Ruane,
Cunniff &
Goldfarb

January 22, 2018

Dear Sequoia Shareholders and Clients:

Sequoia Fund's results for the quarter and year ended December 31, 2017 appear below with comparable results for the S&P 500 Index:

Through December 31, 2017	**Sequoia Fund**	**S&P 500 Index***
Fourth Quarter	5.57%	6.64%
1 Year	20.07%	21.83%
5 Years (Annualized)	8.44%	15.79%
10 Years (Annualized)	7.05%	8.50%
Since Inception (Annualized)**	13.65%	11.00%

The performance data for the Fund shown above represents past performance and assumes reinvestment of dividends. Past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end can be obtained by calling DST Systems, Inc. at (800) 686-6884.

**The S&P 500 Index is an unmanaged capitalization-weighted index of the common stocks of 500 major US corporations. The Index does not incur expenses and is not available for investment.*

***Inception Date: July 15, 1970.*

. . . .

The team presently managing the Fund took control at the end of the first quarter of 2016 and finished liquidating the Valeant investment by the end of the second quarter of that year. In the eighteen months since, Sequoia has appreciated 29%, versus 31% for the S&P 500 Index. As our historical tendency has been to lag in ebullient environments and outperform in choppier ones, we are generally pleased to have kept pace with a rapidly appreciating stock market.

It won't last—neither the hot market nor the tight link between our results and those of the Index. Regarding the stock market, while we all asked Santa for a few more 2017s over the next few years, simple math suggests that he won't deliver. Whether you invest in individual securities or the Index, the same three factors drive your return: earnings growth, dividend yield and valuation. The yield is the easy part—you know that piece of the equation up front (presently 1.9% for the Index). The rate of future earnings growth involves guesswork, but is relatively predictable in the case of the broader stock market because the rate at which S&P 500 earnings grow over the long term is necessarily tied to the pace at which the overall economy expands, and trends in GDP growth don't change much over time. Consensus

Wall Street estimates for 2018[1] imply that the constituents of the Index will have increased their per-share earnings 5% a year over the 12 years since Index profits peaked back in 2006. They also imply that in real terms—that is, adjusted for inflation—S&P earnings will have grown since 2006 at the same rate they've grown for the last fifty years.

While the yield of the Index is a known quantity and its rate of earnings growth typically fluctuates within a narrow band, the wild card for any investor in the broader market is valuation. When price/earnings ratios rise, stock prices can appreciate at a much faster rate than company earnings. But the price that investors will pay for a dollar of earnings can't rise forever. At roughly 18x the earnings that the Wall Street consensus expects for 2018, the Index trades for a full price by historical standards, and nearly double the P/E ratio that prevailed at the beginning of the bull market back in 2009. With interest rates near fifty-year lows, stocks probably warrant a high valuation. Whether it can climb higher is anyone's guess, but it's a good bet that earnings growth and dividend yield will play much greater roles in determining Index returns in the future than they have in the recent past. If the P/E ratio of the market holds steady from here, a 2% dividend yield and 5% likely earnings growth imply long-term stock market returns somewhere in the neighborhood of 7% per year—a far cry from the 30% gain since June 2016 and the blistering 15% annual increase over the nine years since the crash in 2008.

Another good bet is that whatever stocks do over the long-term future, Sequoia's results will deviate from those of the Index to a much greater degree than they have over the last eighteen months. That's very much by design. Bill Ruane and Rick Cunniff built our firm on the simple but powerful idea that if you want a different result from the average investor, you should focus on your best ideas and create a portfolio that looks very different from the market averages. It goes without saying that a portfolio of shares in twenty companies is much more likely to stray sharply from the general direction of the stock market than a portfolio of 200. If you pick the right twenty and hold on long enough for their business results to shine through in their stock prices, that divergence should accrue to your benefit.

We believe that Sequoia owns a collection of 22 businesses whose aggregate quality, growth prospects and valuation make them a much more appealing investment than the 500 companies of the S&P Index. Sequoia's portfolio trades for 21 times the earnings we think our companies will produce in 2018.[2] That represents a modest premium to the price/earnings ratio of the Index, but the premium is well deserved, as we expect the per-share earning power of the portfolio to grow 21% in 2018 and 16% in 2019, versus 11% and 10%, respectively, for the Index. By our estimates, the aggregate return on equity of our portfolio substantially exceeds that of the Index, and we believe the earnings of our companies are more resilient to the vagaries of the economic cycle than those of the companies that make up the Index.

