

MERIDIAN VALUE FUND®

November 3, 2002

To our shareholders:

The Meridian Value Fund's net asset value per share at September 30, 2002 was \$25.84. This represents a decrease of 20.3% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 274.1% and 19.9%, respectively. The comparable period returns for the S&P 500 with dividends were 67.9% and 7.4%, respectively. The Fund's assets at the close of the quarter were invested 10.0% in cash and cash equivalents and 90.0% in stocks. Total net assets were \$1,078,532,265 and there were 78,369 shareholders. The Meridian Funds' now have a web site, www.meridianfund.com. Shareholders can obtain a prospectus, account applications, shareholder reports and the daily price. We plan to expand the site over time.

Stocks suffered their worst quarterly decline since the fourth quarter of 1987. The possibility of war with Iraq and weak earnings guidance from corporate officers are the primary problems. The S&P 500 lost 17.6 percent, the NASDAQ dropped 19.9 percent and the Russell 2000 21.7 percent. The decline was broad based with only 40 of the stocks in the S&P 500 advancing. Year to date, the S&P 500, the NASDAQ and the Russell 2000 are off 29.0 percent, 39.9 percent and 25.8 percent respectively. Casino, entertainment and water utility stocks were among the best performing sectors. The worst performing groups included tires, aluminum, steel and airlines. The yield on the ten-year Treasury bond declined from 5.39 percent to 3.68 percent during the quarter.

Gross Domestic Product grew approximately 3 percent during the third quarter and is expected to post a smaller gain during the fourth quarter. Personal consumption, residential investment and government spending are positive while business investment remains weak. Inflation remains in check even with thirty-dollar per barrel oil prices, and interest rates are at attractive levels. However, equity investors are clearly concerned. We believe the economy will experience moderate growth during the next two quarters. Profit growth, in our opinion, will be positive during the fourth quarter and then gradually accelerate as we move through next year.

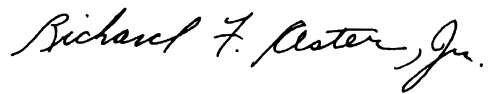
The market is in the process of concluding its third consecutive down year, a rare experience in U.S. financial history. Valuations for many companies in our universe have become attractive, but business conditions remain difficult. This is the problem. Many companies are closing and consolidating facilities, reducing employee headcount, deferring maintenance and cutting back expenditures for expansion. This has been going on for a while now, and will continue. At some point, we will reach an equilibrium where manufacturing capacity and demand are in balance. At that point, increases in demand will result in substantial earnings gains. No one knows when this will happen, but it will happen. Well-positioned and well-managed companies with strong balance sheets should prove to be excellent investments once supply and demand come into balance and the economic environment improves.

New positions established during the September quarter included ArthroCare, Briggs and Stratton, Burlington Resources, CVS, Genuine Parts Company, Men's Wearhouse and SERENA Software. We sold our positions in Actel, Avaya, CIBER, Dendrite, DuPont Photomasks, EGL, Harris, HEALTHSOUTH, Keane, Pacific Sunwear, Pall, Phototronics, Pinnacle Systems, Ryder System, Six Flags, Transocean and Uti Worldwide.

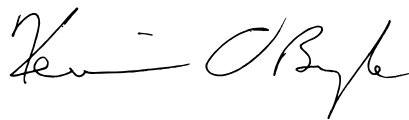
Parexel is a leading global contract research organization (CRO), well positioned with the major pharmaceutical companies. The company provides clinical trials management and other services to pharmaceutical, biotechnology, and medical device companies. From fiscal 1999 (June) to fiscal 2001, Parexel's operating earnings plummeted from \$0.53 to zero. Revenue growth slowed due to increased consolidation in the pharmaceutical industry, while costs increased as the company improved customer service. Meanwhile, the stock dropped from \$45.00 to \$8.50. Earnings growth resumed in fiscal year 2002 due to management's success in improving operations, and a resumption of industry growth. Going forward, the CRO business is expected to grow in excess of 10% annually, as drug development companies increase R&D spending and increasingly outsource work. We believe Parexel can increase operating margins to the 10% industry average through additional cost reductions and operating leverage. The stock, at \$12.60, trades at 16 times estimated fiscal 2003 operating earnings of \$0.62, netting out cash of \$2.45 per share. The company has earning power of \$1.25 per share, if industry average 10% margins are achieved during the next few years.

