in doing so. As we write this letter in late October, if you were a fruit fly which has an expected adult life of two weeks, you just went through a financial "hell" for your entire adult life in the past several weeks. Fortunately, we are all blessed with the ability to take a longer perspective. What is needed is a plan or, better said, some tools to help us keep that perspective.

We don't know the particular facts and considerations for each and every one of our shareholders, so there is no "one size fits all" recommendation we could offer. However, we do believe there are some tools that can be helpful in making broad investment decisions and trying to look beyond the headlines to the trendlines.

1. Extend the time horizon of your thinking – investing is a marathon, not a sprint.
2. Don't put money in the financial markets that you are going to need to meet a financial obligation in the next 12-18 months. Returns over a short period of time, in our judgment, carry with them a high degree of randomness.
3. Be clear on your goals and reasons for investing.
4. If you have retained someone to make investment decisions for you, make the effort to understand their investment process. "It shouldn't be that hard."
5. Remember that behind every stock price there is a business. At Tweedy, Browne, we own fractional interests in businesses and our focus is on the valuation of the business and how the business is doing. If the business does well and we are able to buy it right, the investment on average will do well.
6. Don't rely on an investment process dependent on "intuition." The process should have a timeless and universal logic to it.

We are taking the liberty of quoting from the recent Berkshire Hathaway annual report, with full credit to Warren Buffett and Charlie Munger, because it encapsulates and illustrates the bulk of the investment common sense needed for good financial health, and probably says far more clearly and concisely what we have just spent several pages trying to say:

> *During the extraordinary financial panic that occurred late in 2008, I never gave a thought to selling my farm or New York real estate, even though a severe recession was clearly brewing. And, if I had owned 100% of a solid business with good long-term prospects, it would have been foolish for me to even consider dumping it. So why would I have sold my stocks that were small participations in wonderful businesses? True, any one of them might eventually disappoint, but as a group they were certain to do well. Could anyone really believe the earth was going to swallow up the incredible productive assets and unlimited human ingenuity existing in America?*
>
> *When Charlie Munger and I buy stocks – which we think of as small portions of businesses – our analysis is very similar to that which we use in buying entire businesses. We first have to decide whether we can sensibly estimate an earnings range for five years out, or more. If the answer is yes, we will buy the stock (or business) if it sells at a reasonable price in relation to the bottom boundary of our estimate. If, however, we lack the ability to estimate future earnings*

*– which is usually the case – we simply move on to other prospects. In the 54 years we have worked together, we have never foregone an attractive purchase because of the macro or political environment, or the views of other people. In fact, these subjects never come up when we make decisions.*

### *Performance Results*

Presented below are the investment results of Tweedy, Browne Value Funds SICAV (the "Fund") for the year ended September 30, 2014 with comparisons to the indices we consider relevant. In this report, we have presented the Investment Manager's Report for the four Sub-Funds in one letter, which reflects the 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 September 30, 2014***

| | ***Tweedy, Browne Value Fund (USD)*** | ***MSCI World (in USD)*** | ***S&P 500 Index*** |
|---|---|---|---|
| 6 Months | 0.07% | 2.59% | 6.42% |
| 1 Year | 7.58 | 12.20 | 19.73 |
| 3 Years | 15.44 | 17.93 | 22.99 |
| 5 Years | 10.30 | 10.86 | 15.70 |
| 10 Years | 5.68 | 7.12 | 8.11 |
| Since Inception *(10/31/96)* | 6.41 | 6.19 | 7.88 |

** 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 September 30, 2014***

| | ***Tweedy, Browne International Value Fund (Euro)†*** | ***MSCI EAFE (Hedged to US$/Euro)*** | ***MSCI EAFE (in US$/Euro)*** |
|---|---|---|---|
| 6 Months | 6.56% | 4.26% | 6.89% |
| 1 Year | 11.32 | 10.32 | 11.72 |
| 3 Years | 15.50 | 16.54 | 15.95 |
| 5 Years | 11.70 | 7.48 | 9.72 |
| 10 Years | 8.12 | 5.51 | 6.14 |
| Since Inception *(10/31/96)* | 9.20 | 4.82 | 4.71 |

** 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 US$ and its investments were hedged to US$. Effective May 17, 2004, the base currency of the sub-fund was changed to Euros and its investments were hedged to Euros. Performance results through June 30, 2004 are based on the percentage increase in US$ value of shares to May 17, 2004, and percentage increase in Euro value of shares thereafter. Accordingly, such performance figures do not represent the percentage increase in the US$ or Euro value of shares in the sub-fund over the whole of the indicated periods.*

*For comparative performance purposes, the linked MSCI EAFE (hedged to USD/Euro) and MSCI EAFE (in USD/Euro) indices are shown, and represent index performance for the applicable performance periods. Therefore, the most appropriate benchmark for the period prior to May 17, 2004 was the MSCI EAFE Index (hedged to USD) and MSCI EAFE (in USD); for the period thereafter, the most appropriate benchmark indexes are the MSCI EAFE Index (hedged to Euro) and MSCI EAFE Index (in Euro).*

**Tweedy, Browne International Value Fund (CHF)**

***Annualized Results* ending September 30, 2014***

| | *Tweedy, Browne International Value Fund (CHF)* | *MSCI EAFE (Hedged to CHF)* | *MSCI EAFE (in CHF)* |
|---|---|---|---|
| 6 Months | 3.93% | 4.12% | 5.97% |
| 1 Year | 8.08 | 10.02 | 10.16 |
| 3 Years | 13.74 | 16.22 | 15.58 |
| 5 Years | 9.91 | 7.12 | 4.82 |
| 10 Years | 6.25 | 4.80 | 3.75 |
| Since Inception *(10/31/96)* | 7.56 | 3.54 | 3.33 |

** 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 September 30, 2014***

| | *Tweedy, Browne Global High Dividend Value* | *MSCI World (Hedged to Euro)* | *MSCI World (in Euro)* |
|---|---|---|---|
| 6 Months | 6.09% | 5.20% | 11.93% |
| 1 Year | 10.48 | 14.97 | 20.23 |
| 3 Years | 12.77 | 18.83 | 20.32 |
| 5 Years | 9.78 | 10.74 | 14.15 |
| Since Inception *(6/1/07)* | 3.15 | 1.98 | 3.74 |

** 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 sub-Funds' 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 27 May 16, 2008.* ***Performance calculations are presented for Investor Shares****.*

As you can see from the performance summary, our Tweedy, Browne Sub-Funds produced returns for the one year period ending September 30 of between 7.58% to 11.32%. Longer term returns for our Sub-Funds remain favorable, and since their inceptions, all four of our Sub-Funds have bested their respective benchmarks net of fees and expenses.

We would caution our investors as we have on many occasions to try to avoid becoming consumed by near term index comparisons. This would appear to be somewhat self serving since over the last year or so, we have begun to underperform our benchmarks (in 3 of the 4 Sub-Funds) weighed down in part by increasing levels of cash reserves. While we believe index comparisons to be useful over the long term, the historical results of our benchmark indices in large measure represent the investment results of securities we do not own. It goes without saying that any portfolio that does not own exactly the same stocks in exactly the same proportions as that of the index to which it is being compared is not likely to have the same results as the index, i.e., different stocks equal different results. Furthermore, we believe that near term comparisons with indices are not necessarily predictive of what the future will hold.

In the notes following the performance charts contained herein for each of our Sub-Funds, we have always gone to great pains to point out the inherent inconsistency of equity returns, particularly in comparison to benchmark indices over shorter term measurement periods. We beg your indulgence while we once again address this. In a 1986 study entitled *Are Short-Term Performance and Value Investing Mutually Exclusive?*, Eugene Shahan, a Columbia University Business School alumnus and

then portfolio manager at U.S. Trust, analyzed the performance of seven money managers, about whom Warren Buffett had written in his well known article, *The Superinvestors of Graham-and-Doddsville*. Over long measurement periods ranging between 13 and 28 years, all of these value managers significantly outperformed the market as measured by the Dow Jones Industrial Average and the S&P 500; however, all, with the exception of Warren Buffett, went through periods of underperformance relative to these benchmarks, sometimes consecutive years of underperformance, ranging from one to six years. In today's environment, many of these managers would face losing clients for such results, but in each instance their firing would have been the wrong decision. In each of the records, unfavorable relative results over a given period did not predict the future favorable results that occurred, and favorable near term relative results were not always followed by future favorable comparative results. As Shahan concluded:

> *Unfortunately, there is no way to distinguish between a poor three-year stretch for a manager who will do well over 15 years, from a poor three-year stretch for a manager who will continue to do poorly. Nor is there any reason to believe that a manager who does well from the outset cannot continue to do well, and consistently.*

In all investment records there is an element of both luck and skill. Since a multitude of variables move stock prices around particularly in the short run, it is virtually impossible to divine skill from luck without a large sample size, i.e., a very long record. As Michael Mauboussin, the noted investment strategist and behavioralist, pointed out in his book entitled *The Success Equation*:

> *In a game of poker, a lucky amateur may beat a pro in a few hands but the pros edge would become clear as they played more hands…only a small percentage of investors possess enough skill to offset fees. As a result, investing, especially over relatively short periods of time, is more a matter of luck than of skill.*

Finally, if one measure of skill is, as we believe, whether the manager delivered returns that were greater than the risks assumed to produce those returns, then it would be paramount to examine the risks of the manager's portfolio as compared to the risks inherent in the index. If you believe as we do that risk cannot be adequately explained by a single number such as standard deviation of return, but is rather the potential for the respective portfolios to face future capital impairment, it becomes important to compare the fundamental character of the manager's portfolio to that of the benchmark. We do not spend much, if any, time studying the variability of our Sub-Fund returns as measured by statistical calculations such as standard deviation. But we can wax very intelligently about the fundamental risks our shareholders face in our Sub-Funds. In this regard, we believe our portfolios are hands down intrinsically less risky than the benchmark portfolios to which they are constantly being compared. Examined in that light, it would not only be possible but probably quite common for a good manager to deliver nominal returns which were less than those produced by the index but much better when evaluated against the risks assumed by the respective portfolios. In our industry, we all too often simply compare return streams to measures of respective return variance. We do it because it is easy, not necessarily because it is an adequate measure of skill. As we have mentioned before, Charlie Munger once said:

> *…that is you've got a complex system and it spews out a lot of wonderful numbers that enable you to measure some factors. But there are other factors that are terribly important. There's no precise numbering where you can put these factors. You know they're important, you don't have the numbers. Well practically everybody just overweights the stuff that can be numbered, because it yields to the statistical techniques they're taught in places like this, and doesn't mix*

*in the hard-to-measure stuff that may be more important. That is a mistake I've tried all my life to avoid, and I have no regrets for having done that.*

We would encourage all of you to do as Charlie has done over the years, to fight the tendency to find meaning and/or skill in "magic numbers," particularly in the short run.

***Our Sub-Fund Portfolios***

*Please note that individual companies discussed herein represent holdings in our Sub-Funds, but are not necessarily held in all four of our Sub-Funds.*

As we mentioned in the beginning of our letter, volatility returned to global equity markets towards the end of September. What had been modest concerns about the will of the European monetary authorities to do what was necessary to stimulate their economies turned into real unease as evidence increased that economies outside of the United States were indeed slowing. Just after quarter end, this unease became reflected in equity markets both abroad and in the United States, as rapidly declining oil prices and a rising U.S. dollar drove both U.S. and international market indices off their previous highs. Largely due to declines in energy related shares and an underweighting in U.S.-based companies, some of the gain that our Sub-Funds had achieved over the last year was given back in the weeks just after the end of the third quarter. That said, all four of our Sub-Funds finished the one year period ended September 30, 2014 with solid absolute returns ranging from 7.58% to 11.32%.

The price of oil as measured by Brent Crude declined approximately 19% from mid-June through September 30, 2014 ($115 to $93). While the bulk of our portfolio continued to make financial progress, and we had some very nice returns in several of our pharmaceutical, financial and defense holdings, we faced significant headwinds in our energy related holdings at the end of the third quarter. With declining oil prices driving oil shares lower, it is easy to lose sight of the longer term fundamental case for oil and gas. While we have no clue as to what will happen to oil prices in the short run, we believe over the longer term, the supply/demand equation for oil and gas should remain relatively tight, due to declining production curves, increasing demand, and higher finding and development costs. At the margin, experts suggest that the marginal cost today of finding and developing a barrel of oil is approximately $80 to as much as $100 per barrel. To a great extent, lower cost oil discovered and developed years ago is today being replaced by higher cost oil, i.e., oil from unconventional sources such as deep-water offshore and shale deposits. While Saudi Arabia remains a significant unknown factor in the near term pricing of oil because of its ability to substantially increase or decrease production, longer term factors, in our judgment, remain very favorable. Furthermore, we believe the oil and gas companies in our Sub-Fund portfolios have significant financial resources and attractive production growth profiles. Many of these companies also generate cash flow that is currently being used to pay increasing dividends as we wait for longer term value recognition in our shares.