---

[1] Source: Bloomberg.

[2] As referenced, this is based on our internal estimates and not the consensus of Wall Street analysts. Our internal estimates reflect how we think a sensible owner would calculate the earnings of a business, and they can deviate significantly from GAAP or "consensus" earnings. Thus when we compare the P/E ratio of our portfolio based on our estimates to the P/E ratio of the Index based on Wall Street consensus, we are to some extent comparing apples and oranges. We consider the comparison a relevant one nonetheless, because while our internal estimates do attribute more earning power than the Wall Street consensus to companies like Amazon that charge many of their growth investments against current earnings (more later), our estimates are often more conservative than Wall Street numbers that exclude costs like stock-based compensation and "extraordinary" restructuring charges, which to us are very real business expenses.

Importantly, while we prefer the investment merits of our present portfolio to those of the Index, Sequoia does not stand still. Our job as managers of the Fund is to combine painstaking primary research and thoughtful, disciplined judgment in order to steadily improve our holdings over time. Time will tell if we're right, but we believe that our purchases and sales during 2017 enhanced the inherent quality and growth rate of the Fund's underlying earnings stream without increasing the Fund's aggregate valuation relative to its earnings. Many of the positions that we sold or reduced last year trade for more than twenty times their expected earnings but are not capable of growing much faster than the economy in the absence of acquisitions. By contrast, recent purchases like Alphabet and Priceline trade for similar multiples but grow organically at much faster rates than the average business. Other recent purchases like Credit Acceptance and Hiscox grow more modestly, but trade for roughly half the valuation of the positions they replaced. Importantly, while Alphabet, Priceline, Credit Acceptance and Hiscox are all very different businesses, they have a crucial attribute in common: vast and sustainable competitive advantage.

It's worth pausing for a moment to look at how Sequoia's composition has changed over the last eighteen months. The Fund is more concentrated, and the sources of its earnings have shifted away from mature and more asset-intensive manufacturing and retail businesses and toward more rapidly growing and/or more profitable information and service businesses. As already mentioned, we believe that we were able to execute this shift without increasing the Fund's aggregate price-earnings multiple.

	June 2016	**December 2017**
Internet and Network-Based[3]	10%	28%
Retail[4]	19%	12%
Mature Technology and Services[5]	17%	25%
Cyclical Manufacturing and Finance[6]	40%	29%
Cash & Equivalents	14%	5%
Total / NAV	**100%**	**100%**
Top 10 Holdings / NAV	60%	63%
Top 15 Holdings / NAV	70%	80%
# of Positions	29	22

To be clear, we make our decisions entirely from the bottom up, and we have no preconceived notions about how the portfolio should look from the top down. So long as we are getting substantially more than we are giving, we are just as happy buying mature metal-benders as we are buying internet innovators. We believe that our flexibility in this regard has served the Fund well over time, and has enabled us more recently to uncover interesting opportunities in a strong stock market that many value investors have described as challenging. Even with domestic stock prices at their highest level in years, our pipeline of

[3] Includes Alphabet, Amazon, Formula One, Mastercard and Priceline.
[4] Includes Carmax, Chipotle, O'Reilly and TJX.
[5] Includes Charles Schwab, Constellation Software, Dentsply Sirona, Hiscox, Jacobs, Omnicom, and Waters.
[6] Includes Berkshire, Credit Acceptance, Mohawk, Rolls-Royce, Vopak and Wells Fargo.

research projects remains encouragingly full and characteristically quirky, which makes us optimistic that we will be able to further improve the Fund's risk-adjusted prospects during 2018.

. . . .

Notable drivers of Fund performance in 2017 included Credit Acceptance and Hiscox (up roughly 60%), Mastercard and Waters Corp. (each up roughly 50%), Rolls-Royce and Mohawk (each up roughly 40% in dollars) and Alphabet, Constellation Software and Formula One (each up roughly 35%). Amazon also gained approximately 60% since our first investment and nearly 20% since our subsequent purchases. Laggards included TJX, Carmax, O'Reilly and Omnicom. All four of these positions have generated strong performance over the time we have owned them, but their prices moved sideways or slightly down for the year.