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

Sincerely,



Richard F. Aster, Jr.



Kevin O'Boyle

Meridian Value Fund
Schedule of Investments

September 30, 2002

	<u>Shares</u>	<u>Value</u>
COMMON STOCK - 90.0%		
AEROSPACE/DEFENSE - 2.7%		
Mercury Computer Systems, Inc.	357,500	\$ 8,437,000
Raytheon Company*	718,400	<u>21,049,120</u>
		29,486,120
AGRICULTURE - 1.0%		
Agrium, Inc.*	1,230,600	11,259,990
APPAREL - 2.3%		
Oakley, Inc.	250,400	2,516,520
VF Corporation*	609,100	<u>21,915,418</u>
		24,431,938
BASIC MATERIALS - 3.8%		
Anglogold Limited*	405,000	10,793,250
Gold Fields Limited*	740,000	9,472,000
Newmont Mining*	758,900	<u>20,877,339</u>
		41,142,589
CONSUMER DURABLES - 0.2%		
Briggs and Stratton Corporation*	65,100	2,443,854
CONSUMER PRODUCTS - 4.8%		
Concord Camera Corp.	638,000	2,973,080
Dial Corporation*	1,552,600	33,318,796
Kimberly-Clark Corp.*	275,600	<u>15,609,984</u>
		51,901,860
CONSUMER SERVICES - 6.2%		
EchoStar Communications Corporation	496,000	8,580,800
Hughes Electronics Corporation	222,000	2,031,300
Service Master Company*	1,047,700	11,367,545
Waste Management Inc.*	1,921,700	<u>44,814,044</u>
		66,793,689
ENERGY - 4.9%		
Burlington Resources, Inc.*	162,000	6,214,320
FMC Technologies	1,034,800	17,343,248
Newfield Exploration Company	535,800	17,997,522
Tom Brown, Inc.	499,500	<u>11,438,550</u>
		52,993,640

Meridian Value Fund

(Schedule of Investments Continued)

September 30, 2002

COMMON STOCK (continued)	<u>Shares</u>	<u>Value</u>
HEALTH PRODUCTS - 4.3%		
ArthroCare Corporation	216,000	\$ 2,617,920
Becton, Dickinson and Co.*	754,000	21,413,600
Haemonetics Corporation	787,900	18,696,867
Viasys Healthcare, Inc.	234,993	<u>3,618,891</u>
		46,347,278
HEALTH SERVICES - 11.7%		
Boston Scientific Corporation	778,500	24,569,460
DaVita, Inc.	1,347,900	31,810,440
Lincare Holdings, Inc.	768,100	23,841,824
McKesson Corporation*	504,000	14,278,320
Omnicare, Inc.*	1,181,000	24,942,720
Parexel International*	843,900	<u>7,173,150</u>
		126,615,914
INDUSTRIAL PRODUCTS - 4.9%		
Air Products and Chemicals, Inc.*	196,000	8,233,960
InFocus Corp.	1,046,100	7,971,282
International Flavors & Fragrances*	428,000	13,631,800
Sensient Technologies Corp.*	573,300	12,113,829
Thermo Electron Corporation	702,100	<u>11,324,873</u>
		53,275,744
INDUSTRIAL SERVICES - 3.9%		
Genuine Parts Company	538,300	16,493,512
Valassis Communications Inc.	711,400	<u>24,948,798</u>
		41,442,310
INFORMATION TECHNOLOGY SERVICES - 0.3%		
Red Hat, Inc.	546,000	2,593,500
INSURANCE - 2.9%		
Aetna, Inc.	299,000	10,707,190
SAFECO Corp.*	631,000	<u>20,053,180</u>
		30,760,370
LEISURE & AMUSEMENT - 1.5%		
Park Place Entertainment Corporation	2,033,900	16,169,505