Portfolio activity over the last year was somewhat modest. We added to our positions in Bangkok Bank, DBS Group, TNT Express, Safran, SCOR, and Vallourec, among others, and sold or reduced our positions in Union Pacific, Canon, Daily Mail & General Trust, Henkel KGaA, among others, as well as in several Japanese holdings. We also established positions in Standard Chartered, Cenovus Energy, and Antofagasta, among others, and began building positions in a few new companies including a Canadian listed South American oil and gas company, a South American beverage bottler, and a leading U.S.-based wireless communications company.

A few words about our Global High Dividend Value Sub-Fund are in order, as it has trailed our other Sub-Funds over the last three years with respect to benchmark comparisons. It is important to note that our Sub-Fund does not own highly leveraged real estate companies and regulated utilities, but rather is focused on under-leveraged companies around the globe that are undervalued and pay a dividend

yield north of the market averages. As you can imagine, in this artificial environment where monetary authorities have kept interest rates at rock bottom levels starving investors of any yield on most fixed income investments, money has flowed aggressively into dividend paying companies where investors can find yields of 4% or more.* This has in turn caused an increase in valuations for dividend paying companies and made it inordinately difficult for value-driven investors such as ourselves to put money to work at disciplined prices. The result has been an above average level of cash reserves in our Sub-Fund which has been a drag on results since the difficult market of 2011 when our dividend fund was our best performing Sub-Fund. The volatility in early October harkens back to those days, and if it continues, this Sub-Fund should continue to provide welcome ballast in the storm.

One final note about our Sub-Fund portfolios. Increases in Sub-Fund flows and climbing equity valuations over the last several years have led to above average cash reserve levels in our Sub-Funds. As a reminder, so as not to potentially dilute our existing shareholders' returns in this difficult environment, we continue to temporarily restrict the inflow of subscriptions into the four Sub-Funds. Bi-monthly subscriptions have been limited to a net subscription amount of 5 million U.S. dollars in the Tweedy, Browne Value Fund Fund (USD) and net subscription amounts of 5 million Euros in the case of the Tweedy, Browne International Value Fund (Euro) and the Tweedy, Browne Global High Dividend Fund. The Tweedy, Browne International Value Fund (CHF), because of its larger asset base, has a 10 million Swiss Franc net subscription limit. We have always maintained that first and foremost our principal responsibility is to do what we deem to be in the best interest of our current investors.

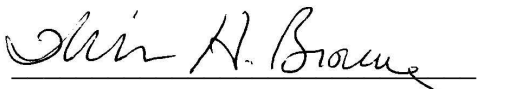
***Looking Forward***

The VIX (a popular index and proxy for U.S. equity market volatility) rose like a phoenix in late September and October, catching investors off guard, and once again injecting some much needed skepticism into financial markets. In a fascinating study linking risk taking to physical responses to stress, John Coates, a research fellow at the University of Cambridge, studied the impact of market volatility on 17 London based traders, and found that their cortisol (stress hormone) levels rose 68% over an eight day period as volatility increased. Subsequent studies apparently found this cortisol response to volatility to be quite common in the financial community. In a follow-up study, Coates' colleagues from the department of medicine pharmacologically raised the cortisol levels of another group of volunteers by 69% over eight days and found that their risk appetite, as gauged by means of a computerized gambling task, declined by 44%. Coates drew the inference that when market volatility "rises for a long period, the prolonged uncertainty leads us to subconsciously conclude that we no longer understand what is happening and then cortisol scales back our risk taking."

* *Stocks and bonds are subject to different risks. In general, stocks are subject to greater price fluctuations and volatility than bonds and can decline significantly in value in response to adverse issuer, political, regulatory, market, or economic developments. Unlike stocks, if held to maturity, bonds generally offer to pay both a fixed rate of return and a fixed principal value. Bonds are subject to interest rate risk (as interest rates rise bond prices generally fall), the risk of issuer default, issuer credit risk, and inflation risk.*

In contrast to the biological responses of Coates' traders are the dispassionate responses of value investors. As we mentioned in a previous shareholder letter, Jason Zweig, the noted Wall Street Journal columnist and author of *Your Money and Your Brain* (2007), credited much of the investment success of value investors such as Warren Buffett and Benjamin Graham to being "inversely emotional," i.e., sharing a quality that goes beyond calm, "a certain imperturbability or implacability." Zweig used a classical Greek term, "ataraxia," to describe the state of not being bothered by the things that bother most people. Perhaps we share the affliction. While we were somewhat chagrined to see our oil stocks take it on the chin in late September and early October, we welcomed the increase in market volatility. As Warren Buffett has said on numerous occasions, a long-term consumer of equity securities should welcome pullbacks in equity markets, which afford them the opportunity to buy interests in businesses at attractive prices. We absolutely concur. While the recent volatility has been unsettling to many, it does carry with it potential opportunities to put some of our cash reserves to work. Thank you for investing with us, and for your continued confidence.

Sincerely,



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

October 2014

# ANNUAL REPORT
# September 30, 2014

# Tweedy,
# Browne
# Value Funds

**INVESTMENT COMPANY WITH**
**VARIABLE SHARE CAPITAL**
**ORGANIZED UNDER THE LAWS**
**OF THE GRAND DUCHY OF LUXEMBOURG**

***(SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE)***

**SUB-FUND:**
Tweedy, Browne Value Fund (USD)

No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest Annual Report and latest Semi-Annual Report if published thereafter.

Ernst & Young
Société anonyme

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Building a better working world

# Independent Auditor's Report

To the Shareholders of,
Tweedy, Browne Value Funds
49, avenue J.F. Kennedy
L-1855 Luxembourg

We have audited the financial statements ("the full financial statements") of Tweedy, Browne Value Funds and of each of its sub-funds (the "Fund") for the year ended September 30, 2014, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". In our report dated December 15, 2014 we expressed an unqualified opinion on the full financial statements. These abridged financial statements comprise the statement of assets and liabilities and the schedule of investments of Tweedy, Browne Value Fund (USD) as at September 30, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Fund's and of each of its sub-fund's financial position as at September 30, 2014 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

Ernst &Young
Société anonyme
Cabinet de révision agréé

Kerry Nichol

Luxembourg, December 15, 2014



A member firm of Ernst & Young Global Limited

## Tweedy, Browne Value Fund (USD)

### *Statement of Assets and Liabilities*

**As at September 30, 2014**
**Expressed in US ($)**

| | | |
|---|---|---|
| **ASSETS** | | |
| Investments, at market value (Cost $ 100,071,231) (Note 2) | $ | 165,341,018 |
| Cash (Note 11) | | 20,304,508 |
| Receivable for securities sold | | 1,439,168 |
| Dividends and interest receivable | | 339,483 |
| ***Total Assets*** | | 187,424,177 |
| **LIABILITIES** | | |
| Distribution fees payable (Note 4) | | 513,995 |
| Investment management fees payable (Note 4) | | 331,263 |
| Accrued expenses and other payables | | 150,711 |
| ***Total Liabilities*** | | 995,969 |
| ***Net Assets*** | $ | 186,428,208 |
| **NET ASSETS** | | |
| *Attributable to Investor Shares* | | |
| $ 226.63 per share based on 459,217 shares outstanding | $ | 104,071,154 |
| *Attributable to Manager Shares* | | |
| $ 52,500.06 per share based on 1,569 shares outstanding | $ | 82,357,054 |
| | $ | 186,428,208 |

**STATISTICAL INFORMATION**

| | | FYE 2014 | | FYE 2013 | | FYE 2012 |
|---|---|---|---|---|---|---|
| Net Asset Value | $ | 186,428,208 | $ | 171,640,902 | $ | 135,919,196 |
| *Per Investor Share* | $ | 226.63 | $ | 210.66 | $ | 177.51 |
| *Per Manager Share* | $ | 52,500.06 | $ | 47,955.61 | $ | 39,724.45 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Value Fund (USD)

## *Statement of Operations and Changes in Net Assets*

**Year ended September 30, 2014**
**Expressed in US ($)**

| | | |
|---|---|---|
| **INVESTMENT INCOME** | | |
| Dividends (net of foreign withholding taxes of $ 813,617) (Note 2) | $ | 3,805,862 |
| Interest (Note 2) | | 1,109 |
| Other income | | 259 |
| ***Total Investment Income*** | | 3,807,230 |
| **EXPENSES** | | |
| Investment management fees (Note 4) | | 1,277,693 |
| Distribution fees (Note 4) | | 511,077 |
| Custodian fees | | 292,035 |
| Professional fees | | 156,665 |
| Taxes d'abonnement (Note 6) | | 92,086 |
| Directors' fees and other expenses (Note 7) | | 106,847 |
| ***Total Expenses*** | | 2,436,403 |
| ***Net Investment Income*** | | 1,370,827 |
| **REALIZED AND UNREALIZED GAIN / (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES** | | |
| Net realized gain/(loss) on: | | |
| Investments | | 6,248,377 |
| Foreign currencies | | (40,885) |
| ***Net Realized Gain on Investments and Foreign Currencies during the year*** | | 6,207,492 |
| Net change in unrealized appreciation / (depreciation) on: | | |
| Investments | | 7,023,750 |
| Foreign currencies | | (11,453) |
| ***Net change in Unrealized Appreciation on Investments and Foreign Currencies during the year*** | | 7,012,297 |
| ***Net Realized and Unrealized Gain on Investments and Foreign Currencies during the year*** | | 13,219,789 |
| ***Net Increase in Net Assets Resulting From Operations*** | | 14,590,616 |
| Net capital movement | | 196,690 |
| **NET ASSETS** | | |
| ***Beginning of year*** | $ | 171,640,902 |
| ***End of Year*** | $ | 186,428,208 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Value Fund (USD)

## *Schedule of Investments*

**As at September 30, 2014**
**Expressed in US ($)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Transferable securities traded on a regulated market*** | | | |
| ***Equity Securities*** | | | |
| ***Brazil*** | | | |
| Banco Santander Brasil (ADS) | 208,415 | $ 1,363,034 | 0.73 % |
| ***Chile*** | | | |
| Embotelladora Andina SA | 326,000 | 873,161 | 0.47 |
| ***Colombia*** | | | |
| Pacific Rubiales Energy Corporation | 108,600 | 1,824,981 | 0.98 |
| ***France*** | | | |
| CNP Assurances | 75,600 | 1,423,930 | 0.76 |
| Safran SA | 59,925 | 3,889,479 | 2.09 |
| Total SA | 114,630 | 7,450,286 | 3.99 |
| Vallourec SA | 53,760 | 2,472,688 | 1.33 |
| | | 15,236,383 | 8.17 |
| ***Germany*** | | | |
| Axel Springer SE | 90,010 | 4,956,406 | 2.66 |
| Henkel KGaA | 37,959 | 3,547,947 | 1.90 |
| Muenchener Rueckversicherungs AG (Registered) | 9,850 | 1,947,953 | 1.05 |
| | | 10,452,306 | 5.61 |
| ***Hong Kong*** | | | |
| Great Eagle Holdings Ltd. | 134,262 | 456,468 | 0.24 |
| ***Japan*** | | | |
| Honda Motor Company Ltd. | 40,600 | 1,406,445 | 0.75 |
| SEC Carbon Ltd. | 60,600 | 167,942 | 0.09 |
| | | 1,574,387 | 0.84 |
| ***Netherlands*** | | | |
| Akzo Nobel NV (sponsored ADR) | 105,978 | 2,402,521 | 1.29 |
| Heineken NV | 49,970 | 3,739,501 | 2.00 |
| Royal Dutch Shell PLC (A Shares) | 154,149 | 5,905,148 | 3.17 |
| TNT Express NV | 270,907 | 1,715,908 | 0.92 |
| Unilever NV (NY Shares) | 71,337 | 2,830,652 | 1.52 |
| | | 16,593,730 | 8.90 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Value Fund (USD)