Though it's always bittersweet to part with excellent enterprises, we exited longtime investments in Fastenal, Danaher, Emcor, Croda, Tiffany and Costco. We also trimmed our investments in Berkshire Hathaway, Mastercard, O'Reilly, Waters and TJX. Almost all of these sales were driven by opportunities we saw to redeploy capital into either companies with better growth prospects and similar valuations or companies with similar growth prospects and more attractive valuations. The exceptions to this rule were Berkshire and Mastercard, where we felt compelled to reduce large position sizes to better reflect our assessment of future potential.

Purchases that in our estimation served to reduce the price-to-earnings valuation of the Fund without decreasing its growth prospects included our additions to Hiscox, Jacobs, Omnicom and Wells Fargo, as well as our new investments in niche auto lender Credit Acceptance and Royal Vopak, an operator of unique industrial infrastructure assets. Purchases that boosted the growth rate of the Fund's earning power without increasing its valuation included our new investment in Priceline, the leading online travel agency, and the significant addition to our holding in Alphabet, the parent company of Google.

At 10% of net assets, Alphabet now ranks as the Fund's second-largest position. Though it produces massive reported profits, Alphabet's earning power is nevertheless obscured by large growth investments that it must charge against earnings as it incurs them. An asset-intensive business funding refineries rather than research would capitalize these investments and charge them against earnings over years, and often decades. After adjusting for this quirk of the accounting rules, we think one of the best businesses the world has ever seen, with growth prospects far superior to those of the average company, sells for a valuation that is similar to or only slightly higher than that of the overall stock market.

A similar dynamic obscures the earning power of Amazon, the one investment we made during the year at a valuation demonstrably in excess of either the stock market in general or the particular stocks we've sold recently. For several reasons, guessing at Amazon's inherent earning power is more difficult than guessing at Alphabet's. We think it indisputable, however, that the company's profits are far larger than they appear. This would be easier to discern if Amazon made its growth investments in stores ("capital" assets that are depreciated over time per the accounting rules) rather than loyalty programs, customer acquisition and cloud software (marketing and R&D costs that must be expensed as incurred).

Regardless, our job as investors is to think like owners rather than accountants, and in the case of Amazon, we are pleased to have paid something approximating thirty times estimated earnings in order to own a business with staggering competitive advantages and the potential to grow at very rapid rates for many years to come. We are also extremely pleased to be partners in business with a founder/CEO who is rightly regarded as one of the greatest business builders in American corporate history.

Though it's admittedly more difficult to conceptualize, we believe the margin of safety associated with our purchase of Amazon at roughly thirty times our estimate of future earning power was not materially different from the margin of safety associated with our purchases of Wells Fargo at approximately twelve times current earnings. Value comes in many forms, and statistical ratios or simple heuristics often fail to quantify it accurately.

. . . .

For the second consecutive year, the Fund produced a large taxable gain in 2017. In spite of that fact, Sequoia remains one of the lowest-turnover, most tax-efficient vehicles in the mutual fund industry. We had turnover last year equal to 18% of the Fund's portfolio, and while this level of turnover was slightly higher than our twenty-year average of 12%, it still compares very favorably to that of our peers. According to Morningstar, annual portfolio turnover for Domestic Large Cap Growth Funds has averaged 89% over the last twenty years.

It's also worth noting that since our team assumed management of the Fund, the specific investments that have driven the overwhelming majority of our realized gains have generated tax deferral benefits that are extraordinary even by Sequoia's standards. Seven stocks—Berkshire, Idexx, TJX, O'Reilly, Mohawk, Fastenal and Danaher—produced 80% of the taxable gain we have realized since the end of March 2016. We purchased our first shares in five of these seven companies between fifteen and seventeen years ago. Our first purchases of O'Reilly stretch back more than a decade, and our first purchases of Berkshire occurred over 25 years ago. While it's never fun to settle liabilities that have accrued over decades of compounding, we only hope that we are able to defer all of the Fund's tax bills for such long periods.

