

MERIDIAN FUND, INC.

August 6, 2003

To Our Shareholders:

The stock market, as measured by the S&P 500 Index, posted its best quarterly performance since the end of 1998. We believe the end of the Iraqi war and the prospects of a stronger economy during the second half of the year are encouraging to investors. The S&P 500 advanced 14.9%, the NASDAQ 21.0% and the Russell 2000 23.0% during the second quarter. Internet, biotechnology and home construction were among the strongest performing sectors. Three of the weaker performing groups included mining, tires and insurance stocks. The slow economy appeared to benefit the bond market. The yield on the 30-year Treasury bond stood at 4.56% at the end of June versus 5.48% a year ago.

Economic indicators improved during the quarter, but GDP growth and job growth remain lackluster. Private payrolls are still declining, consumer confidence remains at a low level and manufacturing is still weak. We believe the economy, while growing slowly, is headed in the right direction and that growth will pick up somewhat during the second half of 2003 and through 2004. Both monetary and fiscal policy, the government's two major economic weapons, are expansionary. Interest rates and inflation remain at low levels, productivity is increasing and the current tax cuts should stimulate spending and provide incentives for additional savings and investment. Profit growth may accelerate through 2004 and this, along with low interest rates, may lead to increased capital spending.

Our market outlook is positive. We believe that economic growth combined with low interest rates and modest inflation is good for equities. Most stocks today are selling at reasonable valuations relative to alternative investments such as cash equivalents, bonds and real estate.

The Wall Street Transcript recently featured the Meridian Growth Fund. The interview with Richard Aster is available on our web site at www.meridianfund.com. Go to the Meridian Growth Fund link and then go to Press.

Please notice we have consolidated both our funds into one report in an effort to decrease printing and mailing expenses.

We welcome those new shareholders who joined the Meridian Growth Fund and the Meridian Value Fund during the quarter and appreciate the continued confidence of our existing shareholders.

Meridian Growth Fund®

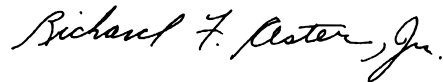
The Meridian Growth Fund's net asset value per share at June 30, 2003 was \$27.24. This represents an increase of 18.5% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,031.7% and 13.7%, respectively. The Fund's assets at the close of the quarter were invested 8.5% in cash and cash equivalents and 91.5% in stocks. Total net assets were \$448,393,059 and there were 26,727 shareholders.

Our strategy is unchanged. We continue to focus on small and medium-sized growth stocks that we believe are well positioned in their respective markets and that will benefit from a better economy during the next few years. More than ninety percent of our gains are long-term and are now taxed at the attractive rate of fifteen percent.

During the June quarter, we purchased shares in Advent Software, Inc., Dollar Tree Stores, Inc., Herman Miller, Inc. and Ross Stores, Inc. We sold our positions in Kohl's Corporation and United States Cellular Corporation.

Mercury General Corporation is a well-managed California auto insurer, which we believe has considerable growth prospects. Mercury has a reputation of underwriting discipline, exceptional claims service and a network of independent agents and brokers who proudly represent Mercury in a competitive market. The company has an exceptional long-term record based on competitive rates, but not at the expense of underwriting standards or service to policyholders. We believe growth will come from market share gains in California and geographical expansion. Mercury is moving into other major markets including Texas, Florida and Georgia. We understand that the management team plans to undertake this growth in an orderly and profitable manner, using the same formula that has been so successful in California. Mercury is well capitalized and the shares sell at approximately 12 times estimated earnings. We believe Mercury represents a good long-term investment.

Sincerely,

A handwritten signature in cursive script that reads "Richard F. Aster, Jr.".

Richard F. Aster, Jr.

Meridian Value Fund®

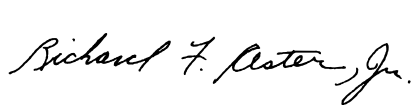
The Meridian Value Fund's net asset value per share at June 30, 2003 was \$31.65. This represents an increase of 12.7% for the calendar year to date. The Fund's total return and average annual compounded rate of return for the eight years ended June 30, 2003, were 358.2% and 21.0%, respectively. The comparable period returns for the S&P 500 with dividends were 103.7% and 9.3%, respectively. The Fund's assets at the close of the quarter were invested 9.0% in cash and cash equivalents and 91.0% in stocks. Total net assets were \$1,456,552,232 and there were 87,416 shareholders.

There have been no major changes in our portfolio or our strategy. We continue to research out-of-favor companies with strong or improving balance sheets, which we believe are positioned to generate earnings growth even in a difficult economic environment.

New positions during the quarter include AMVESCAP, AT&T Wireless Services, American Eagle Outfitters, American Greetings, BearingPoint, Bristol-Myers Squibb, Campbell Soup, Crane, Cummins, Embraer-Empresa Brasileira de Aeronautica, Inco, Keane, Koninklijke Phillips Electronics, Newfield Exploration, Packaging Corporation of America and Valero Energy. We sold our shares in Borders, Concord Camera, Gold Fields, InFocus, Mercury Computer Systems, Park Place Entertainment, Payless ShoeSource, RadioShack, Sensient Technologies, THQ, Viasys Healthcare and Yum Brands.

We recently increased our position in Electronics for Imaging ("EFII"). EFII is the leading supplier of technology products to connect copiers, printers and digital presses to computer networks. From 1999 to 2002, the company's operating earnings declined from \$1.49 to \$0.31. Revenues declined almost 40% while operating margins declined from 22% to 5%; due principally to the weak economy and increased investments in new growth initiatives in the corporate, professional and mobile printing markets. Consequently, the stock dropped from a high of \$70 to a low of \$13. In 2003, EFII's investments are beginning to bear fruit as new products ramp up. We believe operating earnings will increase to \$0.57 in 2003, and are projected to improve to \$0.70 in 2004. With the stock price now at \$19.50 and net available cash at \$8.15, EFII's business is valued at 20 times estimated 2003 earnings and 16 times projected 2004 earnings.