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in US ($)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Singapore*** | | | |
| DBS Group Holdings Ltd. | 132,579 | $ 1,914,926 | 1.03 % |
| United Overseas Bank Ltd. | 159,900 | 2,808,563 | 1.50 |
| | | 4,723,489 | 2.53 |
| ***Switzerland*** | | | |
| Nestlé SA (sponsored ADR) | 87,085 | 6,412,068 | 3.44 |
| Novartis AG (Registered) | 89,630 | 8,456,457 | 4.54 |
| Roche Holding AG | 26,900 | 7,970,058 | 4.28 |
| Zurich Insurance Group AG | 11,160 | 3,326,392 | 1.78 |
| | | 26,164,975 | 14.04 |
| ***Thailand*** | | | |
| Bangkok Bank PCL (sponsored NVDR) | 283,200 | 1,781,736 | 0.96 |
| ***United Kingdom*** | | | |
| Antofagasta PLC | 160,185 | 1,872,321 | 1.00 |
| BAE Systems PLC | 59,780 | 456,942 | 0.25 |
| Diageo PLC (sponsored ADR) | 37,525 | 4,330,385 | 2.32 |
| G4S PLC | 626,962 | 2,548,114 | 1.37 |
| Headlam Group PLC | 120,000 | 797,606 | 0.43 |
| HSBC Holdings PLC | 247,461 | 2,511,734 | 1.35 |
| Imperial Tobacco Group PLC | 64,754 | 2,796,560 | 1.50 |
| Provident Financial PLC | 65,349 | 2,262,890 | 1.21 |
| Standard Chartered PLC | 287,122 | 5,308,661 | 2.85 |
| | | 22,885,213 | 12.28 |
| ***United States*** | | | |
| American National Insurance Company | 18,000 | 2,023,200 | 1.09 |
| Baxter International, Inc. | 34,634 | 2,485,682 | 1.33 |
| Berkshire Hathaway, Inc. - Class A | 21 | 4,344,900 | 2.33 |
| Berkshire Hathaway, Inc. - Class B | 3,950 | 545,653 | 0.29 |
| Cisco Systems, Inc. | 118,200 | 2,975,094 | 1.60 |
| ConocoPhillips | 44,650 | 3,416,618 | 1.83 |
| Devon Energy Corporation | 77,250 | 5,266,905 | 2.82 |
| Emerson Electric Company | 37,511 | 2,347,438 | 1.26 |
| Google, Inc. - Class A | 1,745 | 1,026,776 | 0.55 |
| Google, Inc. - Class C | 1,745 | 1,007,493 | 0.54 |
| Halliburton Company | 79,800 | 5,147,898 | 2.76 |
| Johnson & Johnson | 57,681 | 6,148,218 | 3.30 |
| Joy Global, Inc. | 35,000 | 1,908,900 | 1.02 |
| Leucadia National Corporation | 59,492 | 1,418,289 | 0.76 |
| National Western Life Insurance Company - Class A | 10,528 | 2,600,521 | 1.39 |
| Philip Morris International, Inc. | 25,825 | 2,153,805 | 1.16 |
| The Bank of New York Mellon Corporation | 101,000 | 3,911,730 | 2.10 |
| Torchmark Corporation | 67,632 | 3,541,888 | 1.90 |
| Unifirst Corporation | 16,330 | 1,577,315 | 0.85 |

**SEE NOTES TO FINANCIAL STATEMENTS**

## Tweedy, Browne Value Fund (USD)

### *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in US ($)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***United States (continued)*** | | | |
| Wal-Mart Stores, Inc. | 42,600 | $ 3,257,622 | 1.75 % |
| Wells Fargo & Company | 83,000 | 4,305,210 | 2.31 |
| | | 61,411,155 | 32.94 |
| ***Total Equity Securities*** | | $ 165,341,018 | 88.69 % |
| ***Total Investments*** | | $ 165,341,018 | 88.69 % |
| Other Net Assets | | 21,087,190 | 11.31 % |
| ***Total Net Assets*** | | $ 186,428,208 | 100.00 % |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Value Fund (USD)

## *Notes to Financial Statements*

**1. Description of the Fund**

Tweedy, Browne Value Fund (USD) (the "USD Sub-Fund") is a separate investment portfolio of Tweedy, Browne Value Funds (the "Fund"). The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*. Within each Sub-Fund, two classes of shares are established, one class is issued to the investors (the "Investor Shares") and the other class issued exclusively for the benefit of the members of the Investment Manager (the "Manager Shares").

The Fund is registered pursuant to Part I of the Law of December 17, 2010 on undertakings for collective investment, as amended, and is an Undertaking for the Collective Investment in Transferable Securities ("UCITS") and the Directive 2009/65/EC of the European Parliament and of the Council.

The Fund was incorporated on October 30, 1996 and commenced operations on November 1, 1996.

These financial statements relate solely to the Tweedy, Browne Value Fund (USD).

The combined financial statements, as well as financial statements for each Sub-Fund of the Fund, are available upon request from the Administrator at the registered office of the Fund.

**2. Significant Accounting Policies**

These financial statements are presented in accordance with generally accepted accounting principles in Luxembourg applicable to investment funds. The preparation of financial statements in accordance with generally accepted accounting principles 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.

***Portfolio Valuation***

The valuation of investments in securities and money market instruments listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally their principal market. The value of securities dealt in on any other regulated market that operates regularly and is recognized and is open to the public (a "Regulated Market") is based on the last available price. In the event that any investments are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to investments listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price is not representative of the fair market value of the relevant investments, the value of such investments is based on the reasonably foreseeable sales price determined prudently and in good faith by or under procedures established by the Board of Directors.

***Foreign Currency Translation***

The books and records of the USD Sub-Fund are maintained in U.S. dollars. The values of all assets and liabilities not expressed in the base currency are converted into the base currency at rates last quoted by any major bank or by Reuters America Inc. Purchases and sales of foreign investments, income, and expenses initially expressed in foreign currencies are converted each business day into each sub-fund's base currency based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. In the event that an exchange rate is not available for a particular currency on a valuation date, the last quoted exchange rate will be used. If such quotation is not available, the rate of exchange is determined in good faith by or under procedures established by the Board of Directors.

***Securities Transactions and Net Investment Income***

Securities transactions are recorded as of the day after the trade date. Dividend income is recorded on the ex-dividend date and interest is recorded on the accrual basis as earned. Realized gains and losses from securities transactions are recorded on the historical cost basis using the specific identification method.

# Tweedy, Browne Value Fund (USD)

## *Notes to Financial Statements (continued)*

**3. Distribution to Investors**

All shares are issued as capitalization shares that capitalize their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of the USD Sub-Fund will be distributed to investors.

**4. Investment Management Fees and Distribution Fees**

The Investment Manager of the Fund is Tweedy, Browne Company LLC (the "Investment Manager"). The USD Sub-Fund has agreed to pay the Investment Manager, quarterly in arrears, an investment management fee, at an annual rate of 1.25% of the average aggregate Net Asset Value of the Investor Shares of the USD Sub-Fund computed as of the close of business on the applicable valuation date. The investment management fee payable to the Investment Manager will be borne by the Investor Shares of the USD Sub-Fund and accrued fees will be deducted in determining the Net Asset Value of Investor Shares. No investment management fee will be charged on or borne by Manager Shares of the USD Sub-Fund.

During the fiscal year end, the USD Sub-Fund also paid a distribution fee of 0.5% per annum of the average Net Asset Value of Investor Shares of the USD Sub-Fund. The distribution was paid to third-party distributors of Investor Shares or to persons responsible for introducing investors to the Fund or, if such persons are not compensated for such sales, to Tweedy, Browne Company LLC as Placement Manager. Effective September 30, 2014, the Fund discontinued the distribution fee to third-party distributors.

**5. Statements of Portfolio Changes**

The schedule of changes in investment portfolio during the reference period can be obtained free of charge at the registered office of the Fund and from the representative and paying agent in Switzerland and Germany.

**6. Taxation**

The USD Sub-Fund is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the USD Sub-Fund liable to any Luxembourg withholding tax. The USD Sub-Fund is however liable in Luxembourg to a tax ("taxe d' abonnement") of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the USD Sub-Fund at the end of the relevant quarter. No Luxembourg tax is payable on the realized capital appreciation of the assets of the USD Sub-Fund.

Dividend and interest income of the USD Sub-Fund, and in certain cases its capital gains, may be subject to withholding taxes at source.

**7. Directors' Fees**

The Directors of the Fund, other than William H. Browne, each receive an annual fee of Euro 30,000 net of withholding tax if applicable, which is paid by the Fund. Such fees have been recorded as part of Directors' fees and other expenses in the Statement of Operations and Changes in Net Assets.

**8. Total Expense Ratio on Investor Shares** [*]

| | | |
|---|---|---|
| Year-end Expenses | $ | 2,148,314 |
| Average Net Assets | $ | 102,140,887 |
| Total Expense Ratio (TER) | | 2.10 % |

[*] The TER and PTR have been determined in accordance with the "Guidelines on the Calculation and Disclosure of the TER and PTR", which were published by the Swiss Funds Association SFA on May 16, 2008.

# Tweedy, Browne Value Fund (USD)

## *Notes to Financial Statements (continued)*

**9. Portfolio Turnover Ratio** *

The portfolio turnover figure for the USD Sub-Fund as of September 30, 2014 is 49.16%.

The portfolio turnover ratio shown in this report is required to be reported pursuant to the Guidelines published by the Swiss Funds Association and does not represent the normalized turnover of the USD Sub-Fund's equity securities alone. The turnover of the USD Sub-Fund's equity securities alone for this period was 8.63%. This number is derived by dividing the lesser of equity purchases or sales by the USD Sub-Fund's average monthly value for the period.

**10. Transaction Costs**

During the year ended September 30, 2014 the USD Sub-Fund has incurred transaction costs of US $ 82,808, which are composed of brokerage costs.

**11. Cash**

The cash balance, at September 30, 2014, includes US$ 14,999,640 relating to a United States Treasury Bill 0.00% with maturity date 11/28/2014.

**12. Subsequent Events**

As of October 1, 2014, AMG Distributors, Inc., an affiliate of the Investment Manager, has been appointed distribution manager of the USD Sub-Fund.

# Tweedy, Browne Value Fund (USD)

## *Information for Shareholders*

**Determination of Global Exposure**

The methodology used in order to calculate the Global Exposure resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

# ANNUAL REPORT
# September 30, 2014

# Tweedy,
# Browne
# Value Funds

**INVESTMENT COMPANY WITH**
**VARIABLE SHARE CAPITAL**
**ORGANIZED UNDER THE LAWS**
**OF THE GRAND DUCHY OF LUXEMBOURG**

***(SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE)***

**SUB-FUND:**
Tweedy, Browne International Value Fund (Euro)

No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest Annual Report and latest Semi-Annual Report if published thereafter.

Ernst & Young
Société anonyme

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Building a better working world

# Independent Auditor's Report

To the Shareholders of
Tweedy, Browne Value Funds
49, avenue J.F. Kennedy
L-1855 Luxembourg

We have audited the financial statements ("the full financial statements") of Tweedy, Browne Value Funds and of each of its sub-funds (the "Fund") for the year ended September 30, 2014, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". In our report dated December 15, 2014 we expressed an unqualified opinion on the full financial statements. These abridged financial statements comprise the statement of assets and liabilities and the schedules of investments and forward exchange contracts of Tweedy, Browne International Value Fund (Euro) as at September 30, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Fund's and of each of its sub-fund's financial position as at September 30, 2014 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

Ernst &Young
Société anonyme
Cabinet de révision agréé

KNichol

Kerry Nichol

Luxembourg, December 15, 2014



A member firm of Ernst & Young Global Limited

# Tweedy, Browne International Value Fund (Euro)

## *Statement of Assets and Liabilities*

**As at September 30, 2014**
**Expressed in Euros (€)**

| | | |
|---|---|---|
| **ASSETS** | | |
| Investments, at market value (Cost € 72,325,741) (Note 2) | € | 116,419,076 |
| Cash | | 15,011,801 |
| Receivable for securities sold | | 1,101,203 |
| Dividends and interest receivable | | 264,619 |
| Receivable for Fund shares sold | | 1,044 |
| ***Total Assets*** | | 132,797,743 |
| **LIABILITIES** | | |
| Net unrealised loss on forward exchange contracts (Note 2) | | 1,613,428 |
| Distribution fees payable (Note 4) | | 605,549 |
| Investment management fees payable (Note 4) | | 365,587 |
| Accrued expenses and other payables | | 127,350 |
| ***Total Liabilities*** | | 2,711,914 |
| ***Net Assets*** | € | 130,085,829 |
| **NET ASSETS** | | |
| *Attributable to Investor Shares* | | |
| € 84.74 per share based on 1,361,219 shares outstanding | € | 115,354,087 |
| *Attributable to Manager Shares* | | |
| € 229.42 per share based on 64,212 shares outstanding | € | 14,731,742 |
| | € | 130,085,829 |

**STATISTICAL INFORMATION**

| | | **FYE 2014** | | **FYE 2013** | | **FYE 2012** |
|---|---|---|---|---|---|---|
| Net Asset Value | € | 130,085,829 | € | 132,105,878 | € | 103,904,366 |
| *Per Investor Share* | € | 84.74 | € | 76.12 | € | 66.69 |
| *Per Manager Share* | € | 229.42 | € | 202.48 | € | 174.37 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Statement of Operations and Changes in Net Assets*

**Year ended September 30, 2014**
**Expressed in Euros (€)**

| | | |
|---|---|---|
| **INVESTMENT INCOME** | | |
| Dividends (net of foreign withholding taxes of € 470,050) (Note 2) | € | 3,025,116 |
| ***Total Investment Income*** | | 3,025,116 |
| **EXPENSES** | | |
| Investment management fees (Note 4) | | 1,495,850 |
| Distribution fees (Note 4) | | 598,340 |
| Custodian fees | | 227,563 |
| Professional fees | | 113,989 |
| Taxes d'abonnement (Note 6) | | 66,186 |
| Directors' fees and other expenses (Note 7) | | 69,231 |
| ***Total Expenses*** | | 2,571,159 |
| ***Net Investment Income*** | | 453,957 |
| **REALIZED AND UNREALIZED GAIN / (LOSS) ON INVESTMENTS, FOREIGN CURRENCIES, AND FORWARD EXCHANGE CONTRACTS** | | |
| Net realized gain on: | | |
| Investments | | 7,259,606 |
| Foreign currencies and forward exchange contracts | | 649,827 |
| ***Net Realized Gain on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 7,909,433 |
| *Net change in unrealized appreciation / (depreciation) on:* | | |
| Investments | | 8,632,088 |
| Foreign currencies and forward exchange contracts | | (2,423,111) |
| ***Net Unrealized Appreciation on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 6,208,977 |
| ***Net Realized and Unrealized Gain on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 14,118,410 |
| ***Net Increase in Net Assets Resulting From Operations*** | | 14,572,367 |
| Net capital movement | | (16,592,416) |
| **NET ASSETS** | | |
| ***Beginning of year*** | € | 132,105,878 |
| ***End of Year*** | € | 130,085,829 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Schedule of Investments*