Yet while the benefits of tax deferral are real and significant, they should not be overstated. Because Uncle Sam taxes long-term capital gains at a top rate that is twenty percentage points lower than the top rate for short-term gains, it pays tremendously to hold a profitable investment for more than one year. Beyond that point, however, while there can be meaningful value in delaying the settlement of your tax liability, this deferral benefit pales in comparison to the value of crossing that critical one-year threshold. Put another way, once you accomplish the critical goal of avoiding punitive short-term capital gains, it generally pays to focus more on generating the highest possible pretax return on your capital and less on avoiding taxes altogether.

Consider two investment funds that each produce a 9% annual pretax gain, in line with the total return of American stocks over the very long term. Busy Fund turns its entire portfolio over at the end of every year and pays taxes on all of its profits at the long-term capital gains rate of 23.8%. At the end of ten years, Busy Fund will earn an after-tax return of 6.9% per year. By contrast, Patient Fund defers all of its gains every year, exhibiting zero turnover, and settles its bill with Uncle Sam at the last moment. At the end of ten years, Patient Fund will earn an after-tax return of 7.4% per year.

So clearly there is a cost to turnover…or is there? Imagine a Sensible Fund that turns over 100% of its portfolio every year (paying taxes at the long-term capital gains rate) because it finds new investments that are a little better than the old ones, allowing it to earn 10% a year before taxes instead of 9%. Even bearing the costs of 100% annual turnover—over seven times the average for Sequoia over the last 20 years—Sensible will earn a ten-year after-tax return of 7.6%. Sensible may be less tax-efficient than Patient, but it's still the better after-tax investment. In other words, there's nothing wrong with paying taxes if doing so allows you to make new investments that materially increase your portfolio's expected rate of return.

If your investment strategy inherently lends itself to significant tax deferral, as ours does, it's especially beneficial to base your decisions on investment merit rather than taxes because the higher your rate of return, the more benefit you get from tax-deferred compounding. Recall how over ten years, zero-turnover Patient Fund earned 0.50% more per year after taxes than 100%-turnover Busy Fund. That was with both funds earning a 9% annual return before taxes. If they instead earned only 6% before taxes, Patient would only have beaten Busy after taxes by 0.20% per year.

A final comparison is perhaps the most relevant of all. We mentioned earlier that unless price-earnings ratios rise further, it's probably a decent guess that the S&P 500 will generate a long-term total return of around 7% a year from this point forward. With that as context, imagine a second version of our Patient Fund, like the one just referenced in the paragraph above, which only returns 6% per annum because it obsesses over taxes at the expense of investment results. Then imagine a second version of our Sensible Fund which turns its portfolio over 18% per year, like Sequoia did this past year, and which beats the S&P 500 by 2.65% per annum, in line with Sequoia's pretax outperformance since inception. Yet again, Sensible is less tax-efficient than Patient, but because it (1) pays its taxes at the long-term capital gains rate, (2) defers its taxes by holding its investments for an average of about six years and (3) sharply outperforms on a pretax basis, Sensible ends up the vastly better investment after taxes, earning 7.7% per annum versus 4.8% for Patient. In case that doesn't sound like a big difference, consider that over a decade, a $100 initial investment will have turned into $209 for the Sensible investor and only $160 for the Patient investor. If we extend the powerful benefits of compounding over a longer 30-year period, the Sensible investor in our example ends up roughly twice as wealthy as the Patient investor.

With all due respect to the parents of the world, then, patience is not *always* a virtue. That is what a famous Omaha-based investor had in mind when he wrote the following to the clients of his Buffett Partnership back in 1965:

> *What is one really trying to do in the investment world? Not pay the least taxes, although that may be a factor to be considered in achieving the end. Means and end should not be confused, however, and the end is to come away with the largest after-tax rate of compound. Quite obviously if two courses of action promise equal rates of pre-tax compound and one involves*

incurring taxes and the other doesn't the latter course is superior. However, we find this is rarely the case.