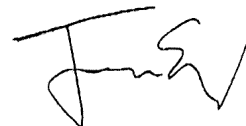
Sincerely,



Richard F. Aster, Jr.



Kevin O'Boyle



James England

Meridian Growth Fund

Schedule of Investments

June 30, 2003

	Shares	Value		Shares	Value
COMMON STOCK - 91.5%			INDUSTRIAL SERVICES - 6.1%		
BANKING & FINANCE - 3.0%			Expeditors International of		
Silicon Valley Bancshares...	284,500	\$ 6,773,945	Washington, Inc.*	134,200	\$ 4,648,688
UCBH Holdings, Inc.*	238,600	6,843,048	Paychex, Inc.*	153,400	4,496,154
		13,616,993	Republic Services, Inc.	513,800	11,647,846
BROKERAGE & MONEY MANAGEMENT - 3.2%			United Rentals, Inc.	481,350	6,685,952
Edwards (A.G.), Inc.*	210,450	7,197,390			27,478,640
T. Rowe Price Group, Inc.*	190,200	7,180,050	INSURANCE - 2.5%		
		14,377,440	Mercury General Corp.* ...		
CELLULAR COMMUNICATIONS - 0.7%				240,300	10,969,695
American Tower Corp.			RESTAURANTS - 7.2%		
Class A	353,000	3,124,050	Applebee's International,		
CONSTRUCTION - 2.6%			Inc.*	294,950	9,270,279
Granite Construction, Inc.*	600,925	11,513,723	P.F. Chang's China Bistro,		
CONSUMER SERVICES - 2.5%			Inc.	92,000	4,527,320
Regis Corp.*	389,000	11,300,450	Ruby Tuesday, Inc.*	465,800	11,519,234
EDUCATION - 2.0%			Sonic Corp.	273,950	6,966,548
DeVry, Inc.	378,000	8,803,620			32,283,381
FURNITURE & FIXTURES - 1.1%			RETAIL - 17.0%		
Herman Miller, Inc.*	247,775	5,007,533	Bed, Bath and Beyond, Inc.		
HEALTHCARE SERVICES - 12.0%				127,000	4,928,870
DaVita, Inc.	439,300	11,764,454	Borders Group, Inc.	603,000	10,618,830
Health Management			Claire's Stores, Inc.*	325,700	8,259,752
Associates, Inc. Class A*	588,500	10,857,825	Cost Plus, Inc.	277,300	9,888,518
Lincare Holdings, Inc.	357,650	11,269,551	Dollar Tree Stores, Inc.	197,100	6,253,983
Province Healthcare Co.	762,700	8,443,089	Ethan Allen Interiors, Inc.*	294,600	10,358,136
Renal Care Group, Inc.	328,800	11,577,048	Men's Wearhouse, Inc.	508,400	11,108,540
		53,911,967	Ross Stores, Inc.*	135,800	5,804,092
INDUSTRIAL PRODUCTS - 4.7%			Tiffany & Co.*	271,600	8,875,888
Dionex Corp.	250,130	9,942,667			76,096,609
Tektronix, Inc.	519,400	11,219,040	TECHNOLOGY - 22.6%		
		21,161,707	Advent Software, Inc.		
				274,000	4,633,340
			American Power Conversion		
			Corp.	569,700	8,881,623
			Autodesk, Inc.*	601,200	9,715,392
			FileNET Corp.	417,400	7,529,896
			Getty Images, Inc.	224,500	9,271,850
			KEMET Corp.	1,006,000	10,160,600
			Molex, Inc. Class A *	433,800	10,055,050
			Symbol Technologies, Inc.*	818,500	10,648,685
			Synopsys, Inc.	171,400	10,601,090

The accompanying notes are an integral part of the financial statements

Meridian Growth Fund

Schedule of Investments (continued)

June 30, 2003

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCK (continued)			U.S. GOVERNMENT OBLIGATIONS - 4.2%	
Vishay Intertechnology, Inc.	801,400	\$ 10,578,480	(Identified cost \$18,978,910)	
Zebra Technologies Corp.			U.S. Treasury Bill @1.098% due	
Class A	121,900	<u>9,165,661</u>	08/07/03 (Face Value \$19,000,000) ...	<u>\$ 18,980,374</u>
		101,241,667		
TELECOMMUNICATIONS EQUIPMENT - 4.3%			TOTAL INVESTMENTS - 95.7%	
Andrew Corp.	1,158,700	10,660,040	(Identified cost \$372,369,516)	429,247,897
Plantronics, Inc.	402,400	<u>8,720,008</u>		
		19,380,048	CASH AND OTHER ASSETS LESS	
TOTAL COMMON STOCK - 91.5%			LIABILITIES - 4.3%	<u>19,145,162</u>
(Identified cost \$353,390,606)		<u>410,267,523</u>		
			NET ASSETS - 100%	<u><u>\$448,393,059</u></u>