**As at September 30, 2014**
**Expressed in Euros (€)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Transferable securities traded on a regulated market*** | | | |
| ***Equity Securities*** | | | |
| ***Brazil*** | | | |
| Banco Santander Brasil (ADS) | 189,690 | € 982,048 | 0.75 % |
| ***Canada*** | | | |
| Lassonde Industries, Inc. - Class A | 1,785 | 155,520 | 0.12 |
| ***Chile*** | | | |
| Embotelladora Andina SA | 319,300 | 676,996 | 0.52 |
| ***Colombia*** | | | |
| Pacific Rubiales Energy Corporation | 102,700 | 1,366,186 | 1.05 |
| ***France*** | | | |
| CNP Assurances | 132,400 | 1,974,084 | 1.52 |
| Safran SA | 73,310 | 3,766,668 | 2.89 |
| Teleperformance | 36,660 | 1,795,607 | 1.38 |
| Total SA | 110,035 | 5,661,301 | 4.35 |
| Vallourec SA | 49,965 | 1,819,225 | 1.40 |
| | | 15,016,885 | 11.54 |
| ***Germany*** | | | |
| Axel Springer SE | 83,790 | 3,652,406 | 2.81 |
| Henkel KGaA | 25,895 | 1,915,971 | 1.47 |
| Muenchener Rueckversicherungs AG (Registered) | 9,180 | 1,437,129 | 1.11 |
| | | 7,005,506 | 5.39 |
| ***Hong Kong*** | | | |
| Asia Financial Holdings Ltd. | 830,000 | 260,611 | 0.20 |
| Great Eagle Holdings Ltd. | 137,678 | 370,537 | 0.29 |
| | | 631,148 | 0.49 |
| ***Italy*** | | | |
| Davide Campari-Milano SpA | 141,270 | 807,358 | 0.62 |
| SOL SpA | 118,500 | 734,700 | 0.57 |
| | | 1,542,058 | 1.19 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in Euros (€)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Japan*** | | | |
| Honda Motor Company Ltd. | 58,000 | € 1,590,507 | 1.22 % |
| ***Netherlands*** | | | |
| Heineken NV | 59,340 | 3,515,301 | 2.70 |
| Royal Dutch Shell PLC (A Shares) | 145,621 | 4,415,957 | 3.40 |
| TNT Express NV | 293,546 | 1,471,840 | 1.13 |
| Unilever NV CVA | 93,232 | 2,939,605 | 2.26 |
| | | 12,342,703 | 9.49 |
| ***Norway*** | | | |
| Schibsted ASA | 30,895 | 1,328,172 | 1.02 |
| ***Singapore*** | | | |
| DBS Group Holdings Ltd. | 280,384 | 3,205,835 | 2.46 |
| Metro Holdings Ltd. | 2,007,600 | 1,121,549 | 0.86 |
| United Overseas Bank Ltd. | 189,600 | 2,636,239 | 2.03 |
| | | 6,963,623 | 5.35 |
| ***South Korea*** | | | |
| Daegu Department Store Company | 37,435 | 459,146 | 0.35 |
| Samyang Holdings Corporation | 1,834 | 119,695 | 0.09 |
| | | 578,841 | 0.44 |
| ***Switzerland*** | | | |
| Coltene Holding AG (Registered) | 3,200 | 155,091 | 0.12 |
| Nestlé SA (Registered) | 66,700 | 3,881,970 | 2.98 |
| Novartis AG (Registered) | 84,235 | 6,291,270 | 4.84 |
| Roche Holding AG | 23,115 | 5,421,430 | 4.17 |
| Tamedia AG (Registered) | 8,142 | 851,276 | 0.65 |
| Zurich Insurance Group AG | 10,300 | 2,430,285 | 1.87 |
| | | 19,031,322 | 14.63 |
| ***Thailand*** | | | |
| Bangkok Bank PCL (sponsored NVDR) | 341,600 | 1,701,292 | 1.31 |
| ***United Kingdom*** | | | |
| Antofagasta PLC | 140,685 | 1,301,718 | 1.00 |
| BAE Systems PLC | 229,600 | 1,389,273 | 1.07 |
| Diageo PLC | 142,758 | 3,270,187 | 2.51 |
| G4S PLC | 881,760 | 2,836,865 | 2.18 |
| Headlam Group PLC | 119,900 | 630,866 | 0.49 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in Euros (€)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***United Kingdom (continued)*** | | | |
| HSBC Holdings PLC | 322,900 | € 2,594,453 | 1.99 % |
| Imperial Tobacco Group PLC | 61,777 | 2,112,005 | 1.62 |
| Pearson PLC | 104,220 | 1,658,467 | 1.28 |
| Provident Financial PLC | 63,650 | 1,744,752 | 1.34 |
| Standard Chartered PLC | 289,100 | 4,231,334 | 3.25 |
| | | 21,769,920 | 16.73 |
| ***United States*** | | | |
| Baxter International, Inc. | 27,600 | 1,568,060 | 1.21 |
| Berkshire Hathaway, Inc. - Class A | 19 | 3,111,894 | 2.39 |
| Berkshire Hathaway, Inc. - Class B | 495 | 54,130 | 0.04 |
| ConocoPhillips | 21,840 | 1,322,935 | 1.02 |
| Devon Energy Corporation | 37,500 | 2,023,946 | 1.56 |
| Google, Inc. - Class A | 2,100 | 978,160 | 0.75 |
| Google, Inc. - Class C | 2,100 | 959,791 | 0.74 |
| Halliburton Company | 59,185 | 3,022,383 | 2.32 |
| Johnson & Johnson | 57,000 | 4,809,523 | 3.70 |
| Joy Global, Inc. | 62,000 | 2,676,810 | 2.06 |
| National Oilwell Varco, Inc. | 24,000 | 1,445,795 | 1.11 |
| NOW, Inc. | 6,000 | 144,437 | 0.11 |
| Philip Morris International, Inc. | 24,515 | 1,618,485 | 1.24 |
| | | 23,736,349 | 18.25 |
| ***Total Equity Securities*** | | € 116,419,076 | 89.49 % |
| ***Total Investments*** | | € 116,419,076 | 89.49 % |
| Other Net Assets | | 13,666,753 | 10.51 % |
| ***Total Net Assets*** | | € 130,085,829 | 100.00 % |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Schedule of Forward Exchange Contracts*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Buy* | | | | |
| Brazilian Real | | | | |
| | State Street Bank | 240,000 | 01/05/15 | € 6,829 |
| | State Street Bank | 380,000 | 01/05/15 | 13,500 |
| | State Street Bank | 1,100,000 | 01/05/15 | (6,013) |
| Japanese Yen | | | | |
| | State Street Bank | 9,563,200 | 04/07/15 | (293) |
| | State Street Bank | 75,000,000 | 04/07/15 | (7,431) |
| | JP Morgan Chase | 28,000,000 | 12/24/15 | (921) |
| | | | | € 5,671 |

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Sell* | | | | |
| Brazilian Real | | | | |
| | State Street Bank | 3,343,335 | 01/05/15 | € (102,376) |
| | State Street Bank | 689,204 | 04/02/15 | (11,864) |
| | State Street Bank | 684,950 | 05/05/15 | (8,649) |
| Canadian Dollar | | | | |
| | State Street Bank | 1,168,976 | 07/23/15 | (24,977) |
| Hong Kong Dollar | | | | |
| | JP Morgan Chase | 1,642,067 | 07/03/15 | (11,942) |
| | State Street Bank | 1,612,116 | 09/23/15 | (3,630) |
| Japanese Yen | | | | |
| | State Street Bank | 84,563,200 | 04/07/15 | 29,457 |
| | JP Morgan Chase | 145,559,400 | 12/24/15 | (1,703) |
| Norwegian Krone | | | | |
| | State Street Bank | 2,396,503 | 12/19/14 | (14,397) |
| | State Street Bank | 3,026,565 | 09/23/15 | (7,428) |

**SEE NOTES TO FINANCIAL STATEMENTS**

## Tweedy, Browne International Value Fund (Euro)

### *Schedule of Forward Exchange Contracts (continued)*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Sell (continued)* | | | | |
| Pound Sterling | | | | |
| | State Street Bank | 166,253 | 02/12/15 | € (12,865) |
| | State Street Bank | 1,241,685 | 04/17/15 | (87,622) |
| | State Street Bank | 412,723 | 07/03/15 | (16,658) |
| | State Street Bank | 2,807,385 | 09/02/15 | (75,333) |
| | State Street Bank | 1,280,039 | 09/18/15 | (39,347) |
| | State Street Bank | 1,263,328 | 10/02/15 | (7,349) |
| Singapore Dollar | | | | |
| | JP Morgan Chase | 1,107,974 | 10/24/14 | (27,619) |
| | JP Morgan Chase | 1,592,192 | 11/28/14 | (37,844) |
| | State Street Bank | 707,300 | 12/19/14 | (28,759) |
| | JP Morgan Chase | 2,049,170 | 07/03/15 | (68,842) |
| South Korean Won | | | | |
| | State Street Bank | 382,900,000 | 09/02/15 | (3,206) |
| Swiss Franc | | | | |
| | State Street Bank | 2,089,547 | 11/14/14 | (31,256) |
| | State Street Bank | 2,395,536 | 11/28/14 | (34,806) |
| | State Street Bank | 572,515 | 02/12/15 | (4,552) |
| | State Street Bank | 4,090,317 | 04/17/15 | (21,328) |
| | State Street Bank | 2,171,952 | 10/02/15 | (2,025) |
| Thailand Baht | | | | |
| | State Street Bank | 16,797,001 | 05/29/15 | (35,052) |
| | State Street Bank | 15,227,794 | 06/05/15 | (32,073) |
| U.S. Dollar | | | | |
| | State Street Bank | 2,849,004 | 11/28/14 | (134,403) |
| | JP Morgan Chase | 1,931,163 | 12/12/14 | (107,956) |
| | State Street Bank | 1,371,160 | 12/31/14 | (84,718) |
| | State Street Bank | 3,313,968 | 04/17/15 | (219,170) |
| | JP Morgan Chase | 1,192,945 | 05/08/15 | (82,591) |
| | State Street Bank | 2,176,016 | 06/24/15 | (118,357) |
| | JP Morgan Chase | 2,051,414 | 07/17/15 | (119,322) |
| | JP Morgan Chase | 670,032 | 08/21/15 | (28,537) |
| | | | | € (1,619,099) |
| ***Net Unrealized Loss on Forward Exchange Contracts*** | | | | € (1,613,428) |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (Euro)

## *Notes to Financial Statements*

**1. Description of the Fund**

Tweedy, Browne International Value Fund (Euro) (the "International Euro Sub-Fund") is a separate investment portfolio of Tweedy, Browne Value Funds (the "Fund"). The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*. Within each Sub-Fund, two classes of shares are established, one class is issued to the investors (the "Investor Shares") and the other class issued exclusively for the benefit of the members of the Investment Manager (the "Manager Shares").

The Fund is registered pursuant to Part I of the Law of December 17, 2010 on undertakings for collective investment , as amended, and is an Undertaking for the Collective Investment in Transferable Securities ("UCITS") and the Directive 2009/65/EC of the European Parliament and of the Council.

The Fund was incorporated on October 30, 1996 and commenced operations on November 1, 1996.

These financial statements relate solely to the Tweedy, Browne International Value Fund (Euro).

The combined financial statements, as well as financial statements for each Sub-Fund of the Fund, are available upon request from the Administrator at the registered office of the Fund.

**2. Significant Accounting Policies**

These financial statements are presented in accordance with generally accepted accounting principles in Luxembourg applicable to investment funds. The preparation of financial statements in accordance with generally accepted accounting principles 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.

***Portfolio Valuation***

The valuation of investments in securities and money market instruments listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally their principal market. The value of securities dealt in on any other regulated market that operates regularly and is recognized and is open to the public (a "Regulated Market") is based on the last available price. In the event that any investments are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to investments listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price is not representative of the fair market value of the relevant investments, the value of such investments is based on the reasonably foreseeable sales price determined prudently and in good faith by or under procedures established by the Board of Directors.