Investment Nirvana is obviously the combination of superior investment performance and high tax efficiency. Though past performance is no guarantee of future results, we are happy to report that over the last twenty years, Sequoia Fund has managed to achieve this exalted condition, earning 7.8% per annum before taxes, as compared to 7.2% for the S&P 500 and 6.3% for our Morningstar peer group, while exhibiting far greater tax-efficiency than the Morningstar peers. As already mentioned, our turnover has been a fraction of that exhibited by the Morningstar peers—and over seven times less than that of our hypothetical Sensible Fund. Far more importantly, virtually 100% of the Fund's realized gains over the last twenty years have qualified for long-term tax treatment, versus roughly 80% for the Morningstar peers. Though we realize we have much to prove as a team, we will be disappointed in the extreme if we fail to produce after-tax performance in the future compared to the Index and our peers that is at least on par with what the Fund has accomplished in the past.

While we work toward this goal, rest assured that when we take decisions to realize large gains, we never take them lightly. As we hope to have demonstrated, long-term capital gains taxes can be well worth paying when swapping one investment for another allows you to improve your portfolio's future rate of return. But as with every investment decision, the tradeoff involves risk: the tax bill you pay today is a fact, whereas the extra future profit you're hoping for is a forecast. So while the pure mathematics suggest that turnover can make sense even if it nudges your investment return up by a mere 1% per annum, the realities of a humbling world lead us to take a much more conservative approach to what are difficult and often agonizing decisions. In theory, there's nothing wrong with running the three-foot hurdles if you can leap three feet and an inch on most days. In practice, the activity is a lot more comfortable if you can leap four feet with weights on your ankles. Along these lines, we only take the decision to crystallize a large and certain tax bill when we believe that doing so will result in a very substantial increase to the Fund's after-tax rate of return.

. . . .

As we have discussed in past letters, since the leadership transition at Ruane Cunniff in March of 2016, we have invested substantial time and money in updating and modernizing virtually all of the Firm's systems, structures and processes. Perhaps the most tangible result of these efforts is the new leadership team we have assembled on the administrative side of our business. Wendy Goodrich, our new Chief Operating Officer, joined us late in 2016. Jennifer Rusk Talia, our new Head of Client Relations, started this past summer. Most recently, we welcomed Patrick Dennis, our new Chief Financial Officer. Pat previously served as CFO for the Gabelli Group, and earlier in his career, he worked with Wendy to help launch and run Eton Park Capital Management, a highly regarded hedge fund. Together with our longtime General Counsel Michael Sloyer, we think Pat, Wendy and Jen form an administrative leadership team as strong as any in our industry. We often find ourselves wondering how we made it nearly fifty years without them.

Over the last eighteen months, we have unveiled a new website, implemented new client relations and fund administration systems and completed a substantial housecleaning of our portfolio accounting system. In addition, the Fund is now open and investable on major mutual fund intermediary platforms such as Charles Schwab, Fidelity/NFS, Pershing, Wells Fargo, TD Ameritrade and Vanguard. During 2018, our administrative team will work to build on these achievements by implementing a new order management system, a new online access portal for separate account clients and a new transfer agency platform that should make it easier for Fund shareholders to interact with DST.

The team will also be working behind the scenes to help us convert Ruane Cunniff from an S-Corporation to a limited partnership. This is a technical change that has been on our modernization agenda for a while now, and it should have no discernible impact on clients or Fund shareholders. It will bring our legal entity setup into alignment with standard industry practice and afford us some added administrative flexibility. It will also allow us to codify, in a new set of partnership agreements, the structures we have used to run the Firm since we undertook our leadership transition two years ago. These include the three-person Management Committee that makes our major business decisions and the six-person Investment Committee that makes investment decisions for Sequoia Fund and our separate accounts.

In conjunction with the legal entity change, we plan to "make it official" and designate all five undersigned voting members of the Investment Committee to formally serve as co-managers of Sequoia Fund. The CEO position at Ruane Cunniff will also be replaced by a Managing Partner position, determined by a vote of the Firm's partners every four years. John Harris will serve as our first Managing Partner. David Poppe will remain a member of the Firm's Management and Investment Committees and a director of Sequoia Fund, and will thus continue to play a vital role in Ruane Cunniff's leadership. As is the case with many professional services firms, at the end of John's four-year term, our partner group will vote to either retain him as Managing Partner or appoint a new one. For his part, John is quite certain that after four years, we will be ready for another colleague's point of view. He observes that it took his lovely wife much less than four years to stop listening to him.