* income producing security

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments

June 30, 2003

	Shares	Value		Shares	Value
COMMON STOCK - 91.0%			Kerr-McGee Corp.*	416,500	\$ 18,659,200
AEROSPACE/DEFENSE - 2.5%			Newfield Exploration Co.	192,700	7,235,885
Empresa Brasileira De			Tom Brown, Inc.	499,400	13,878,326
Aeronautica S.A. ADR*	731,200	\$ 13,965,920	Valero Energy Corp.*	567,000	20,599,110
Raytheon Co.*	428,400	14,068,656			133,897,307
Rockwell Collins, Inc.*	356,600	8,783,058	HEALTHCARE PRODUCTS - 5.6%		
		36,817,634	ArthroCare Corp.	425,300	7,128,028
AGRICULTURE - 1.9%			Becton, Dickinson & Co.*	757,100	29,413,335
Agrium, Inc.*	1,204,600	13,202,416	Boston Scientific Corp.	471,900	28,833,090
Potash Corp. of			Haemonetics Corp.	862,000	16,119,400
Saskatchewan, Inc.*	227,200	14,540,800			81,493,853
		27,743,216	HEALTHCARE SERVICES - 8.8%		
APPAREL - 1.0%			DaVita, Inc.	1,239,500	33,193,810
V.F. Corp.*	405,100	13,761,247	Lincare Holdings, Inc.	912,800	28,762,328
BANKING/FINANCE - 0.6%			Omnicare, Inc.*	1,257,000	42,474,030
Amvescap Plc ADR*	660,000	9,226,800	PAREXEL International		
BASIC MATERIALS - 4.0%			Corp.	1,250,200	17,440,290
Inco Ltd.	869,600	18,383,344	Tenet Healthcare Corp.	586,000	6,826,900
Newmont Mining Corp.*	1,237,700	40,175,742			128,697,358
		58,559,086	INDUSTRIAL PRODUCTS - 7.7%		
CONSUMER PRODUCTS - 4.7%			Crane Co.*	217,800	4,928,814
American Greetings Corp.			Cummins, Inc.*	254,000	9,116,060
Class A	677,100	13,298,244	Engelhard Corp.*	755,400	18,711,258
Campbell Soup Co.*	408,600	10,010,700	International Flavors &		
Dial Corp.*	1,262,600	24,557,570	Fragrances, Inc.*	465,500	14,863,415
Kimberly-Clark Corp.*	390,700	20,371,098	Packaging Corp. of		
		68,237,612	America	452,700	8,343,261
CONSUMER SERVICES - 5.4%			Pall Corp.*	1,237,400	27,841,500
EchoStar Communications			Thermo Electron Corp.	606,100	12,740,222
Corp. Class A	650,000	22,503,000	Waters Corp.	538,500	15,686,505
ServiceMaster Co.*	1,505,000	16,103,500			112,231,035
Waste Management, Inc.*	1,669,600	40,220,664	INDUSTRIAL SERVICES - 4.3%		
		78,827,164	ADVO, Inc.	176,200	7,823,280
ENERGY - 9.2%			Genuine Parts Co.*	885,400	28,341,654
Arch Coal, Inc.*	982,000	22,566,360	Valassis Communications,		
Burlington Resources, Inc.*	511,300	27,645,991	Inc.	1,053,900	27,106,308
FMC Technologies, Inc.	960,300	20,214,315			63,271,242
Helmerich & Payne, Inc.*	106,100	3,098,120	INFORMATION TECHNOLOGY SERVICES - 0.5%		
			BearingPoint, Inc.	534,700	5,159,855
			Keane, Inc.	186,600	2,543,358
					7,703,213

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

June 30, 2003

	Shares	Value		Shares	Value
COMMON STOCK (continued)					
INSURANCE - 3.5%			Power Integrations, Inc. . . .	1,083,000	\$ 26,338,560
Aetna, Inc.*	249,500	\$ 15,019,900	SERENA Software, Inc. . . .	861,000	17,977,680
SAFECO Corp.*	1,030,200	36,345,456	Storage Technology Corp. . .	1,192,700	30,700,098
		51,365,356	Symbol Technologies, Inc.*	660,200	8,589,202
			Synopsys, Inc.	115,900	7,168,415
					151,672,657
PAPER/FOREST PRODUCTS - 1.6%			TELECOMMUNICATIONS EQUIPMENT - 1.0%		
Aracruz Celulose S.A. ADR*	695,900	14,655,654	ADTRAN, Inc.	273,855	14,046,023
Sappi Ltd ADR*	639,100	7,892,885			
		22,548,539	TELECOMMUNICATIONS SERVICES - 4.4%		
PHARMACEUTICALS - 4.4%			AT&T Wireless Services,		
Bristol-Myers Squibb Co.*	376,000	10,208,400	Inc.	955,000	7,840,550
Mylan Laboratories, Inc.*	1,031,500	35,865,255	CenturyTel, Inc.*	793,200	27,643,020
Serono S.A. ADR*	1,221,490	17,784,895	Citizens Communications		
		63,858,550	Co.	2,240,500	28,880,045
					64,363,615
REAL ESTATE - 1.0%			TRANSPORTATION - 2.7%		
Healthcare Realty Trust,			Burlington Northern Santa		
Inc.*	480,900	14,018,235	Fe Corp.*	746,000	21,216,240
RETAIL - 5.7%			J.B. Hunt Transport		
American Eagle Outfitters,			Services, Inc.	486,000	18,346,500
Inc.	485,000	8,894,900			39,562,740
Burlington Coat Factory			TOTAL COMMON STOCK - 91.0%		
Warehouse Corp.*	257,200	4,603,880	(Identified cost \$1,110,353,282)		1,324,988,510
CVS Corp.*	713,200	19,990,996			
Men's Wearhouse, Inc. . .	681,700	14,895,145	U.S. GOVERNMENT OBLIGATIONS - 5.0%		
Office Depot, Inc.	1,045,700	15,173,107	U.S. Treasury Bill @ 1.144% due		
Zale Corp.	488,200	19,528,000	07/10/03 (Face Value \$15,000,000)		14,996,178
		83,086,028	U.S. Treasury Bill @ 1.134% due		
TECHNOLOGY - 10.5%			07/24/03 (Face Value \$13,000,000)		12,991,589
American Power			U.S. Treasury Bill @ 1.113% due		
Conversion Corp.	1,083,668	16,894,384	07/31/03 (Face Value \$11,500,000)		11,489,944
Cadence Design System,			U.S. Treasury Bill @ 1.037% due		
Inc.	584,000	7,043,040	08/14/03 (Face Value \$10,000,000)		9,990,176
Coherent, Inc.	323,667	7,745,351	U.S. Treasury Bill @ 1.093% due		
Electronics for Imaging,			08/28/03 (Face Value \$12,000,000)		11,984,950
Inc.	719,300	14,594,597	U.S. Treasury Bill @ 0.851% due		
Hyperion Solutions Corp.	368,000	12,423,680	09/11/03 (Face Value \$11,500,000)		11,481,002
Koninklijke (Royal)					
Philips Electronics N.V.					
NY Shares	115,000	2,197,650			

