

MERIDIAN GROWTH FUNDsm

February 15, 2002

To our shareholders:

The Meridian Growth Fund's net asset value per share at December 31, 2001, was 28.79. This represents an increase of 14.8% for the calendar year. The Fund's total return and average compound annual rate of return since inception, August 1, 1984, were 1,061.7% and 15.1%, respectively. On December 21, 2001, the Fund made a distribution of long-term capital gain of \$0.32 per share. 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 \$209,687,010 and there were 7,458 shareholders.

Stocks rebounded sharply during the fourth quarter as investors anticipated an improved economy with better corporate profits during 2002. The S&P 500 gained 10.3 percent during the period, the NASDAQ 30.1 percent, and the Russell 2000 20.7 percent. This advance did not salvage the year, however. The major indices declined for the second consecutive year, which is the first time this has happened since 1973-74. The S&P 500 declined 13.0 percent during 2001, the NASDAQ 21.1 percent, while the Russell 2000 gained a meager 1.0 percent. There were only a few positive performing groups in 2001, which included the building, retail and health care service sectors. Telecom, wireless, energy and travel-related companies were among the worst performing groups.

The Dow Jones Bond Index began the year at 97.41 and closed the year at 102.58, a gain of 5.3 percent, reflecting the weak economy and the related decline in interest rates.

Current economic activity is weak but there are a number of encouraging signs. Monetary and fiscal policy is expansionary, interest rates are low and inflation is in check. The housing sector is strong and recently there has been improvement in consumer confidence and the leading indicators, both forecasters of future growth. The precise timing of the economic recovery is not important but we believe that growth will resume by the middle of the new year and continue through at least 2003. Activity will not be as robust as in the late nineties, but it will be good enough to increase employment and corporate profits.

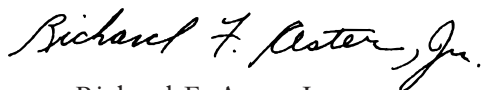
Performance this year will depend more than ever on stock selection. We believe that the small and mid-cap sectors will perform best because their growth prospects and relative valuations are more favorable. Our research criteria have not changed. We continue looking for companies that address a growth market, have an important market share, good financial returns, strong management and sell at reasonable valuations. We believe that most large-cap stocks are still at least fairly priced and that the major indices will experience positive, but not spectacular returns during the new year.

Also, the stocks of high profile technology companies addressing rapidly growing markets do not appear to represent good value, even though they have declined substantially.

We established new positions in American Power Conversion Corp., Claire's Stores, Inc., Cross Country, Inc., FileNET Corporation, and Silicon Valley Bancshares during the quarter. We sold our shares of CEC Entertainment, Inc., Electronics Boutique Holdings Corp., Integrated Device Technology, Inc., and Royal Caribbean Cruises Ltd.

Cross Country had its initial public offering this past September. The company is the largest provider of travel nurse staffing services in the United States. Assignments are generally for thirteen weeks or longer. Cross Country's client base includes over 2,500 hospitals, pharmaceutical companies and other health care providers in all 50 states. There is substantial unmet demand for the company's travel staffing services. The Journal of the American Medical Association recently projected that by 2020, the nationwide registered work force will be 20 percent below projected requirements. Cross Country's integrated proprietary infrastructure system is well capitalized, has an experienced management team and should experience solid growth for many years to come.

We wish you all a happy, healthy and prosperous New Year.

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

Richard F. Aster, Jr.

Meridian Growth Fund

Schedule of Investments

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK - 91.1%		
BANKING & FINANCE - 3.4%		
Pacific Century Financial Corp.*	197,900	\$5,123,631
Silicon Valley Bancshares	74,200	<u>1,983,366</u>
		7,106,997
CELLULAR COMMUNICATIONS - 1.3%		
American Tower Corp.	277,000	2,623,190
CONSUMER SERVICES - 2.9%		
Regis Corporation*	237,400	6,120,172
HEALTH SERVICES - 15.7%		
Cross Country, Inc.	110,600	2,930,900
Davita, Inc.	264,800	6,559,935
Health Management Associates	276,400	5,085,760
Lincare Holdings, Inc.	184,000	5,271,600
Province Healthcare Company	214,900	6,631,814
Renal Care Group, Inc.	200,200	<u>6,426,420</u>
		32,906,429
INDUSTRIAL PRODUCTS - 2.5%		
Tektronix, Inc.	201,100	5,184,358
INDUSTRIAL SERVICES - 9.9%		
Expeditors International of Washington, Inc.*	75,000	4,271,250
Paychex, Inc.*	136,200	4,772,448
Republic Services, Inc.	331,600	6,622,052
United Stationers	150,000	<u>5,047,500</u>
		20,713,250
INSURANCE - 2.6%		
Mercury General Corporation*	123,500	5,392,010

*The accompanying notes are an integral part of the financial statements
(unaudited)*

Meridian Growth Fund

Schedule of Investments (continued)