***Foreign Currency Translation***

The books and records of the International Euro Sub-Fund are maintained in Euros. The values of all assets and liabilities not expressed in the base currency are converted into the base currency at rates last quoted by any major bank or by Reuters America Inc. Purchases and sales of foreign investments, income, and expenses initially expressed in foreign currencies are converted each business day into each sub-fund's base currency based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. In the event that an exchange rate is not available for a particular currency on a valuation date, the last quoted exchange rate will be used. If such quotation is not available, the rate of exchange is determined in good faith by or under procedures established by the Board of Directors.

***Forward Exchange Contracts***

The International Euro Sub-Fund has entered into forward exchange contracts for non-trading purposes in order to reduce its exposure to fluctuations in foreign currency exchange on its portfolio holdings. Forward

# Tweedy, Browne International Value Fund (Euro)

## *Notes to Financial Statements (continued)*

***Forward Exchange Contracts (continued)***
exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is recorded by the International Euro Sub-Fund as the net change in unrealized appreciation/ (depreciation) on foreign currencies and forward exchange contracts. When the contract is closed, the International Euro Sub-Fund records a realized gain or loss equal to the difference between the value of the contract at the time that it was opened and the value of the contract at the time that it was closed. Realized gains and losses from forward transactions are recorded on the historical cost basis using the first-in, first-out method.

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

***Securities Transactions and Net Investment Income***
Securities transactions are recorded as of the day after the trade date. Dividend income is recorded on the ex-dividend date and interest is recorded on the accrual basis as earned. Realized gains and losses from securities transactions are recorded on the historical cost basis using the specific identification method.

**3. Distribution to Investors**
All shares are issued as capitalization shares that capitalize their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of the International Euro Sub-Fund will be distributed to investors.

**4. Investment Management Fees and Distribution Fees**
The Investment Manager of the Fund is Tweedy, Browne Company LLC (the "Investment Manager"). The International Euro Sub-Fund has agreed to pay the Investment Manager, quarterly in arrears, an investment management fee, at an annual rate of 1.25% of the average aggregate Net Asset Value of the Investor Shares of the International Euro Sub-Fund computed as of the close of business on the applicable valuation date. The investment management fee payable to the Investment Manager will be borne by the Investor Shares of the International Euro Sub-Fund and accrued fees will be deducted in determining the Net Asset Value of Investor Shares. No investment management fee will be charged on or borne by Manager Shares of the International Euro Sub-Fund.

During the fiscal year end, the International Euro Sub-Fund also paid a distribution fee of 0.5% per annum of the average Net Asset Value of Investor Shares of the International Euro Sub-Fund. The distribution fee was paid to third-party distributors of Investor Shares or to persons responsible for introducing investors to the Fund or, if such persons are not compensated for such sales, to Tweedy, Browne Company LLC as Placement Manager. Effective September 30, 2014, the Fund discontinued the distribution fee to third-party distributors.

**5. Statements of Portfolio Changes**
The schedule of changes in investment portfolio during the reference period can be obtained free of charge at the registered office of the Fund and from the representative and paying agent in Switzerland and Germany.

# Tweedy, Browne International Value Fund (Euro)

## *Notes to Financial Statements (continued)*

**6. Taxation**

The International Euro Sub-Fund is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the International Euro Sub-Fund liable to any Luxembourg withholding tax. The International Euro Sub-Fund is however liable in Luxembourg to a tax ("taxe d' abonnement") of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the International Euro Sub-Fund at the end of the relevant quarter. No Luxembourg tax is payable on the realized capital appreciation of the assets of the International Euro Sub-Fund. Dividend and interest income of the International Euro Sub-Fund, and in certain cases its capital gains, may be subject to withholding taxes at source.

**7. Directors' Fees**

The Directors of the Fund, other than William H. Browne, each receive an annual fee of Euro 30,000 net of withholding tax if applicable, which is paid by the Fund. Such fees have been recorded as part of Directors' fees and other expenses in the Statement of Operations and Changes in Net Assets.

**8. Total Expense Ratio on Investor Shares ***

| | | |
|---|---|---|
| Year-end Expenses | € | 2,520,608 |
| Average Net Assets | € | 119,580,764 |
| Total Expense Ratio (TER) | | 2.11% |

**9. Portfolio Turnover Ratio ***

The portfolio turnover figure for the International Euro Sub-Fund as of September 30, 2014 is 45.75%.

The portfolio turnover ratio shown in this report is required to be reported pursuant to the Guidelines published by the Swiss Funds Association and does not represent the normalized turnover of the International Euro Sub-Fund's equity securities alone. The turnover of the International Euro Sub-Fund's equity securities alone for this period was 8.00%. This number is derived by dividing the lesser of equity purchases or sales by the International Euro Sub-Fund's average monthly value for the period.

**10. Transaction Costs**

During the year ended September 30, 2014 the International Euro Sub-Fund has incurred transaction costs of € 57,940, which are composed of brokerage costs.

**11. Subsequent Events**

As of October 1, 2014, AMG Distributors, Inc., an affiliate of the Investment Manager, has been appointed distribution manager of the International Euro Sub-Fund.

* The TER and PTR have been determined in accordance with the "Guidelines on the Calculation and Disclosure of the TER and PTR", which were published by the Swiss Funds Association SFA on May 16, 2008.

# Tweedy, Browne International Value Fund (Euro)

## *Information for Shareholders*

**Determination of Global Exposure**

The methodology used in order to calculate the Global Exposure resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

# ANNUAL REPORT
# September 30, 2014

# Tweedy,
# Browne
# Value Funds

**INVESTMENT COMPANY WITH**
**VARIABLE SHARE CAPITAL**
**ORGANIZED UNDER THE LAWS**
**OF THE GRAND DUCHY OF LUXEMBOURG**

***(SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE)***

**SUB-FUND:**
Tweedy, Browne International Value Fund (CHF)

No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest Annual Report and latest Semi-Annual Report if published thereafter.

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# Independent Auditor's Report

To the Shareholders of
Tweedy, Browne Value Funds
49, avenue J.F. Kennedy
L-1855 Luxembourg

We have audited the financial statements ("the full financial statements") of Tweedy, Browne Value Funds and of each of its sub-funds (the "Fund") for the year ended September 30, 2014, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". In our report dated December 15, 2014 we expressed an unqualified opinion on the full financial statements. These abridged financial statements comprise the statement of assets and liabilities and the schedules of investments and forward exchange contracts of Tweedy, Browne International Value Fund (CHF) as at September 30, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Fund's and of each of its sub-fund's financial position as at September 30, 2014 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

Ernst &Young
Société anonyme
Cabinet de révision agréé

KNichol

Kerry Nichol

Luxembourg, December 15, 2014



A member firm of Ernst & Young Global Limited

# Tweedy, Browne International Value Fund (CHF)

## *Statement of Assets and Liabilities*

**As at September 30, 2014**
**Expressed in Swiss Francs (CHF)**

| | | |
|---|---|---|
| **ASSETS** | | |
| Investments, at market value (Cost CHF 213,330,925) (Note 2) | CHF | 310,415,291 |
| Cash | | 49,521,225 |
| Receivable for securities sold | | 2,985,217 |
| Dividends and interest receivable | | 737,610 |
| Other receivables | | 203 |
| ***Total Assets*** | | 363,659,546 |
| **LIABILITIES** | | |
| Net unrealised loss on forward exchange contracts (Note 2) | | 5,451,623 |
| Distribution fees payable (Note 4) | | 1,595,283 |
| Investment management fees payable (Note 4) | | 1,016,219 |
| Accrued expenses and other payables | | 187,325 |
| ***Total Liabilities*** | | 8,250,450 |
| ***Net Assets*** | CHF | 355,409,096 |
| **NET ASSETS** | | |
| *Attributable to Investor Shares* | | |
| CHF 39.17 per share based on 8,218,988 shares outstanding | CHF | 321,965,129 |
| *Attributable to Manager Shares* | | |
| CHF 287.56 per share based on 116,304 shares outstanding | CHF | 33,443,967 |
| | CHF | 355,409,096 |

**STATISTICAL INFORMATION**

| | | FYE 2014 | | FYE 2013 | | FYE 2012 |
|---|---|---|---|---|---|---|
| Net Asset Value | CHF | 355,409,096 | CHF | 313,310,931 | CHF | 217,724,101 |
| *Per Investor Share* | CHF | 39.17 | CHF | 36.24 | CHF | 31.23 |
| *Per Manager Share* | CHF | 287.56 | CHF | 261.28 | CHF | 221.30 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Statement of Operations and Changes in Net Assets*

**Year ended September 30, 2014**
**Expressed in Swiss Francs (CHF)**

| | | |
|---|---|---|
| **INVESTMENT INCOME** | | |
| Dividends (net of foreign withholding taxes of CHF 1,137,702) (Note 2) | CHF | 8,051,578 |
| Other income | | 16,655 |
| ***Total Investment Income*** | | 8,068,233 |
| **EXPENSES** | | |
| Investment management fees (Note 4) | | 3,986,608 |
| Distribution fees (Note 4) | | 1,594,643 |
| Custodian fees | | 489,356 |
| Professional fees | | 186,858 |
| Taxes d'abonnement (Note 6) | | 175,739 |
| Directors' fees and other expenses (Note 7) | | 146,071 |
| ***Total Expenses*** | | 6,579,275 |
| ***Net Investment Income*** | | 1,488,958 |
| **REALIZED AND UNREALIZED GAIN / (LOSS) ON INVESTMENTS, FOREIGN CURRENCIES, AND FORWARD EXCHANGE CONTRACTS** | | |
| Net realized gain/(loss) on: | | |
| Investments | | 7,167,057 |
| Foreign currencies and forward exchange contracts | | (8,980) |
| ***Net Realized Gain on Investments, Foreign Currencies, and Forward Exchange Contracts during the year*** | | 7,158,077 |
| Net change in unrealized appreciation / (depreciation) on: | | |
| Investments | | 27,304,913 |
| Foreign currencies and forward exchange contracts | | (8,415,245) |
| ***Net Unrealized Appreciation on Investments, Foreign Currencies, and Forward Exchange Contracts during the year*** | | 18,889,668 |
| ***Net Realized and Unrealized Gain on Investments, Foreign Currencies, and Forward Exchange Contracts during the year*** | | 26,047,745 |
| ***Net Increase in Net Assets Resulting From Operations*** | | 27,536,703 |
| Net capital movement | | 14,561,462 |
| **NET ASSETS** | | |
| ***Beginning of year*** | CHF | 313,310,931 |
| ***End of Year*** | CHF | 355,409,096 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Schedule of Investments*

