

MERIDIAN VALUE FUND®

February 15, 2002

To Our Shareholders:

The Meridian Value Fund's net asset value per share at December 31, 2001, was 32.42. This represents an increase of 11.70% for the calendar year 2001. The fund made a dividend and capital gain distribution on September 25, 2001 totaling \$0.08 per share. The Fund's total return and average compound annual rate of return since June 30, 1995, were 369.29% and 26.83%, respectively. The comparable period returns for the S&P 500 with dividends were 133.70% and 13.94%, respectively. The Fund's assets at the close of the quarter were invested 10.4% in cash and cash equivalents and 89.6% in stocks. Total net assets were \$1,138,720,950 and there were 36,300 shareholders.

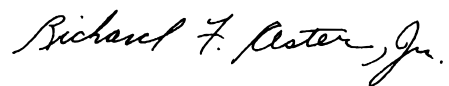
Stocks rebounded sharply during the fourth quarter as investors anticipated an improved economy with better corporate profits during 2002. The S&P 500 gained 10.3 percent during the period, the NASDAQ 30.1 percent, and the Russell 2000 20.7 percent. This advance did not salvage the year, however. The 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.

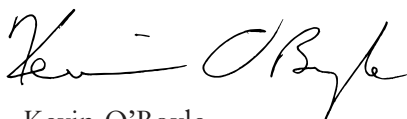
Current economic activity is weak but there are a number of encouraging signs. Monetary and fiscal policy is expansionary, interest rates are low and inflation is in check. The housing sector is strong and recently there has been improvement in consumer confidence and the leading indicators, both forecasters 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. We believe that most large-cap stocks are still at least fairly priced, and that the stocks of high profile technology companies do not appear to represent good value, even though they have declined substantially. We continue to research companies that we expect will face improving business prospects going forward, and which sell at reasonable valuations.

Sincerely,

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

Richard F. Aster, Jr.

A handwritten signature in black ink that reads "Kevin O'Boyle" in a cursive script.

Kevin O'Boyle

Meridian Value Fund

Schedule of Investments

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK - 89.6%		
AGRICULTURE - 1.1%		
Agrium, Inc.*	1,185,300	\$ 12,564,180
APPAREL - 3.7%		
Nautica Enterprises, Inc.....	346,900	4,436,851
Tommy Hilfiger, Inc.	1,126,000	15,482,500
VF Corporation*	556,100	<u>21,693,461</u>
		41,612,812
BANKING AND FINANCE - 0.5%		
USA Education, Inc.*	67,600	5,679,752
BASIC MATERIALS - 2.3%		
Anglogold Limited*	632,000	11,413,920
Gold Fields Limited*	630,000	3,049,200
Newmont Mining*	595,900	<u>11,387,649</u>
		25,850,769
COMPUTER SOFTWARE - 2.5%		
Cognos Incorporated	304,100	7,602,500
Compuware Corporation	1,169,000	13,782,510
Hyperion Solutions Corporation	170,000	3,376,200
Progress Software Corporation	222,000	<u>3,836,160</u>
		28,597,370
CONSUMER PRODUCTS - 2.2%		
Concord Camera Corp.....	1,024,000	8,110,080
Dial Corporation*	983,900	<u>16,873,885</u>
		24,983,965

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

Meridian Value Fund

Schedule of Investments (continued)

December 31, 2001

	Shares	Value
COMMON STOCK (continued)		
CONSUMER SERVICES - 8.8%		
Adelphia Communications Corporation	862,000	\$ 26,877,160
EchoStar Communications Corporation	511,000	14,037,170
Service Master Company*	1,007,300	13,900,740
Waste Management Inc.*	1,417,700	45,238,807
		<u>100,053,877</u>
DEFENSE - 1.7%		
Raytheon Company*	611,600	19,858,652
ENERGY - 3.8%		
FMC Technologies	340,800	5,606,160
Newfield Exploration Company	404,800	14,374,448
Tom Brown, Inc.	437,000	11,803,370
Transocean Sedco Forex, Inc.*	358,000	12,107,560
		<u>43,891,538</u>
FOOD CHAINS - 1.5%		
Albertson's, Inc.*	556,000	17,508,440
HEALTH SERVICES - 14.4%		
Becton, Dickinson and Co.*	680,000	22,542,000
DaVita, Inc.	922,300	22,550,235
HEALTHSOUTH Corporation	1,420,900	21,057,738
Haemonetics Corporation	326,000	11,057,920
Lincare Holdings, Inc.	815,100	23,352,615
McKesson Corporation*	399,000	14,922,600
Mylan Laboratories, Inc.*	433,000	16,237,500
Omnicare, Inc.*	959,300	23,867,384
Parexel International*	498,200	7,149,170
Vinsys Healthcare, Inc.	58,892	1,190,207
		<u>163,927,369</u>