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
RESTAURANTS - 10.6%		
Applebee's International, Inc.*	162,600	\$5,560,920
Jack in the Box	233,300	6,425,082
P. F. Chang's China Bistro	102,000	4,824,600
Sonic Corporation	153,200	5,515,200
		<u>22,325,802</u>
RETAIL - 17.9%		
Bed, Bath and Beyond, Inc.	159,300	\$5,400,270
Casey's General Stores, Inc.*	285,000	4,246,500
Claire's Stores, Inc.*	99,000	1,494,900
Cost Plus, Inc.	178,000	4,717,000
Ethan Allen Interiors, Inc.*	114,000	4,741,260
Kohl's Corporation	92,000	6,480,480
RadioShack Corporation*	174,000	5,249,440
Tweeter Home Entertainment Group, Inc.	184,000	5,336,000
		<u>37,665,850</u>
TECHNOLOGY - 18.3%		
American Power Conversion Corp.	286,600	4,144,236
Autodesk, Inc.*	107,500	4,006,525
FileNET Corporation	111,700	2,266,393
Genesis Microchip Incorporated	46,600	3,081,192
JDA Software Group, Inc.	220,700	4,932,645
KEMET Corporation	291,500	5,174,125
Molex Inc. - Class A*	155,400	4,203,570
Synopsys, Inc.	93,300	5,511,231
Zebra Technologies Corporation	90,100	5,001,451
		<u>38,321,368</u>
TELECOMMUNICATIONS EQUIPMENT - 2.0%		
Plantronics, Inc.	161,200	4,133,168

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Meridian Growth Fund

Schedule of Investments (continued)

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
TELECOMMUNICATIONS SERVICES - 1.8%		
CenturyTel, Inc.*	116,700	\$3,827,760
TRANSPORTATION - 2.2%		
Atlantic Coast Airlines Holdings, Inc.	202,000	<u>4,704,580</u>
TOTAL COMMON STOCK (Identified cost \$131,878,312)		191,024,934
CASH AND OTHER ASSETS LESS LIABILITIES - 8.9%.....		<u>18,662,076</u>
NET ASSETS - 100%		<u><u>\$209,687,010</u></u>

*income producing

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Meridian Growth Fund

Statement of Assets and Liabilities

December 31, 2001

ASSETS

Investments (Cost \$131,878,312)	\$191,024,934
Cash and cash equivalents	18,890,603
Receivables for:	
Dividends	16,689
Interest	11,779
Capital shares	1,317,675
Securities sold	812,337
Prepaid expenses	2,564
Other Assets	<u>49,322</u>
 TOTAL ASSETS	 <u>\$212,125,903</u>

LIABILITIES

Payable for:	
Capital shares	97,732
Securities purchased	2,320,778
Accrued expenses:	
Other payables and accrued expenses	<u>20,383</u>
 TOTAL LIABILITIES	 <u>2,438,893</u>

NET ASSETS

\$209,687,010

Capital shares issued and outstanding, par value \$.01

(25,000,000 shares authorized)

7,282,393

Net asset value per share (offering and redemption price)

\$28.79

Net assets consist of:

Paid in capital	\$146,621,113
Accumulated net realized gain	4,409,931
Accumulated net unrealized appreciation on investments	59,146,623
Undistributed net investment loss	<u>(490,657)</u>
	<u>\$209,687,010</u>

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Meridian Growth Fund

Statement of Operations

For the Period Ended December 31, 2001

INVESTMENT INCOME

Dividends	\$277,175	
Interest	<u>131,897</u>	
Total investment income		<u>\$409,072</u>

EXPENSES

Investment advisory fees	733,967	
Transfer agent fees	67,344	
Pricing fees	24,748	
Registration and filing fees	17,268	
Reports to shareholders	17,204	
Professional fees	16,928	
Custodian fees	15,732	
Miscellaneous expenses	4,790	
Directors' fees and expenses	<u>1,748</u>	
Total expenses		<u>899,729</u>
Net investment loss		<u>(490,657)</u>

NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS

Net realized gain on investments	6,653,520	
Net change in unrealized appreciation on investments	<u>372,616</u>	
Net realized and unrealized gain on investments		<u>7,026,136</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$6,535,479

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Meridian Growth Fund

Statement of Changes in Net Assets

	Period Ended December 31, 2001	Year Ended June 30, 2001
OPERATIONS		
Net investment loss	(\$490,657)	(\$396,675)
Net realized gain on investments	6,653,520	22,104,971
Net unrealized appreciation on investments	<u>372,616</u>	<u>11,267,717</u>
Net increase from operations	<u>6,535,479</u>	<u>32,976,013</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from net realized capital gain	<u>(17,227,730)</u>	<u>(20,829,879)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from sales of shares	41,676,958	34,373,472
Reinvestment of distributions	16,327,495	20,253,740
Less: redemptions	<u>(19,742,424)</u>	<u>(25,646,308)</u>
Increase resulting from capital share transactions	<u>38,262,029</u>	<u>28,980,905</u>
Total increase in net assets	27,569,778	41,127,039
NET ASSETS		
Beginning of period	<u>182,117,232</u>	<u>140,990,193</u>
End of period	<u>\$209,687,010</u>	<u>\$182,117,232</u>