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

June 30, 2003

	<u>Value</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS (Identified cost \$72,923,572)	<u>\$ 72,933,839</u>
TOTAL INVESTMENTS - 96.0% (Identified cost \$1,183,276,854)	1,397,922,349
CASH AND OTHER ASSETS LESS LIABILITIES - 4.0%	<u>58,629,883</u>
NET ASSETS - 100%	<u><u>\$1,456,552,232</u></u>

* income producing security
ADR - American Depository Receipt

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Assets and Liabilities

June 30, 2003

	<u>Growth Fund</u>	<u>Value Fund</u>
ASSETS		
Investments (Cost \$372,369,516 and \$1,183,276,854)	\$429,247,897	\$1,397,922,349
Cash and cash equivalents	19,899,052	70,154,264
Receivable for:		
Capital shares	1,145,579	1,287,332
Dividends	165,938	1,004,547
Interest	8,681	28,893
Securities sold	1,388,936	9,618,511
Prepaid expenses	<u>1,745</u>	<u>3,500</u>
TOTAL ASSETS	<u>451,857,828</u>	<u>1,480,019,396</u>
LIABILITIES		
Payable for:		
Capital shares	65,449	930,614
Securities purchased	2,987,051	21,023,214
Accrued expenses:		
Investment advisory fees	291,893	1,227,313
Other payables and accrued expenses	<u>120,376</u>	<u>286,023</u>
TOTAL LIABILITIES	<u>3,464,769</u>	<u>23,467,164</u>
NET ASSETS	<u>\$448,393,059</u>	<u>\$1,456,552,232</u>
Capital shares issued and outstanding, par value \$0.01 (25,000,000 and 50,000,000 shares authorized)	<u>16,459,089</u>	<u>46,013,936</u>
Net asset value per share (offering and redemption price)	<u>\$27.24</u>	<u>\$31.65</u>
Net Assets consist of:		
Paid in capital	\$387,275,600	\$1,355,188,790
Accumulated net realized gain (loss)	4,239,078	(113,282,053)
Net unrealized appreciation on investments and foreign currency translations	<u>56,878,381</u>	<u>214,645,495</u>
	<u>\$448,393,059</u>	<u>\$1,456,552,232</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Operations

For the Year Ended June 30, 2003

	<u>Growth Fund</u>	<u>Value Fund</u>
INVESTMENT INCOME		
Dividends (net of foreign taxes withheld of \$0 and \$72,146, respectively)	\$ 1,247,145	\$ 10,751,702
Interest	293,773	1,097,707
Other income	—	136,799
Total Investment Income	<u>1,540,918</u>	<u>11,986,208</u>
EXPENSES		
Investment advisory fees	2,560,989	12,137,323
Transfer agent fees	201,800	450,313
Reports to shareholders	108,904	415,665
Custodian fees	53,732	175,029
Pricing fees	68,695	168,834
Registration and filing fees	38,502	38,700
Professional fees	36,865	36,865
Miscellaneous expenses	6,606	17,041
Directors' fees and expenses	881	4,154
Total expenses	<u>3,076,974</u>	<u>13,443,924</u>
Net investment loss	<u>(1,536,056)</u>	<u>(1,457,716)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	4,243,657	(74,623,894)
Net change in unrealized appreciation on investments and foreign currency translations	<u>10,490,266</u>	<u>138,434,441</u>
Net gain on investments	<u>14,733,923</u>	<u>63,810,547</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$13,197,867</u>	<u>\$ 62,352,831</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Changes in Net Assets

	Growth Fund		Value Fund	
	Year Ended June 30, 2003	Year Ended June 30, 2002	Year Ended June 30, 2003	Year Ended June 30, 2002
OPERATIONS				
Net investment loss	\$(1,536,056)	\$(1,369,673)	\$(1,457,716)	\$(2,323,438)
Net realized gain (loss) on investments	4,243,657	11,777,819	(74,623,894)	(37,725,420)
Net increase (decrease) in unrealized appreciation (depreciation) of investments	<u>10,490,266</u>	<u>(12,385,892)</u>	<u>138,434,441</u>	<u>7,171,686</u>
Net increase (decrease) in net assets from operations	<u>13,197,867</u>	<u>(1,977,746)</u>	<u>62,352,831</u>	<u>(32,877,172)</u>
DISTRIBUTIONS TO SHAREHOLDERS				
Distributions from ordinary income	(699,754)	—	—	(1,007,532)
Distributions from net realized capital gain	<u>(7,469,451)</u>	<u>(17,227,660)</u>	<u>—</u>	<u>(1,201,570)</u>
Net distributions	<u>(8,169,205)</u>	<u>(17,227,660)</u>	<u>—</u>	<u>(2,209,102)</u>
CAPITAL SHARE TRANSACTIONS				
Proceeds from sales of shares	209,292,815	182,159,957	511,600,637	963,374,074
Reinvestment of distribution	7,510,696	16,327,450	—	1,950,486
Less: redemptions	<u>(84,098,027)</u>	<u>(50,740,320)</u>	<u>(414,608,084)</u>	<u>(401,590,408)</u>
Increase resulting from capital share transactions	<u>132,705,484</u>	<u>147,747,087</u>	<u>96,992,553</u>	<u>563,734,152</u>
Total increase in net assets	137,734,146	128,541,681	159,345,384	528,647,878
NET ASSETS				
Beginning of year	<u>310,658,913</u>	<u>182,117,232</u>	<u>1,297,206,848</u>	<u>768,558,970</u>
End of year*	<u>\$448,393,059</u>	<u>\$310,658,913</u>	<u>\$1,456,552,232</u>	<u>\$1,297,206,848</u>