Meridian Value Fund

(Schedule of Investments Continued)

September 30, 2002

COMMON STOCK (continued)	<u>Shares</u>	<u>Value</u>
PHARMACEUTICALS - 4.6%		
Andrx Corporation	496,900	\$ 11,006,335
Mylan Laboratories, Inc.	901,000	29,498,740
Novartis AG	235,300	<u>9,348,469</u>
		49,853,544
REAL ESTATE - 2.8%		
Health Care REIT, Inc.*	215,100	5,882,985
Healthcare Realty Trust*	780,900	<u>24,285,990</u>
		30,168,975
RESTAURANTS - 1.7%		
Yum Brands, Inc.	660,800	18,310,768
RETAIL - 11.0%		
Albertson's, Inc.*	838,000	20,246,080
Borders Group	492,700	7,784,660
Burlington Coat Factory Warehouse Corp.*	676,600	12,178,800
CVS Corporation*	580,200	14,708,070
Gadzooks, Inc.	252,300	1,425,495
Limited Brands, Inc.*	376,160	5,394,134
Men's Wearhouse, Inc.	343,000	5,042,100
Office Depot, Inc.	1,035,700	12,780,538
Payless ShoeSource, Inc.	511,400	27,620,714
Ultimate Electronics, Inc.	308,800	3,937,200
Zale Corporation	263,200	<u>7,938,112</u>
		119,055,903
TECHNOLOGY - 6.7%		
Concurrent Computer Corp.	1,618,300	3,689,724
Electronics for Imaging, Inc.	740,000	11,040,800
FileNET Corporation	628,100	6,500,835
Hyperion Solutions Corporation	330,000	6,055,500
Power Integrations, Inc.	1,151,000	14,030,690
SERENA Software, Inc.	425,800	5,109,600
Storage Technology Corp.	1,203,900	12,652,989
Symbol Technologies, Inc.*	1,046,900	8,029,723
Ultratech Stepper, Inc.	623,900	<u>5,047,351</u>
		72,157,212

Meridian Value Fund

(Schedule of Investments Continued)

September 30, 2002

COMMON STOCK (continued)	<u>Shares</u>	<u>Value</u>
TELECOMMUNICATIONS EQUIPMENT - 1.1%		
Adtran, Inc.	721,900	\$ 11,261,640
TELECOMMUNICATIONS SERVICES - 4.5%		
CenturyTel, Inc.*	1,080,200	24,228,886
Citizens Communications Company	3,590,800	<u>24,345,624</u>
		48,574,510
TRANSPORTATION - 2.2%		
Burlington Northern Santa Fe Corporation*	495,000	11,840,400
Forward Air Corporation	6,800	123,080
J.B. Hunt Transport Services, Inc.	496,000	<u>11,680,800</u>
		23,644,280
TOTAL COMMON STOCK - 90.0%		
(Identified cost \$1,024,693,766)		<u>970,685,133</u>
U.S. GOVERNMENT OBLIGATIONS		
U.S. Treasury Bill @1.613% due 10/31/02		39,947,167
U.S. Treasury Bill @1.639% due 11/14/02		<u>17,964,579</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS - 5.4%		
(Identified cost \$57,779,314)		57,911,746
TOTAL INVESTMENTS - 95.4%		
(Identified Cost \$1,082,473,080)		1,028,596,879
CASH AND OTHER ASSETS LESS LIABILITIES - 4.6%		<u>49,935,386</u>
NET ASSETS - 100%		<u>\$1,078,532,265</u>
Shares of capital stock outstanding		<u>41,741,786</u>
Net asset value per share		<u>\$25.84</u>

* income producing

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MERIDIAN VALUE FUND®

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

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