### As at September 30, 2014
### Expressed in Swiss Franc (CHF)

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Transferable securities traded on a regulated market*** | | | |
| ***Equity Securities*** | | | |
| ***Brazil*** | | | |
| Banco Santander Brasil (ADS) | 433,607 | CHF 2,709,597 | 0.76 % |
| ***Canada*** | | | |
| Cenovus Energy, Inc. | 143,900 | 3,707,009 | 1.04 |
| Lassonde Industries, Inc. - Class A | 23,295 | 2,449,805 | 0.69 |
| | | 6,156,814 | 1.73 |
| ***Chile*** | | | |
| Embotelladora Andina SA | 679,000 | 1,737,709 | 0.49 |
| ***Colombia*** | | | |
| Pacific Rubiales Energy Corporation | 229,700 | 3,688,250 | 1.04 |
| ***Finland*** | | | |
| Kone Oyj - Class B | 35,740 | 1,372,697 | 0.39 |
| ***France*** | | | |
| CNP Assurances | 338,710 | 6,095,729 | 1.72 |
| Safran SA | 163,420 | 10,134,895 | 2.85 |
| SCOR SE | 112,030 | 3,344,770 | 0.94 |
| Teleperformance | 64,099 | 3,789,571 | 1.07 |
| Total SA | 230,865 | 14,337,170 | 4.03 |
| Vallourec SA | 111,550 | 4,902,417 | 1.38 |
| | | 42,604,552 | 11.99 |
| ***Germany*** | | | |
| Axel Springer AG | 169,415 | 8,913,714 | 2.51 |
| Henkel KGaA | 81,560 | 7,284,005 | 2.05 |
| Krones AG | 27,500 | 2,285,702 | 0.64 |
| Muenchener Rueckversicherungs AG (Registered) | 16,025 | 3,028,106 | 0.85 |
| | | 21,511,527 | 6.05 |
| ***Hong Kong*** | | | |
| Asia Financial Holdings Ltd. | 1,490,000 | 564,704 | 0.16 |
| Great Eagle Holdings Ltd. | 294,506 | 956,713 | 0.27 |
| TAI Cheung Holdings Ltd. | 504,000 | 377,066 | 0.10 |
| | | 1,898,483 | 0.53 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in Swiss Franc (CHF)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Italy*** | | | |
| Buzzi Unicem SpA | 23,760 | CHF 310,022 | 0.09 % |
| Davide Campari-Milano SpA | 218,280 | 1,505,740 | 0.42 |
| SOL SpA | 174,060 | 1,302,599 | 0.37 |
| | | 3,118,361 | 0.88 |
| ***Japan*** | | | |
| Honda Motor Company Ltd. | 79,700 | 2,638,067 | 0.74 |
| Mandom Corporation | 47,400 | 1,562,745 | 0.44 |
| Nippon Kanzai Company Ltd. | 44,400 | 1,124,660 | 0.32 |
| SEC Carbon Ltd. | 94,000 | 248,912 | 0.07 |
| Shinko Shoji Company Ltd. | 44,300 | 415,202 | 0.12 |
| | | 5,989,586 | 1.69 |
| ***Netherlands*** | | | |
| Akzo Nobel NV | 67,861 | 4,443,651 | 1.25 |
| Heineken Holding NV | 91,900 | 5,809,223 | 1.63 |
| Heineken NV | 48,000 | 3,432,229 | 0.96 |
| Royal Dutch Shell PLC (A Shares) | 306,474 | 11,217,974 | 3.16 |
| TNT Express NV | 599,232 | 3,626,597 | 1.02 |
| Unilever NV CVA | 125,852 | 4,789,653 | 1.35 |
| | | 33,319,327 | 9.37 |
| ***Singapore*** | | | |
| DBS Group Holdings Ltd. | 551,067 | 7,605,230 | 2.14 |
| Metro Holdings Ltd. | 2,246,400 | 1,514,774 | 0.42 |
| United Overseas Bank Ltd. | 332,000 | 5,571,915 | 1.57 |
| | | 14,691,919 | 4.13 |
| ***South Korea*** | | | |
| Daegu Department Store | 46,275 | 685,077 | 0.19 |
| Samyang Holdings Corporation | 3,050 | 240,267 | 0.07 |
| | | 925,344 | 0.26 |
| ***Switzerland*** | | | |
| ABB Ltd. (Registered) | 147,160 | 3,160,997 | 0.89 |
| Coltene Holding AG | 6,700 | 391,950 | 0.11 |
| Compagnie Financiere Richemont SA (Registered) | 26,800 | 2,099,780 | 0.59 |
| Nestlé SA (Registered) | 126,160 | 8,862,740 | 2.49 |
| Novartis AG (Registered) | 144,495 | 13,026,224 | 3.67 |
| Roche Holding AG | 49,651 | 14,056,198 | 3.95 |
| Tamedia AG (Registered) | 16,011 | 2,020,588 | 0.57 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in Swiss Franc (CHF)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Switzerland (continued)*** | | | |
| Zurich Insurance Group AG | 30,530 | CHF 8,694,944 | 2.45 % |
| | | 52,313,421 | 14.72 |
| ***Thailand*** | | | |
| Bangkok Bank PCL (sponsored NVDR) | 741,200 | 4,455,704 | 1.25 |
| ***United Kingdom*** | | | |
| Antofagasta PLC | 325,855 | 3,639,264 | 1.02 |
| BAE Systems PLC | 492,200 | 3,594,821 | 1.01 |
| British American Tobacco PLC | 67,900 | 3,662,288 | 1.03 |
| Daily Mail & General Trust | 223,095 | 2,647,113 | 0.74 |
| Diageo PLC | 296,455 | 8,196,925 | 2.31 |
| G4S PLC | 1,307,647 | 5,078,071 | 1.43 |
| GlaxoSmithKline PLC | 150,213 | 3,287,787 | 0.92 |
| Headlam Group PLC | 440,156 | 2,795,403 | 0.79 |
| HSBC Holdings PLC | 525,955 | 5,100,893 | 1.44 |
| Imperial Tobacco Group PLC | 138,415 | 5,711,778 | 1.61 |
| Pearson PLC | 259,735 | 4,988,915 | 1.40 |
| Provident Financial PLC | 108,535 | 3,591,079 | 1.01 |
| Standard Chartered PLC | 653,300 | 11,541,490 | 3.25 |
| Unilever PLC | 60,139 | 2,408,079 | 0.68 |
| | | 66,243,906 | 18.64 |
| ***United States*** | | | |
| Baxter International, Inc. | 77,537 | 5,317,195 | 1.50 |
| Berkshire Hathaway, Inc - Class A | 29 | 5,733,096 | 1.61 |
| Berkshire Hathaway, Inc - Class B | 658 | 86,851 | 0.03 |
| Cisco Systems, Inc. | 296,000 | 7,118,781 | 2.00 |
| ConocoPhillips | 37,584 | 2,747,949 | 0.77 |
| Devon Energy Corporation | 78,450 | 5,110,703 | 1.44 |
| Google, Inc. - Class A | 3,600 | 2,024,013 | 0.57 |
| Google, Inc. - Class C | 3,600 | 1,986,003 | 0.56 |
| Halliburton Company | 123,835 | 7,633,103 | 2.15 |
| Johnson & Johnson | 14,951 | 1,522,711 | 0.43 |
| Joy Global, Inc. | 67,000 | 3,491,569 | 0.98 |
| Philip Morris International, Inc. | 43,245 | 3,446,138 | 0.97 |
| Phillips 66 | 18,792 | 1,459,982 | 0.41 |
| | | 47,678,094 | 13.42 |
| ***Total Equity Securities*** | | CHF 310,415,291 | 87.34 % |
| ***Total Investments*** | | CHF 310,415,291 | 87.34 % |
| Other Net Assets | | 44,993,805 | 12.66 % |
| ***Total Net Assets*** | | CHF 355,409,096 | 100.00 % |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Schedule of Forward Exchange Contracts*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Buy* | | | | |
| Australian Dollar | | | | |
| | State Street Bank | 1,062,868 | 06/24/15 | CHF (8,332) |
| Brazilian Real | | | | |
| | State Street Bank | 3,350,000 | 01/05/15 | (28,707) |
| | State Street Bank | 370,000 | 01/05/15 | 10,170 |
| | State Street Bank | 370,000 | 01/05/15 | 15,713 |
| | State Street Bank | 260,000 | 01/05/15 | 9,582 |
| | State Street Bank | 2,277,450 | 01/05/15 | 216 |
| | State Street Bank | 900,000 | 02/03/15 | 265 |
| Japanese Yen | | | | |
| | State Street Bank | 37,000,000 | 02/13/15 | (6,172) |
| | State Street Bank | 125,000,000 | 02/13/15 | (17,361) |
| | State Street Bank | 110,000,000 | 02/13/15 | (18,180) |
| | State Street Bank | 56,000,000 | 02/13/15 | (10,070) |
| | State Street Bank | 6,678,400 | 02/13/15 | (230) |
| | JP Morgan Chase | 50,000,000 | 02/27/15 | (1,774) |
| South Korean Won | | | | |
| | JP Morgan Chase | 90,000,000 | 12/12/14 | 3,305 |
| | JP Morgan Chase | 71,000,000 | 12/12/14 | 1,912 |
| | JP Morgan Chase | 60,000,000 | 12/12/14 | 1,758 |
| | | | | CHF (47,905) |
| *Forward Exchange Contracts to Sell* | | | | |
| Australian Dollar | | | | |
| | State Street Bank | 1,062,868 | 06/24/15 | 938 |
| Brazilian Real | | | | |
| | State Street Bank | 6,627,450 | 01/05/15 | (219,231) |
| | State Street Bank | 1,174,716 | 02/03/15 | (42,818) |
| | State Street Bank | 1,703,580 | 04/02/15 | (31,666) |
| | State Street Bank | 1,774,647 | 05/05/15 | (21,962) |
| Canadian Dollar | | | | |
| | State Street Bank | 741,418 | 02/20/15 | (30,795) |
| | State Street Bank | 4,172,277 | 04/02/15 | (244,291) |
| | JP Morgan Chase | 504,405 | 05/08/15 | (27,870) |
| | State Street Bank | 1,217,760 | 07/23/15 | (29,828) |
| | State Street Bank | 4,247,934 | 07/23/15 | (92,368) |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Schedule of Forward Exchange Contracts (continued)*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|---|
| *Forward Exchange Contracts to Sell (continued)* | | | | | |
| Euro | | | | | |
| | State Street Bank | 8,551,101 | 11/28/14 | CHF | 179,360 |
| | State Street Bank | 6,919,120 | 11/28/14 | | 149,059 |
| | State Street Bank | 13,955,955 | 02/12/15 | | 163,051 |
| | State Street Bank | 13,989,812 | 04/10/15 | | 126,218 |
| | State Street Bank | 11,501,713 | 05/29/15 | | 130,222 |
| | JP Morgan Chase | 13,169,375 | 06/17/15 | | 120,535 |
| | JP Morgan Chase | 9,965,627 | 09/11/15 | | (12,373) |
| Hong Kong Dollar | | | | | |
| | JP Morgan Chase | 4,440,519 | 05/29/15 | | (34,657) |
| | State Street Bank | 3,927,771 | 07/03/15 | | (31,463) |
| | State Street Bank | 6,927,349 | 09/23/15 | | (17,503) |
| Japanese Yen | | | | | |
| | State Street Bank | 334,678,400 | 02/13/15 | | 285,014 |
| | JP Morgan Chase | 297,270,680 | 02/27/15 | | 210,936 |
| | JP Morgan Chase | 216,903,050 | 11/27/15 | | 12,007 |
| | State Street Bank | 194,955,150 | 12/30/15 | | 3,032 |
| Pound Sterling | | | | | |
| | State Street Bank | 4,490,808 | 11/28/14 | | (449,535) |
| | State Street Bank | 8,088,063 | 01/30/15 | | (497,999) |
| | State Street Bank | 9,567,612 | 04/10/15 | | (757,686) |
| | State Street Bank | 3,007,780 | 05/29/15 | | (132,531) |
| | State Street Bank | 4,607,173 | 07/23/15 | | (83,233) |
| | State Street Bank | 4,000,000 | 09/18/15 | | (137,094) |
| Singapore Dollar | | | | | |
| | JP Morgan Chase | 1,387,500 | 10/16/14 | | (39,417) |
| | JP Morgan Chase | 1,773,277 | 10/24/14 | | (28,306) |
| | State Street Bank | 7,250,620 | 10/31/14 | | (230,825) |
| | JP Morgan Chase | 1,535,344 | 12/12/14 | | (49,487) |
| | State Street Bank | 562,129 | 02/12/15 | | (20,514) |
| | JP Morgan Chase | 942,109 | 03/19/15 | | (54,463) |
| | State Street Bank | 2,127,326 | 04/17/15 | | (90,072) |
| | JP Morgan Chase | 2,329,384 | 09/11/15 | | (36,269) |
| South Korean Won | | | | | |
| | JP Morgan Chase | 804,000,000 | 12/12/14 | | (55,324) |
| | JP Morgan Chase | 405,898,500 | 06/17/15 | | (13,298) |

**SEE NOTES TO FINANCIAL STATEMENTS**

## Tweedy, Browne International Value Fund (CHF)

### *Schedule of Forward Exchange Contracts (continued)*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Sell (continued)* | | | | |
| Thailand Baht | | | | |
| | State Street Bank | 37,762,750 | 01/30/15 | CHF (105,499) |
| | JP Morgan Chase | 34,101,596 | 03/19/15 | (95,702) |
| | State Street Bank | 37,295,300 | 05/29/15 | (84,525) |
| | State Street Bank | 26,646,808 | 08/21/15 | (30,828) |
| U.S. Dollar | | | | |
| | JP Morgan Chase | 3,001,604 | 10/16/14 | (167,704) |
| | State Street Bank | 6,019,613 | 11/28/14 | (248,990) |
| | State Street Bank | 5,474,233 | 11/28/14 | (228,128) |
| | JP Morgan Chase | 5,341,970 | 12/12/14 | (300,896) |
| | State Street Bank | 6,178,283 | 12/31/14 | (397,845) |
| | JP Morgan Chase | 5,949,017 | 03/19/15 | (473,282) |
| | JP Morgan Chase | 6,277,177 | 05/08/15 | (481,559) |
| | State Street Bank | 5,613,373 | 05/29/15 | (347,138) |
| | State Street Bank | 4,841,470 | 07/03/15 | (309,116) |
| | | | | CHF (5,403,718) |
| ***Net Unrealized Loss on Forward Exchange Contracts*** | | | | CHF (5,451,623) |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne International Value Fund (CHF)

## *Notes to Financial Statements*

**1. Description of the Fund**

Tweedy, Browne International Value Fund (CHF) (the "Swiss Franc Sub-Fund") is a separate investment portfolio of Tweedy, Browne Value Funds (the "Fund"). The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*. Within each Sub-Fund, two classes of shares are established, one class is issued to the investors (the "Investor Shares") and the other class issued exclusively for the benefit of the members of the Investment Manager (the "Manager Shares").

The Fund is registered pursuant to Part I of the Law of December 17, 2010 on undertakings for collective investment, as amended, and is an Undertaking for the Collective Investment in Transferable Securities ("UCITS") and the Directive 2009/65/EC of the European Parliament and of the Council.

The Fund was incorporated on October 30, 1996 and commenced operations on November 1, 1996.

These financial statements relate solely to the Tweedy, Browne International Value Fund (CHF).

The combined financial statements, as well as financial statements for each Sub-Fund of the Fund, are available upon request from the Administrator at the registered office of the Fund.