* The end of year balance includes undistributed net investment (loss) of \$0 and \$0, respectively for the Growth Fund and \$0 and \$(148), respectively, for the Value Fund.

The accompanying notes are an integral part of the financial statements

Meridian Growth Fund

Financial Highlights

Selected data for each share of capital stock outstanding throughout each period

	For the fiscal year ended June 30,									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Net Asset Value - Beginning of period	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27	\$23.87
Income from Investment Operations										
Net Investment Income (Loss)*	(0.08)	(0.12)	2.26	0.11	0.16	0.27	0.40	0.30	0.27	0.09
Net Gains (Losses) on Securities (both realized and unrealized)	(0.11)	(0.24)	3.89	4.99	(0.50)	4.92	3.71	5.47	3.63	0.76
Total From Investment Operations	(0.19)	(0.36)	6.15	5.10	(0.34)	5.19	4.11	5.77	3.90	0.85
Less Distributions										
Distributions from net investment income	(0.06)	0.00	(2.44)	(0.15)	(0.14)	(0.32)	(0.36)	(0.31)	(0.18)	(0.02)
Distribution from Net Realized Capital Gains	(0.61)	(2.84)	(1.86)	(1.78)	(6.50)	(4.81)	(2.76)	(0.54)	(0.70)	(0.43)
Total Distributions	(0.67)	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)	(3.12)	(0.85)	(0.88)	(0.45)
Net Asset Value - End of Period	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27
Total Return	(0.20%)	0.42%	23.34%	21.45%	3.05%	16.92%	13.92%	21.40%	16.44%	3.48%
Ratios/Supplemental Data										
Net Assets, End of Period (000's)	\$448,393	\$310,659	\$182,117	\$140,990	\$185,683	\$296,803	\$353,029	\$384,087	\$328,153	\$199,191
Ratio of Expenses to Average Net Assets	0.95%	1.02%	1.04%	1.09%	1.01%	0.95%	0.96%	0.96%	1.06%	1.22%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.47%)	(0.62%)	(0.26%)	0.31%	0.49%	0.76%	1.23%	0.99%	1.18%	0.38%
Portfolio Turnover Rate	27%	26%	43%	28%	51%	38%	37%	34%	29%	43%

* Net Investment Income (Loss) per share has been computed before adjustments for book/tax differences.

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Financial Highlights

Selected data for each share of capital stock outstanding throughout each period

	For the fiscal year ended June 30,								
	2003	2002	2001	2000	1999	1998	1997	1996	1995 ⁽¹⁾
Net Asset Value - Beginning of Period	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27	\$9.87
Income from Investment Operations									
Net Investment Income (Loss)**	(0.03)	(0.05)	1.12	0.05	(0.10)	(0.19)	(0.26)	(0.10)	(0.04)
Net Gains (Losses) on Securities (both realized and unrealized)	1.34	(0.51)	5.75	5.91	3.56	4.32	3.20	5.15	0.44
Total From Investment Operations	1.31	(0.56)	6.87	5.96	3.46	4.13	2.94	5.05	0.40
Less Distributions									
Distribution from Net Investment Income	0.00	(0.04)	(1.09)	0.00	0.00	0.00	0.00	0.00	0.00
Distribution from Net Realized Capital Gains	0.00	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Total Distributions	0.00	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Net Asset Value - End of Period	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27
Total Return	4.32%	(1.78%)	27.95%	29.63%	18.92%	26.05%	20.55%+	49.17%+	4.05%+
Ratios/Supplemental Data									
Net Assets, End of Period (000's)	\$1,456,552	\$1,297,207	\$768,559	\$87,930	\$24,912	\$12,196	\$7,340	\$3,472	\$715
Ratio of Expenses to Average Net Assets	1.11%	1.12%	1.10%	1.41%	1.63%	2.16%	2.51%*	2.55%*	2.78%*
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.12%)	(0.22%)	0.60%	0.39%	(0.65%)	(1.35%)	(1.96%)*	(1.36%)*	(0.58%)*
Portfolio Turnover Rate	60%	54%	76%	86%	124%	133%	144%	125%	77%

(1) Commenced Operations on Feb 10, 1994.

+ The total returns would have been lower had certain expenses not been reduced during the periods shown.

* Not representative of expenses incurred by the Fund as the Adviser waived its fee and/or paid certain expenses of the Fund. As indicated in Note 2, the Investment Manager may reduce a portion of its fee and absorb certain expenses of the Fund. Had these fees and expenses not been reduced and absorbed, the ratio of expenses to average net assets would have been 2.80%, 6.47% and 14.64%, and the ratio of net investment income to average net assets would have been a loss of 2.25%, 5.28% and 12.44%, for the periods ended June 30, 1997 through June 30, 1995, respectively.