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Meridian Value Fund

Schedule of Investments (continued)

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
INDUSTRIAL PRODUCTS - 5.6%		
InFocus Corp.	689,000	\$ 15,171,780
International Flavors & Fragrances*	404,000	12,002,840
Pall Corporation*	644,100	15,497,046
Sensient Technologies Corp.*	486,300	10,119,903
Thermo Electron Corporation	468,100	11,168,866
		<u>63,960,435</u>
INDUSTRIAL SERVICES - 3.4%		
CIBER, Inc.	506,200	4,783,590
Keane, Inc.	450,000	8,113,500
Red Hat, Inc.	435,000	3,088,500
Valassis Communications Inc.	643,400	22,917,908
		<u>38,903,498</u>
INSURANCE - 1.6%		
Fairfax Financial Holdings Limited	51,500	5,291,118
SAFECO Corp.*	411,000	12,802,650
		<u>18,093,768</u>
LEISURE & AMUSEMENT - 4.3%		
Carnival Corporation	217,000	6,093,360
Park Place Entertainment Corporation	2,033,900	18,650,863
Six Flags, Inc.	1,543,400	23,737,492
		<u>48,481,715</u>
REAL ESTATE - 2.4%		
Health Care REIT, Inc.*	202,100	4,921,135
Healthcare Realty Trust*	800,900	22,425,200
		<u>27,346,335</u>

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Meridian Value Fund

Schedule of Investments (continued)

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
RESTAURANTS - 1.0%		
TRICON Global Restaurants	240,000	\$ 11,808,000
RETAIL - 7.5%		
Borders Group	549,100	10,894,144
Burlington Coat Factory Warehouse Corp.*	676,600	11,366,880
Gadzooks, Inc.*	439,800	6,042,852
Intimate Brands, Inc.*	746,600	11,094,476
Office Depot, Inc.	722,200	13,389,588
Toys "R" Us, Inc.	802,500	16,643,850
Zale Corporation	376,500	<u>15,767,820</u>
		85,199,610
TECHNOLOGY - 9.4%		
AVX Corporation*	461,000	10,874,990
Coherent, Inc.*	244,500	7,559,940
Concurrent Computer Corp.	1,077,200	15,996,420
FileNET Corporation	410,000	8,318,900
PCTEL, Inc.*	543,800	5,280,298
Pinnacle Systems, Inc.	1,243,000	9,869,420
Power Integrations, Inc.	463,000	10,574,920
Storage Technology Corp.	966,600	19,979,622
Symbol Technologies, Inc.	761,900	12,098,972
Ultratech Stepper, Inc.	400,000	<u>6,608,000</u>
		107,161,482
TELECOMMUNICATIONS EQUIPMENT - 3.1%		
Adtran, Inc.	363,500	9,276,520
Harris Corporation*	561,500	17,131,365
REMEC, Inc.	886,300	<u>8,854,137</u>
		35,262,022

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Meridian Value Fund

Schedule of Investments (continued)

December 31, 2001

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
TELECOMMUNICATIONS SERVICES - 8.5%		
Alltel Corporation*	179,100	\$ 11,055,843
CenturyTel, Inc.*	687,000	22,533,600
Citizens Communications Company	1,680,400	17,913,064
SBC Communications Inc.*	564,800	22,123,216
Sprint FON Group*	1,136,400	<u>22,818,912</u>
		96,444,635
TRANSPORTATION - 0.3%		
UTi Worldwide, Inc.*	162,500	3,180,125
TOTAL COMMON STOCK (Identified cost \$887,249,813)		<u>1,020,370,349</u>
CASH AND OTHER ASSETS LESS LIABILITIES - 10.4%		<u>118,350,601</u>
NET ASSETS - 100%		<u><u>\$1,138,720,950</u></u>

* income producing

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Meridian Value Fund

Statement of Assets and Liabilities

December 31, 2001

ASSETS

Investments (Cost \$887,249,813)	\$1,020,370,349
Cash and cash equivalents	121,429,882
Receivables for:	
Dividends	351,216
Interest	76,888
Capital shares	11,563,277
Securities sold	1,414,979
Prepaid expenses	12,630
Other assets	231,363
	<u> </u>
TOTAL ASSETS	<u>1,155,450,584</u>

LIABILITIES

Payables for:	
Capital shares	7,783,904
Securities purchased	8,914,047
Other payables and Accrued expenses	31,683
	<u> </u>
TOTAL LIABILITIES	<u>16,729,634</u>