**2. Significant Accounting Policies**

These financial statements are presented in accordance with generally accepted accounting principles in Luxembourg applicable to investment funds. The preparation of financial statements in accordance with generally accepted accounting principles 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.

***Portfolio Valuation***

The valuation of investments in securities and money market instruments listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally their principal market. The value of securities dealt in on any other regulated market that operates regularly and is recognized and is open to the public (a "Regulated Market") is based on the last available price. In the event that any investments are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to investments listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price is not representative of the fair market value of the relevant investments, the value of such investments is based on the reasonably foreseeable sales price determined prudently and in good faith by or under procedures established by the Board of Directors.

***Foreign Currency Translation***

The books and records of the Swiss Franc Sub-Fund are maintained in Swiss Francs. The values of all assets and liabilities not expressed in the base currency are converted into the base currency at rates last quoted by any major bank or by Reuters America Inc. Purchases and sales of foreign investments, income, and expenses initially expressed in foreign currencies are converted each business day into each sub-fund's base currency based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. In the event that an exchange rate is not available for a particular currency on a valuation date, the last quoted exchange rate will be used. If such quotation is not available, the rate of exchange is determined in good faith by or under procedures established by the Board of Directors.

***Forward Exchange Contracts***

The Swiss Franc Sub-Fund has entered into forward exchange contracts for non-trading purposes in order to reduce its exposure to fluctuations in foreign currency exchange on its portfolio holdings. Forward exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is recorded by the Swiss Franc Sub-Fund as the net change on unrealized appreciation/(depreciation) on foreign currencies and forward exchange contracts.

# Tweedy, Browne International Value Fund (CHF)

## *Notes to Financial Statements (continued)*

***Forward Exchange Contracts (continued)***
When the contract is closed, the Swiss Franc Sub-Fund records a realized gain or loss equal to the difference between the value of the contract at the time that it was opened and the value of the contract at the time that it was closed. Realized gains and losses from forward transactions are recorded on the historical cost basis using the first-in, first-out method. The use of forward exchange contracts does not eliminate fluctuations in the underlying prices of the Swiss Franc Sub-Fund's investment securities, but it does establish a rate of exchange that can be achieved in the future. Although forward exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Swiss Franc Sub-Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts.

***Securities Transactions and Net Investment Income***
Securities transactions are recorded as of the day after the trade date. Dividend income is recorded on the ex-dividend date and interest is recorded on the accrual basis as earned. Realized gains and losses from securities transactions are recorded on the historical cost basis using the specific identification method.

**3. Distribution to Investors**
All shares are issued as capitalization shares that capitalize their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of the Swiss Franc Sub-Fund will be distributed to investors.

**4. Investment Management Fees and Distribution Fees**
The Investment Manager of the Fund is Tweedy, Browne Company LLC (the "Investment Manager"). The Swiss Franc Sub-Fund has agreed to pay the Investment Manager, quarterly in arrears, an investment management fee, at an annual rate of 1.25% of the average aggregate Net Asset Value of the Investor Shares of the Swiss Franc Sub-Fund computed as of the close of business on the applicable valuation date. The investment management fee payable to the Investment Manager will be borne by the Investor Shares of the Swiss Franc Sub-Fund and accrued fees will be deducted in determining the Net Asset Value of Investor Shares. No investment management fee will be charged on or borne by Manager Shares of the Swiss Franc Sub-Fund.

During the fiscal year end, the Swiss Franc Sub-Fund also paid a distribution fee of 0.5% per annum of the average Net Asset Value of Investor Shares of the Swiss Franc Sub-Fund. The distribution fee was paid to third-party distributors of Investor Shares or to persons responsible for introducing investors to the Fund or, if such persons are not compensated for such sales, to Tweedy, Browne Company LLC as Placement Manager. Effective September 30, 2014, the Fund discontinued the distribution fee to third-party distributors.

**5. Statements of Portfolio Changes**
The schedule of changes in investment portfolio during the reference period can be obtained free of charge at the registered office of the Fund and from the representative and paying agent in Switzerland and Germany.

**6. Taxation**
The Swiss Franc Sub-Fund is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the Swiss Franc Sub-Fund liable to any Luxembourg withholding tax. The Swiss Franc Sub-Fund is however liable in Luxembourg to a tax ("taxe d' abonnement") of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Swiss Franc Sub-Fund at the end of the relevant quarter. No Luxembourg tax is payable on the realized capital appreciation of the assets of the Swiss Franc Sub-Fund. Dividend and interest income of the Swiss Franc Sub-Fund, and in certain cases its capital gains, may be subject to withholding taxes at source.

# Tweedy, Browne International Value Fund (CHF)

## *Notes to Financial Statements (continued)*

**7. Directors' Fees**

The Directors of the Fund, other than William H. Browne, each receive an annual fee of Euro 30,000 net of withholding tax if applicable, which is paid by the Fund. Such fees have been recorded as part of Directors' fees and other expenses in the Statement of Operations and Changes in Net Assets.

**8. Total Expense Ratio on Investor Shares** [*]

| | | |
|---|---|---|
| Year-end Expenses | CHF | 6,443,118 |
| Average Net Assets | CHF | 318,696,064 |
| Total Expense Ratio (TER) | | 2.02% |

**9. Portfolio Turnover Ratio ***

The portfolio turnover figure for the Swiss Franc Sub-Fund as of September 30, 2014 is 50.55%.

The portfolio turnover ratio shown in this report is required to be reported pursuant to the Guidelines published by the Swiss Funds Association and does not represent the normalized turnover of the Swiss Franc Sub-Fund's equity securities alone. The turnover of the Swiss Franc Sub-Fund's equity securities alone for this period was 7.11%. This number is derived by dividing the lesser of equity purchases or sales by the Swiss Franc Sub-Fund's average monthly value for the period.

**10. Transaction Costs**

During the year ended September 30, 2014 the Swiss Franc Sub-Fund has incurred transaction costs of CHF 189,611, which are composed of brokerage costs.

**11. Subsequent Events**

As of October 1, 2014, AMG Distributors, Inc., an affiliate of the Investment Manager, has been appointed distribution manager of the Swiss Franc Sub-Fund.

[*] The TER and PTR have been determined in accordance with the "Guidelines on the Calculation and Disclosure of the TER and PTR", which were published by the Swiss Funds Association SFA on May 16, 2008.

# Tweedy, Browne International Value Fund (CHF)

## *Information for Shareholders*

**Determination of Global Exposure**

The methodology used in order to calculate the Global Exposure resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.

# ANNUAL REPORT
# September 30, 2014

# Tweedy,
# Browne
# Value Funds

**INVESTMENT COMPANY WITH**
**VARIABLE SHARE CAPITAL**
**ORGANIZED UNDER THE LAWS**
**OF THE GRAND DUCHY OF LUXEMBOURG**

***(SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE)***

**SUB-FUND:**
Tweedy, Browne Global High Dividend Value Fund

No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest Annual Report and latest Semi-Annual Report if published thereafter.

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Building a better working world

# Independent Auditor's Report

To the Shareholders of
Tweedy, Browne Value Funds
49, avenue J.F. Kennedy
L-1855 Luxembourg

We have audited the financial statements ("the full financial statements") of Tweedy, Browne Value Funds and of each of its sub-funds (the "Fund") for the year ended September 30, 2014, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". In our report dated December 15, 2014 we expressed an unqualified opinion on the full financial statements. These abridged financial statements comprise the statement of assets and liabilities and the schedules of investments and forward exchange contracts of Tweedy, Browne Global High Dividend Value Fund as at September 30, 2014 and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Fund's and of each of its sub-fund's financial position as at September 30, 2014 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

Ernst &Young
Société anonyme
Cabinet de révision agréé

Kerry Nichol

Luxembourg, December 15, 2014



A member firm of Ernst & Young Global Limited

## Tweedy, Browne Global High Dividend Value Fund

### *Statement of Assets and Liabilities*

**As at September 30, 2014**
**Expressed in Euros (€)**

| | | |
|---|---|---|
| **ASSETS** | | |
| Investments, at market value (Cost € 65,711,226) (Note 2) | € | 97,709,903 |
| Cash | | 13,652,077 |
| Receivable for securities sold | | 851,223 |
| Dividends and interest receivable | | 233,546 |
| Receivable for Fund shares sold | | 1,148 |
| ***Total Assets*** | | 112,447,897 |
| **LIABILITIES** | | |
| Net unrealised loss on forward exchange contracts (Note 2) | | 1,781,652 |
| Distribution fees payable (Note 4) | | 549,444 |
| Investment management fees payable (Note 4) | | 337,432 |
| Accrued expenses and other payables | | 127,531 |
| Payable for securities bought | | 68,516 |
| ***Total Liabilities*** | | 2,864,575 |
| ***Net Assets*** | € | 109,583,322 |
| **NET ASSETS** | | |
| *Attributable to Investor Shares* | | |
| € 12.55 per share based on 8,620,558 shares outstanding | € | 108,218,015 |
| *Attributable to Manager Shares* | | |
| € 14.39 per share based on 94,852 shares outstanding | € | 1,365,307 |
| | € | 109,583,322 |

**STATISTICAL INFORMATION**

| | | FYE 2014 | | FYE 2013 | | FYE 2012 |
|---|---|---|---|---|---|---|
| Net Asset Value | € | 109,583,322 | € | 100,255,284 | € | 104,751,703 |
| *Per Investor Share* | € | 12.55 | € | 11.36 | € | 10.29 |
| *Per Manager Share* | € | 14.39 | € | 12.80 | € | 11.39 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Global High Dividend Value Fund

## *Statement of Operations and Changes in Net Assets*

**Year ended September 30, 2014**
**Expressed in Euros (€)**

| | | |
|---|---|---|
| **INVESTMENT INCOME** | | |
| Dividends (net of foreign withholding taxes of € 464,219) (Note 2) | € | 2,826,619 |
| ***Total Investment Income*** | | 2,826,619 |
| **EXPENSES** | | |
| Investment management fees (Note 4) | | 1,314,829 |
| Distribution fees (Note 4) | | 525,931 |
| Custodian fees | | 183,538 |
| Professional fees | | 109,692 |
| Taxes d'abonnement (Note 6) | | 52,914 |
| Directors' fees and other expenses (Note 7) | | 68,526 |
| ***Total Expenses*** | | 2,255,430 |
| ***Net Investment Income*** | | 571,189 |
| **REALIZED AND UNREALIZED GAIN / (LOSS) ON INVESTMENTS, FOREIGN CURRENCIES, AND FORWARD EXCHANGE CONTRACTS** | | |
| Net realized gain on: | | |
| Investments | | 860,962 |
| Foreign currencies and forward exchange contracts | | 877,692 |
| ***Net Realized Gain on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 1,738,654 |
| Net change in unrealized appreciation / (depreciation) on: | | |
| Investments | | 10,639,962 |
| Foreign currencies and forward exchange contracts | | (2,342,409) |
| ***Net Unrealized Appreciation on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 8,297,553 |
| ***Net Realized and Unrealized Gain on Investments, Foreign Currencies, and Forward exchange contracts during the year*** | | 10,036,207 |
| ***Net Increase in Net Assets Resulting From Operations*** | | 10,607,396 |
| Net capital movement | | (1,279,358) |
| **NET ASSETS** | | |
| ***Beginning of year*** | € | 100,255,284 |
| ***End of Year*** | € | 109,583,322 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Global High Dividend Value Fund

## *Schedule of Investments*

**As at September 30, 2014**
**Expressed in Euros (€)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Transferable securities traded on a regulated market*** | | | |
| ***Equity Securities*** | | | |
| ***Brazil*** | | | |
| Banco Santander Brasil (ADS) | 162,175 | € 839,600 | 0.77 % |
| ***Canada*** | | | |
| Cenovus Energy, Inc. | 69,135 | 1,475,506 | 1.35 |
| ***France*** | | | |
| CNP Assurances | 162,940 | 2,429,435 | 2.22 |
| SCOR SE | 95,100 | 2,352,299 | 2.14 |
| Total SA | 91,175 | 4,690,954 | 4.28 |
| | | 9,472,688 | 8.64 |
| ***Germany*** | | | |
| Axel Springer SE | 95,265 | 4,152,601 | 3.79 |
| Muenchener Rueckversicherungs AG (Registered) | 11,250 | 1,761,188 | 1.61 |
| Siemens AG | 15,500 | 1,462,735 | 1.33 |
| | | 7,376,524 | 6.73 |
| ***Italy*** | | | |
| ENI SpA | 95,800 | 1,807,746 | 1.65 |
| ***Netherlands*** | | | |
| Akzo Nobel NV | 54,797 | 2,972,737 | 2.71 |
| Royal Dutch Shell PLC (A Shares) | 130,845 | 3,967,875 | 3.62 |
| Unilever NV CVA | 116,189 | 3,663,439 | 3.35 |
| | | 10,604,051 | 9.68 |
| ***Singapore*** | | | |
| DBS Group Holdings Ltd. | 204,072 | 2,333,304 | 2.13 |
| United Overseas Bank Ltd. | 214,400 | 2,981,063 | 2.72 |
| | | 5,314,367 | 4.85 |
| ***Switzerland*** | | | |
| ABB Ltd. (Registered) | 157,700 | 2,806,377 | 2.56 |
| Nestlé SA (Registered) | 52,215 | 3,038,937 | 2.77 |
| Novartis AG (Registered) | 75,570 | 5,644,106 | 5.15 |
| Roche Holding AG | 26,275 | 6,162,581 | 5.63 |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Global High Dividend Value Fund