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Meridian Growth Fund

Financial Highlights

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

	For the six months ended December 31, 2001	For the fiscal year June 30,									
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	
Net Asset Value — Beginning of period	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27	\$23.87	\$18.97	\$17.24
<u>Income from Investment</u>											
<u>Operations</u>											
Net Investment Income (loss)***	0.09	2.26	0.11	0.16	0.27	0.40	0.30	0.27	0.09	(0.01)	0.07
Net Gains (Losses) on Securities (both realized and unrealized)	0.24	3.89	4.99	(0.50)	4.92	3.71	5.47	3.63	0.76	5.51	3.45
Total From Investment Operations	0.33	6.15	5.10	(0.34)	5.19	4.11	5.77	3.90	0.85	5.50	3.52
<u>Less Distributions</u>											
Distributions from net investment income	(0.09)	(2.44)	(0.15)	(0.14)	(0.32)	(0.36)	(0.31)	(0.18)	(0.02)	(0.04)	(0.09)
Distributions from net realized capital gains	(2.75)	(1.86)	(1.78)	(6.50)	(4.81)	(2.76)	(0.54)	(0.70)	(0.43)	(0.56)	(1.70)
Total Distributions	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)	(3.12)	(0.85)	(0.88)	(0.45)	(0.60)	(1.79)
Net Asset Value — End of Period	\$28.79	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29	\$24.27	\$23.87	\$18.97
Total Return	1.74%*	23.34%	21.45%	3.05%	16.92%	13.92%	21.40%	16.44%	3.48%	29.50%	21.00%
<u>Ratios/Supplemental Data</u>											
Net Assets, End of Period (in thousands)	\$209,687	\$182,117	\$140,990	\$185,683	\$296,803	\$353,029	\$384,087	\$328,153	\$199,191	\$78,581	\$18,363
Ratio of Expenses to Average Net Assets	1.02%**	1.04%	1.09%	1.01%	0.95%	0.96%	0.96%	1.06%	1.22%	1.47%	1.75%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.56%)**	(0.26%)	0.31%	0.49%	0.76%	1.23%	0.99%	1.18%	0.38%	(0.01%)	0.24%
Portfolio Turnover Rate	29% **	43%	28%	51%	38%	37%	34%	29%	43%	61%	61%

* Figure not annualized.

** Figures annualized.

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

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(unaudited)*

Meridian Growth Fund

Notes to Financial Statements

For the Period Ended December 31, 2001

1. **Organization and Significant Accounting Policies:** Meridian Growth Fund (the “Fund”), a series of Meridian Fund, Inc. (the “Company”), began operations on August 1, 1984. The Fund was registered on August 1, 1984 under the Investment Company Act of 1940, as amended, as a no-load, diversified, open-end management investment company. The primary investment objective of the 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. In addition to the Meridian Growth Fund, the Company also offers the Meridian Value Fund. The following is a summary of significant accounting policies:
 - a. **Investment Valuations:** Marketable securities are valued at the 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. Short-term investments that will mature in 60 days or less are stated at amortized cost, which approximates value.
 - b. **Federal Income Taxes:** It is the Fund’s policy to comply with the requirements of the Internal Revenue 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 \$131,878,312, the aggregate gross unrealized appreciation is \$62,032,766, and the aggregate gross unrealized depreciation is \$2,886,143, resulting in net unrealized appreciation of \$59,146,623.
 - 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 and accretion income are 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 both series of Meridian Fund, Inc. are allocated to each series in proportion to their relative net assets.
 - f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and 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 Fund records 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

Meridian Growth Fund

Notes to Financial Statements (continued)

For the Period Ended December 31, 2001

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 dividends 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.

2. **Related Parties:** The Fund has entered into a management agreement with Aster Investment Management Company, Inc. (the "Investment Adviser"). Certain Officers and/or Directors of the Fund are also Officers and/or Directors of the Investment Adviser. Beneficial ownership in the Fund by Richard F. Aster, Jr., President, as of December 31, 2001 was 5.9%.

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

3. **Capital Share Transactions:** The Fund has authorized 25,000,000 common shares at a par value of \$.01 per share. Transactions in capital shares for the period ended December 31, 2001, and the year ended June 30, 2001, were as follows:

	December 2001	June 2001
Shares sold	1,491,537	1,191,610
Shares issued on reinvestment of distributions	<u>672,859</u>	<u>733,178</u>
	2,164,396	1,924,788
Shares redeemed	<u>(700,908)</u>	<u>(893,168)</u>
Net increase	<u>1,463,488</u>	<u>1,031,620</u>

4. **Compensation of Directors and Officers:** Directors and officers of the Fund who are directors and/or officers of the Investment Adviser receive no compensation from the Fund. Directors of the Fund 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 Fund as of December 31, 2001, was \$1,639.
5. **Cost of Investments:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term obligations, for the period ended December 31, 2001, were \$50,299,148 and \$30,941,493, respectively.

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

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December 31, 2001