** Net Investment Income (Loss) per share has been computed before adjustments for book/tax differences.

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Notes to Financial Statements

For the Year Ended June 30, 2003

1. **Organization and Significant Accounting Policies:** Meridian Fund, Inc., (the “Company”), is comprised of the Meridian Growth Fund (the “Growth Fund”) and the Meridian Value Fund (the “Value Fund”). The Growth Fund and the Value Fund (each a “Fund” and collectively, the “Funds”) are registered under the Investment Company Act of 1940, as amended, as no-load, diversified, open-end management investment companies. The Growth Fund began operations and was registered on August 1, 1984. The Value Fund began operations on February 10, 1994 and was registered on February 7, 1994.

The primary investment objective of the Growth Fund is to seek long-term growth of capital. Originally named Meridian Fund, the name was changed effective April 20, 2001 to Meridian Growth Fund, to more closely reflect the investment style. There was no change in how the Fund is managed.

The primary investment objective of the Value Fund is to seek long-term growth of capital.

The following is a summary of significant accounting policies for both Funds:

- a. **Investment Valuations:** Marketable securities are valued at the closing price or last sales price on the principal exchange or market on which they are traded; or, if there were no sales that day, at the last reported bid price.
- b. **Federal Income Taxes:** It is the Funds’ policy to comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) applicable to regulated investment companies and to distribute all of its taxable income to its shareholders; therefore, no federal income tax provision is required. The aggregate cost of investments for federal income tax purposes is as follows:

	Aggregate Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized Depreciation	Net Unrealized Appreciation
Growth Fund	\$ 372,484,442	\$ 71,916,937	\$(15,153,482)	\$ 56,763,455
Value Fund	1,188,020,703	238,553,832	(28,652,186)	209,901,646

- c. **Security Transactions:** Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on security transactions are determined on the basis of specific identification for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily.
- d. **Cash and Cash Equivalents:** All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Available funds are automatically swept into a Cash Reserve account which preserves capital with a consistently competitive rate of return. Interest accrues daily and is credited by the third business day of the following month.
- e. **Expenses:** Expenses arising in connection with the Fund are charged directly to the Fund. Expenses common to the Funds are allocated to each Fund in proportion to their relative net assets.
- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the United States of America requires management to make estimates and

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2003

assumptions that affect the reported amount of assets and liabilities at the date of the financial statements. Actual amounts could differ from those estimates.

- g. **Distributions to Shareholders:** The Funds record distributions to its shareholders on the ex-date. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

Distributions which exceed net investment income and net realized capital gains are reported as distributions in excess of net investment income or distributions in excess of net realized capital gains for financial reporting purposes but not for tax purposes. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

Permanent book-tax differences, if any, are not included in ending undistributed net investment income (loss) for the purposes of calculating net investment income (loss) per share in the Financial Highlights.

- h. **Guarantees and Indemnifications:** Under the Funds’ organizational documents, its officers and directors are indemnified against certain liability arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
2. **Related Parties:** The Funds have entered into a management agreement with Aster Investment Management Company, Inc. (the “Investment Adviser”). Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Investment Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of June 30, 2003 was as follows:

Growth Fund	2.7%
Value Fund	0.6%

The Investment Adviser receives from the Growth Fund as compensation for its services an annual fee of 1% of the first \$50,000,000 of the Growth Fund’s net assets and 0.75% of the Growth Fund’s net assets in excess of \$50,000,000. The fee is paid monthly and calculated based on that month’s daily average net assets.

The Investment Adviser receives from the Value Fund as compensation for its services an annual fee of 1% of the Value Fund’s net assets. The fee is paid monthly and calculated based on that month’s daily average net assets. The investment adviser has agreed to voluntarily limit the expenses of the Value Fund to 2.50%.

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2003

With respect to this voluntary limit, the Investment Adviser did not reimburse the Value Fund during 2003.

3. **Capital Shares Transactions:** The Growth Fund and Value Fund have authorized 25,000,000 and 50,000,000 common shares at a par value of \$.01 per share, respectively. Transactions in capital shares for the years ended June 30, 2003 and 2002 were as follows:

	Growth Fund		Value Fund	
	2003	2002	2003	2002
Shares sold	8,611,562	6,337,280	18,083,824	30,893,853
Shares issued on reinvestment of distributions	333,958	672,857	—	72,027
	8,945,520	7,010,137	18,083,824	30,965,880
Shares redeemed	(3,541,670)	(1,773,803)	(14,832,550)	(13,007,941)
Net increase	<u>5,403,850</u>	<u>5,236,334</u>	<u>3,251,274</u>	<u>17,957,939</u>

4. **Compensation of Directors and Officers:** Directors and officers of the Funds who are directors and/or officers of the Investment Adviser receive no compensation from the Funds. Directors of the Funds who are not interested persons as defined in the Investment Company Act of 1940 receive compensation in the amount of \$1,000 per annum and a \$1,000 purchase of Meridian Growth Fund or Meridian Value Fund shares, plus expenses for each Board of Directors meeting attended. The aggregate compensation due the unaffiliated Directors of the Funds as of June 30, 2003, were as follows:

Growth Fund	\$2,500
Value Fund	3,695

5. **Cost of Investments:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term obligations, for the year ended June 30, 2003, were as follows:

	Purchases	Proceeds from Sales
Growth Fund	\$193,239,876	\$ 80,614,623
Value Fund	751,543,638	672,638,862

The cost of purchases, redemptions at maturity, and proceeds from sales of U.S. Government securities were as follows:

	Purchase	Redeemed at Maturity	Proceeds from Sales
Growth Fund	\$ 62,810,914	\$ 57,400,000	\$ —
Value Fund	267,747,938	277,100,000	9,989,856

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2003

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles accepted in the United States. The tax character of distributions made during the fiscal years ended June 30, 2002 and June 30, 2003 were as follows:

2002 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Growth Fund.....	\$ 517,816	\$16,709,844	\$17,227,660
Value Fund	1,007,532	1,201,570	2,209,102

2003 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Growth Fund.....	\$ 699,328	\$ 7,469,877	\$ 8,169,205
Value Fund	—	—	—

7. **Federal Income Taxes:** Permanent differences, incurred during the year ended June 30, 2003, resulting from differences in book and tax accounting have been reclassified at year end to undistributed net investment income, accumulated realized gain/(loss) and paid-in capital as follows:

<u>Fund</u>	<u>Increase/Decrease Paid-In Capital</u>	<u>Increase/Decrease Undistributed Net Investment Income</u>	<u>Increase/Decrease Accumulated Realized Gain/(Loss)</u>
Growth Fund	\$(1,536,056)	\$2,235,810	\$(699,754)
Value Fund	(1,457,864)	1,457,864	—

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2003

As of June 30, 2003, the Funds had available for federal tax purposes unused capital loss carryforwards as follows:

	<u>Expiring in 2010</u>	<u>Expiring in 2011</u>
Value Fund	\$13,013,923	\$91,589,259

Components of Accumulated Earnings (Losses) on a Tax Basis

	<u>Growth Fund</u>	<u>Value Fund</u>
Undistributed long-term capital gains	\$ 4,354,004	\$ —
Capital loss carryforwards	—	(104,603,182)
Post-October losses	—	(3,935,022)
Unrealized appreciation/(depreciation)	<u>56,763,455</u>	<u>209,901,646</u>
Total Accumulated Earnings (Losses)	<u>\$61,117,459</u>	<u>\$ 101,363,442</u>

Post-October losses represent losses realized on investment transactions from November 1, 2002 through June 30, 2003 that, in accordance with Federal income tax regulations, the Funds have elected to defer and treat as having arisen in the following fiscal year.

Report of Independent Auditors

To the Board of Directors and Shareholders
of Meridian Fund, Inc.

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Meridian Growth Fund and Meridian Value Fund (hereafter referred to as the “Funds”) at June 30, 2003, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
August 8, 2003

Information About the Directors and Officers of Meridian Fund, Inc.

The individuals listed below serve as directors or officers of Meridian Fund, Inc. (the “Meridian Funds”). Each director of the Meridian Funds serves until a successor is elected and qualified or until resignation. Each officer of the Meridian Funds is elected annually by the Board of Directors. The address of all officers and directors is 60 East Sir Francis Drake Blvd., Wood Island, Suite 306, Larkspur, CA 94939. The Meridian Funds’ Statement of Additional Information (SAI) includes more information about the Directors. To request a free copy, call Meridian at 1-800-446-6662.

Interested Directors *

Richard F. Aster, Jr. (63)

Positions(s) Held with Fund: President, Chairman of the Board, Portfolio Manager

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: President, Aster Investment Management, Inc.; President, Aster Capital Management, Inc.

Number of Portfolios Overseen: 2

Other Directorships: N/A

Michael Stolper (58)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Investment Adviser and Broker - Dealer, Stolper & Company, Inc.

Number of Portfolios Overseen: 2

Other Directorships: Pasadena Capital, Kane-Miller Publishing

* Aster Investment Management, Inc. is the investment adviser to the Meridian Funds. Mr. Stolper is a minority owner of Aster Investment Management, Inc.

Information About the Directors and Officers of Meridian Fund, Inc. (continued)

Independent Directors

Michael S. Erickson (51)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Private Investor; Former Chairman & Current CFO, AeroAstro

Number of Portfolios Overseen: 2

Other Directorships: AeroAstro

James Bernard Glavin (68)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Chairman of the Board, The Immune Response Corp.

Number of Portfolios Overseen: 2

Other Directorships: N/A

Herbert Charles Kay (66)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Private Investor

Number of Portfolios Overseen: 2

Other Directorships: N/A

Officers

Gregg B. Keeling (48)

Positions(s) Held with Fund: Treasurer, Secretary, Principal Financial and Accounting Officer

Length of Service: (Beginning Date): April 1999

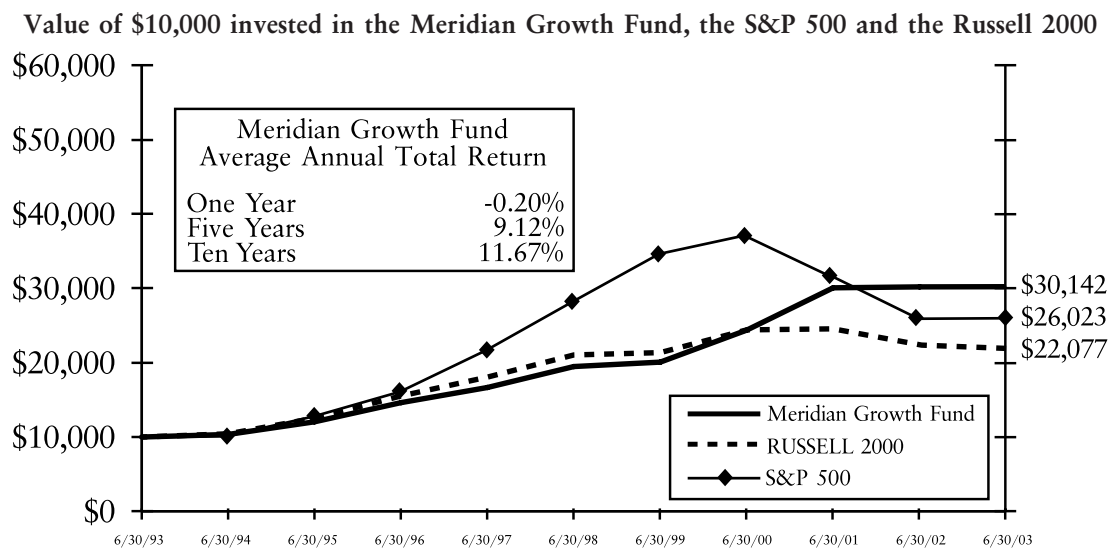
Principal Occupation(s) During Past 5 Years: Aster Investment Management, Inc.,