## *Schedule of Investments (continued)*

**As at September 30, 2014**
**Expressed in Euros (€)**

| SECURITY | NUMBER OF SHARES | MARKET VALUE | % OF NET ASSETS |
|---|---|---|---|
| ***Switzerland (continued)*** | | | |
| Zurich Insurance Group AG | 16,660 | € 3,930,927 | 3.59 % |
| | | 21,582,928 | 19.70 |
| ***United Kingdom*** | | | |
| BAE Systems PLC | 194,170 | 1,174,892 | 1.07 |
| Daily Mail & General Trust | 156,405 | 1,537,494 | 1.40 |
| Diageo PLC | 121,440 | 2,781,851 | 2.54 |
| G4S PLC | 877,593 | 2,823,459 | 2.58 |
| GlaxoSmithKline PLC | 66,423 | 1,204,466 | 1.10 |
| HSBC Holdings PLC | 331,341 | 2,662,275 | 2.43 |
| Imperial Tobacco Group PLC | 123,270 | 4,214,301 | 3.84 |
| Pearson PLC | 97,920 | 1,558,214 | 1.42 |
| Standard Chartered PLC | 244,600 | 3,580,022 | 3.27 |
| | | 21,536,974 | 19.65 |
| ***United States*** | | | |
| Cisco Systems, Inc. | 119,100 | 2,373,043 | 2.16 |
| ConocoPhillips | 71,370 | 4,323,161 | 3.94 |
| Emerson Electric Company | 36,400 | 1,803,215 | 1.65 |
| Johnson & Johnson | 67,700 | 5,712,364 | 5.21 |
| Philip Morris International, Inc. | 26,155 | 1,726,758 | 1.58 |
| Verizon Communications, Inc. | 44,500 | 1,760,978 | 1.61 |
| | | 17,699,519 | 16.15 |
| ***Total Equity Securities*** | | € 97,709,903 | 89.17 % |
| ***Total Investments*** | | € 97,709,903 | 89.17 % |
| Other Net Assets | | 11,873,419 | 10.83 % |
| ***Total Net Assets*** | | € 109,583,322 | 100.00 % |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Global High Dividend Value Fund

## *Schedule of Forward Exchange Contracts*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Buy* | | | | |
| Brazilian Real | | | | |
| | State Street Bank | 155,000 | 01/05/15 | € 4,410 |
| | State Street Bank | 220,000 | 01/05/15 | 7,816 |
| | State Street Bank | 1,100,000 | 01/05/15 | (6,784) |
| | State Street Bank | 566,194 | 01/05/15 | (254) |
| | State Street Bank | 933,806 | 04/02/15 | (52) |
| Pound Sterling | | | | |
| | State Street Bank | 350,000 | 10/09/14 | 9,392 |
| U.S. Dollar | | | | |
| | State Street Bank | 850,000 | 11/06/14 | 37,043 |
| | | | | € 51,571 |
| *Forward Exchange Contracts to Sell* | | | | |
| Brazilian Real | | | | |
| | State Street Bank | 2,041,194 | 01/05/15 | (62,503) |
| | State Street Bank | 1,412,868 | 04/02/15 | (24,321) |
| | State Street Bank | 684,950 | 05/05/15 | (8,649) |
| Canadian Dollar | | | | |
| | State Street Bank | 1,085,485 | 12/19/14 | (32,047) |
| Pound Sterling | | | | |
| | State Street Bank | 2,684,480 | 10/09/14 | (244,679) |
| | State Street Bank | 3,443,560 | 11/06/14 | (416,851) |
| | State Street Bank | 742,692 | 05/08/15 | (49,094) |
| | State Street Bank | 167,574 | 07/23/15 | (3,696) |
| Singapore Dollar | | | | |
| | JP Morgan Chase | 956,887 | 10/24/14 | (23,854) |
| | State Street Bank | 1,138,580 | 12/19/14 | (46,293) |
| | JP Morgan Chase | 1,426,032 | 05/08/15 | (63,539) |
| | JP Morgan Chase | 580,598 | 07/03/15 | (19,505) |
| Swiss Franc | | | | |
| | State Street Bank | 3,434,586 | 10/03/14 | (45,478) |
| | State Street Bank | 3,945,904 | 11/06/14 | (69,280) |
| | State Street Bank | 1,579,721 | 04/10/15 | (9,724) |
| | JP Morgan Chase | 3,234,243 | 06/12/15 | (22,208) |

**SEE NOTES TO FINANCIAL STATEMENTS**

## Tweedy, Browne Global High Dividend Value Fund

### *Schedule of Forward Exchange Contracts (continued)*

**As at September 30, 2014 forward exchange contracts outstanding are as follows (Note 2):**

| FOREIGN CURRENCY | COUNTERPARTY | COST | CONTRACT VALUE DATE | UNREALIZED GAIN / (LOSS) |
|---|---|---|---|---|
| *Forward Exchange Contracts to Sell (continued)* | | | | |
| U.S. Dollar | | | | |
| | State Street Bank | 8,816,448 | 11/06/14 | € (577,583) |
| | JP Morgan Chase | 707,444 | 05/08/15 | (48,978) |
| | JP Morgan Chase | 803,837 | 06/12/15 | (44,868) |
| | State Street Bank | 1,167,030 | 09/18/15 | (20,073) |
| | | | | € (1,833,223) |
| ***Net Unrealized Loss on Forward Exchange Contracts*** | | | | € (1,781,652) |

**SEE NOTES TO FINANCIAL STATEMENTS**

# Tweedy, Browne Global High Dividend Value Fund

## *Notes to Financial Statements*

**1. Description of the Fund**

Tweedy, Browne Global High Dividend Value Fund (the "High Dividend Sub-Fund") is a separate investment portfolio of Tweedy, Browne Value Funds (the "Fund"). The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*. Within each Sub-Fund, two classes of shares are established, one class is issued to the investors (the "Investor Shares") and the other class issued exclusively for the benefit of the members of the Investment Manager (the "Manager Shares").

The Fund is registered pursuant to Part I of the Law of December 17, 2010 on undertakings for collective investment, as amended, and is an Undertaking for the Collective Investment in Transferable Securities ("UCITS") and the Directive 2009/65/EC of the European Parliament and of the Council.

The High Dividend Sub-Fund was incorporated on June 1, 2007, and commenced operations on June 15, 2007.

The Manager Shares were launched on October 1, 2007 at a price of 10.00 Euro per share.

These financial statements relate solely to the Tweedy, Browne Global High Dividend Value Fund.

The combined financial statements, as well as financial statements for each Sub-Fund of the Fund, are available upon request from the Administrator at the registered office of the Fund.

**2. Significant Accounting Policies**

These financial statements are presented in accordance with generally accepted accounting principles in Luxembourg applicable to investment funds. The preparation of financial statements in accordance with generally accepted accounting principles 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.

***Portfolio Valuation***

The valuation of investments in securities and money market instruments listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally their principal market. The value of securities dealt in on any other regulated market that operates regularly and is recognized and is open to the public (a "Regulated Market") is based on the last available price. In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price is not representative of the fair market value of the relevant assets, the value of such assets is based on the reasonably foreseeable sales price determined prudently and in good faith by or under procedures established by the Board of Directors.

***Foreign Currency Translation***

The books and records of the High Dividend Sub-Fund are maintained in Euro. The values of all assets and liabilities not expressed in the base currency are converted into the base currency at rates last quoted by any major bank or by Reuters America Inc. Purchases and sales of foreign investments, income, and expenses initially expressed in foreign currencies are converted each business day into each sub-fund's base currency based upon currency exchange rates prevailing on the respective dates of such transactions or on the reporting date for foreign denominated receivables and payables. In the event that an exchange rate is not available for a particular currency on a valuation date, the last quoted exchange rate will be used. If such quotation is not available, the rate of exchange is determined in good faith by or under procedures established by the Board of Directors.

***Forward Exchange Contracts***
The High Dividend Sub-Fund has entered into forward exchange contracts for non-trading purposes in order to reduce its exposure to fluctuations in foreign currency exchange on its portfolio holdings. Forward exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is recorded by the High Dividend Sub-Fund as the net change in unrealized appreciation/ (depreciation) on foreign currencies and forward exchange contracts. When the contract is closed, the High Dividend Sub-Fund records a realized gain or loss equal to the difference between the value of the contract at the time that it was opened and the value of the contract at the time that it was closed. Realized gains and losses from forward transactions are recorded on the historical cost basis using the first-in, first-out method.

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

***Securities Transactions and Net Investment Income***
Securities transactions are recorded as of the day after the trade date. Dividend income is recorded on the ex-dividend date and interest is recorded on the accrual basis as earned. Realized gains and losses from securities transactions are recorded on the historical cost basis using the specific identification method.

**3. Distribution to Investors**
All shares are issued as capitalization shares that capitalize their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of the High Dividend Sub-Fund will be distributed to investors.

**4. Investment Management Fees and Distribution Fees**
The Investment Manager of the Fund is Tweedy, Browne Company LLC (the "Investment Manager"). The Global High Dividend Sub-Fund has agreed to pay the Investment Manager, quarterly in arrears, an investment management fee, at an annual rate of 1.25% of the average aggregate Net Asset Value of the Investor Shares of the High Dividend Sub-Fund computed as of the close of business on the applicable Valuation Date. The investment management fee payable to the Investment Manager will be borne by the Investor Shares of the High Dividend Sub-Fund and accrued fees will be deducted in determining the Net Asset Value of Investor Shares. No investment management fee will be charged on or borne by Manager Shares of the High Dividend Sub-Fund.

The High Dividend Sub-Fund also paid a distribution fee of 0.5% per annum of the average Net Asset Value of Investor Shares of the High Dividend Sub-Fund. The distribution fee was paid to third-party distributors of Investor Shares or to persons responsible for introducing investors to the Fund or, if such persons are not compensated for such sales, to Tweedy, Browne Company LLC as Placement Manager. Effective September 30, 2014, the Fund discontinued the distribution fee to third-party distributors.

**5. Statements of Portfolio Changes**
The schedule of changes in investment portfolio during the reference period can be obtained free of charge at the registered office of the Fund and from the representative and paying agent in Switzerland and Germany.

# Tweedy, Browne Global High Dividend Value Fund

## *Notes to Financial Statements (continued)*

**6. Taxation**

The High Dividend Sub-Fund is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the High Dividend Sub-Fund liable to any Luxembourg withholding tax. The High Dividend Sub-Fund is however liable in Luxembourg to a tax ("taxe d' abonnement") of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the High Dividend Sub-Fund at the end of the relevant quarter. No Luxembourg tax is payable on the realized capital appreciation of the assets of the High Dividend Sub-Fund. Dividend and interest income of the High Dividend Sub-Fund, and in certain cases its capital gains, may be subject to withholding taxes at source.

**7. Directors' Fees**

The Directors of the Fund, other than William H. Browne, each receive an annual fee of Euro 30,000 net of withholding tax if applicable, which is paid by the Fund. Such fees have been recorded as part of Directors' fees and other expenses in the Statement of Operations and Changes in Net Assets.

**8. Total Expense Ratio on Investor Shares** *

| | | |
|---|---|---|
| Year-end Expenses | € | 2,250,090 |
| Average Net Assets | € | 105,109,621 |
| Total Expense Ratio (TER) | | 2.14% |

**9. Portfolio Turnover Ratio ***

The portfolio turnover figure for the High Dividend Sub-Fund as of September 30, 2014 is 26.60%.

The portfolio turnover ratio shown in this report is required to be reported pursuant to the Guidelines published by the Swiss Funds Association and does not represent the normalized turnover of the High Dividend Sub-Fund's equity securities alone. The turnover of the High Dividend Sub-Fund's equity securities alone for this period was 8.53%. This number is derived by dividing the lesser of equity purchases or sales by the High Dividend Sub-Fund's average monthly value for the period.

**10. Transaction Costs**

During the year ended September 30, 2014 the High Dividend Sub-Fund has incurred transaction costs of € 31,948, which are composed of brokerage costs.

**11. Subsequent Events**

As of October 1, 2014, AMG Distributors, Inc., an affiliate of the Investment Manager, has been appointed distribution manager of the High Dividend Sub-Fund.

* The TER and PTR have been determined in accordance with the "Guidelines on the Calculation and Disclosure of the TER and PTR", which were published by the Swiss Funds Association SFA on May 16, 2008.

# Tweedy, Browne Global High Dividend Value Fund

## *Information for Shareholders*

**Determination of Global Exposure**

The methodology used in order to calculate the Global Exposure resulting from the use of financial derivative instruments is the commitment approach in accordance with the CSSF Circular 11/512.