We see this move to the new partnership structure as the final leg of an important two-year journey that has seen Ruane Cunniff become a partnership not just in letter, but very much in spirit. By establishing the Management and Investment Committees, by recapitalizing the Firm and redistributing ownership more broadly, and now by replacing an appointed CEO position with an elected Managing Partner role, we have created a flatter and more inclusive organization that will be better positioned than ever to serve the interests of our clients and colleagues.

We are in the judgment business, and if the lessons of the recent past and our long careers have taught us anything, it is that a rich debate featuring a variety of opinions produces better decisions and outcomes over time. Thanks in large part to the wonderful culture that we inherited from Bill and Rick, we are all humble enough to know that none of us has all the answers—and that it doesn't matter who has the right ones, so long as we ultimately identify them. We have learned from two years of experience now that exposure to a diversity of perspectives enables the members of our Management and Investment Committees to make better judgments together than they would on their own. We think that exposing the day-to-day management of the Firm to a more frequent injection of fresh perspective will yield similar benefits.

While we're going to give it our best effort here, we also think it's impossible to adequately describe the contribution that David's leadership has made to our Firm and our clients over the past several years. We have noted previously that by routinely stretching above and beyond the call of duty, our entire team—from the most junior to the most senior—managed to turn the most difficult period in our Firm's history into what we believe has been Ruane Cunniff's finest hour. They were merely following the example of their leader. With an elegant combination of humility and quiet resolve that embodies the very best of our culture, David has worked harder than anyone over the last two years to serve our clients and preserve our founders' legacy. We consider ourselves lucky indeed to call him our partner and our friend.

. . . .

Our annual Investor Day will take place on Friday, May 18, 2018 in the Grand Ballroom of the Plaza Hotel in New York City, the same venue as last year. We look forward to seeing many of you there, and in the meantime, we send our warmest wishes for a happy, healthy and successful new year. As ever, we are profoundly grateful for the continued support of our clients, shareholders and Fund directors, and for the remarkable efforts of our team.

Sincerely,

The Ruane, Cunniff & Goldfarb Investment Committee

David M. Poppe　　John B. Harris　　Arman Gokgol-Kline

Trevor Magyar　　D. Chase Sheridan

Disclosures

Please consider the investment objectives, risks and charges and expenses of Sequoia Fund Inc. (the "Fund") carefully before investing. The Fund's prospectus contains this and other information about the Fund. You may obtain a copy of the prospectus at www.sequoiafund.com or by calling 1-800-686-6884. Please read the prospectus carefully before investing. Shares of the Fund are offered through the Fund's distributor, Ruane, Cunniff & Goldfarb LLC. Ruane, Cunniff & Goldfarb LLC is an affiliate of Ruane, Cunniff & Goldfarb Inc. and is a member of FINRA.

Sequoia Fund, Inc. – December 31, 2017	
Top 10 Holdings*	
Berkshire Hathaway, Inc.	12.5%
Alphabet, Inc.	10.2%
Mastercard, Inc.	8.1%
Constellation Software, Inc.	5.6%
Dentsply Sirona, Inc.	5.3%
TJX Companies, Inc.	5.2%
Rolls-Royce Holdings plc, Inc.	4.6%
Charles Schwab Corp.	3.9%
CarMax, Inc.	3.8%
Liberty Media Corporation	3.8%

** The Fund's holdings are subject to change and are not recommendations to buy or sell any security. The percentages are of total assets.*

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Fund may be offered only to persons in the United States and by way of a prospectus. Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fees	*1.00%*
Other Expenses	*0.07%*
Total Annual Fund Operating Expenses	*1.07%***

*** Does not reflect Ruane, Cunniff & Goldfarb Inc.'s ("Ruane, Cunniff & Goldfarb") contractual reimbursement of a portion of the Fund's operating expenses. This reimbursement is a provision of Ruane, Cunniff & Goldfarb's investment advisory agreement with the Fund and the reimbursement will be in effect only so long as that investment advisory agreement is in effect. For the year ended December 31, 2016, the Fund's annual operating expenses and investment advisory fee, net of such reimbursement, were 1.00% and 0.93%, respectively.*

The Fund is non-diversified, meaning that it invests its assets in a smaller number of companies than many other funds. As a result, an investment in the Fund has the risk that changes in the value of a single security may have a significant effect, either negative or positive, on the Fund's net asset value per share.