Vice President of Operations; Aster Capital Management, Inc.,

Vice President of Operations; IPEO, Inc., CFO; Deloitte & Touche, LLP, Certified Public Accountant

Management's Discussion of Meridian Growth Fund® Performance

The Meridian Growth Fund's investment performance declined 0.20% during the fiscal year ended June 30, 2003. This reflected the strength in the financial, industrial products, restaurants, retail and technology sectors, as well as selective stocks that may be the only issue we own in a particular sector. Our positive performance was offset, primarily by weakness in the healthcare services and industrial services sectors. These market conditions materially affected the Fund's performance. The Russell 2000 Index declined 1.64% during the period while the S&P 500 gained 0.25%. The Fund's investments include companies that are relatively small in terms of total assets, revenues and earnings, that the Investment Adviser believes may have prospects for above average growth in revenue and earnings. Of a total of 58 investments, 38 advanced and 20 declined.

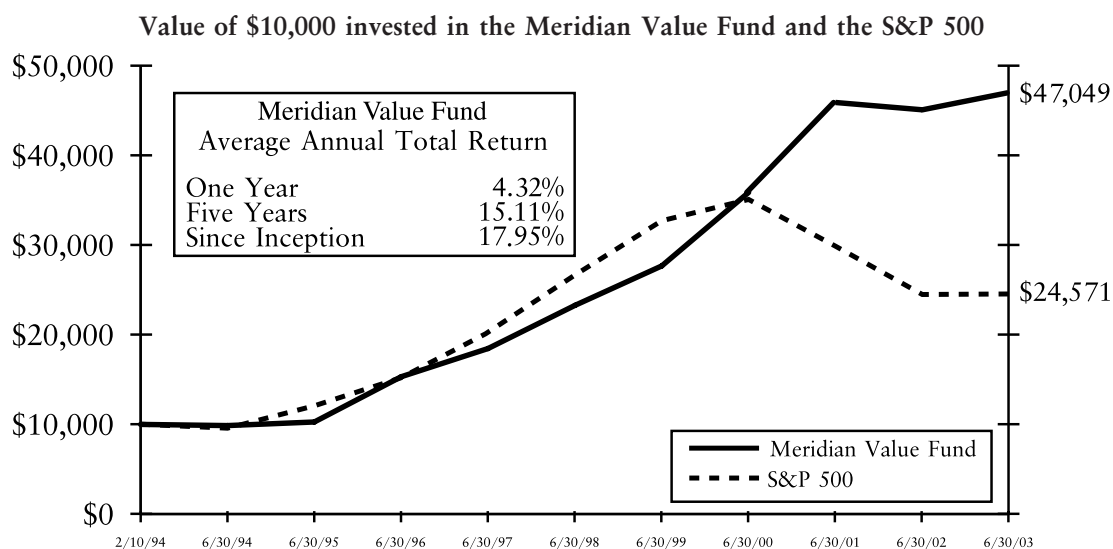


Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

Management's Discussion of Meridian Value Fund® Performance

During the fiscal year ended June 30, 2003, the Meridian Value Fund gained 4.32% compared to a gain of 0.25% for the S&P 500 with reinvested dividends, a loss of 1.64% for the Russell 2000, and a gain of 10.91% for the NASDAQ. The relatively strong performance of the NASDAQ compared to the other indices, reflected a rebound in the biotechnology, technology, and telecommunications sectors after two years of dramatic declines. Approximately 17% of the Fund's investments were in the aforementioned sectors, and contributed meaningfully to performance. During the fiscal year ended June 30, 2003, the Fund's strongest performing investments were in the telecommunications, technology, healthcare, basic materials, and energy sectors. The worst performing investments were in the retail and leisure sectors.

The Meridian Value Fund's strategy is to invest in stocks, across a range of market capitalizations, that the Investment Adviser believes are undervalued in relation to the issuer's long-term earnings power, asset value and/or stock market in general. Investments include both smaller company equities and mid-to-large capitalization stocks. Based on following this strategy, the Fund's average compounded annual return for the eight-year period from June 30, 1995 to June 30, 2003 was 20.96% compared to 9.30% for the S&P 500 with reinvested dividends. The Fund did not approach full investment status until June 30, 1995, with cash comprising approximately 45-50% of the Fund's total portfolio from inception until June 30, 1995. The Meridian Value Fund's average compounded annual return from inception to June 30, 2003 was 17.95% compared to 10.15% for the S&P 500 with reinvested dividends.



Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

MERIDIAN FUND, INC.

This report is submitted for the information of shareholders of Meridian Fund, Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Officers and Directors

RICHARD F. ASTER, JR.
President and Director

MICHAEL S. ERICKSON

HERBERT C. KAY

JAMES B. GLAVIN

MICHAEL STOLPER
Directors

GREGG B. KEELING
Treasurer and Secretary

Custodian
PFPC TRUST COMPANY
Philadelphia, Pennsylvania

Transfer Agent and Disbursing Agent
PFPC, INC.
King of Prussia, Pennsylvania
(800) 446-6662

Counsel
MORRISON & FOERSTER LLP
Washington, D.C.

Auditors
PRICEWATERHOUSECOOPERS LLP
San Francisco, California

MERIDIAN GROWTH FUND® MERIDIAN VALUE FUND® ANNUAL REPORT



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June 30, 2003