NET ASSETS \$1,138,720,950

Capital shares issued and outstanding, par value \$.01
(50,000,000 shares authorized) 35,126,212

Net asset value per share (offering and redemption price) \$32.42

Net assets consist of:

Paid in capital	\$1,015,611,764
Accumulated net realized loss	(10,034,261)
Accumulated net unrealized appreciation on investments	133,120,537
Undistributed net investment income	22,910
	<u> </u>
	<u>\$1,138,720,950</u>

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Meridian Value Fund

Statement of Operations

For the Period Ended December 31, 2001

INVESTMENT INCOME

Dividends	\$3,660,410	
Interest and Other Income	<u>977,693</u>	
Total investment income		<u>\$4,638,103</u>

EXPENSES

Investment advisory fees	4,386,277	
Transfer agent fees	63,480	
Custodian fees	61,180	
Pricing fees	48,484	
Professional fees	17,112	
Reports to shareholders	16,514	
Registration and filing fees	14,994	
Miscellaneous expenses	4,852	
Directors' fees and expenses	<u>2,300</u>	
Total expenses		<u>4,615,193</u>
Net investment income		<u>22,910</u>

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized loss on investments	(9,102,378)	
Net change in unrealized appreciation on investments	<u>64,081,169</u>	
Net gain on investments		<u>54,978,791</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$55,001,701

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Meridian Value Fund

Statement of Changes in Net Assets

	Period Ended December 31, 2001	Year Ended June 30, 2001
OPERATIONS		
Net investment income	\$22,910	\$2,060,021
Net realized gain on investments	(9,102,378)	2,253,367
Net change in unrealized appreciation on investments . . .	<u>64,081,169</u>	<u>62,937,554</u>
Net increase in net assets from operations	<u>55,001,701</u>	<u>67,250,942</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from net investment income	(1,007,522)	—
Distributions from net realized capital gain	<u>(1,201,562)</u>	<u>(10,139,236)</u>
Total distributions	<u>(2,209,084)</u>	<u>(10,139,236)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from sales of shares	445,757,502	720,442,324
Reinvestment of distributions	1,950,468	8,503,065
Less: redemptions	<u>(130,338,607)</u>	<u>(105,428,421)</u>
Increase resulting from capital share transactions	<u>317,369,363</u>	<u>623,516,968</u>
Total increase in net assets	370,161,980	680,628,674
NET ASSETS		
Beginning of period	<u>768,558,970</u>	<u>87,930,296</u>
End of period (includes undistributed net investment income of \$22,910 and \$1,007,776, respectively)	<u><u>\$1,138,720,950</u></u>	<u><u>\$768,558,970</u></u>

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Meridian Value 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 ended June 30,						
		2001	2000	1999	1998	1997	1996	1995
Net Asset Value - Beginning of Period.....	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27	\$9.87
<u>Income from Investment Operations</u>								
Net Investment Income (Loss)#	(0.04)	1.12	0.05	(0.10)	(0.19)	(0.26)	(0.10)	(0.04)
Net Gains or Losses on Securities (both realized and unrealized)	1.56	5.75	5.91	3.56	4.32	3.20	5.15	0.44
Total From Investment Operations.....	1.52	6.87	5.96	3.46	4.13	2.94	5.05	0.40
<u>Less Distributions</u>								
Distribution from Net Investment Income.....	(0.04)	(1.09)	0.00	0.00	0.00	0.00	0.00	0.00
Distribution from Net Realized Capital Gains	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Total Distributions.....	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Net Asset Value - End of Period	\$32.42	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27
Total Return.....	4.96%**	27.95%	29.63%	18.92%	26.05%	20.55%+	49.17%+	4.05%+
<u>Ratios/Supplemental Data</u>								
Net Assets, End of Period ..	\$1,138,721	\$768,558,970	\$87,930,296	\$24,912,455	\$12,196,379	\$7,340,110	\$3,471,507	\$715,021
Ratio of Expenses to Average Net Assets	1.06%++	1.10%	1.41%	1.63%	2.16%	2.51%*	2.55%*	2.78%*
Ratio of Net Investment Income (Loss) to Average Net Assets.....	0.01%++	0.60%	0.39%	(0.65%)	(1.35%)	(1.96%)*	(1.36%)*	(0.58%)*
Portfolio Turnover Rate....	58%	76%	86%	124%	133%	144%	125%	77%

+ 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 3, the Investment Manager reduced a portion of its fee and absorbed 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.

** Figure not annualized.

++ Figures are annualized.

Net Investment Income (loss) per share has been computed before adjustments for tax differences.

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

Meridian Value Fund

Notes to Financial Statements

For the Period Ended December 31, 2001

1. **Organization and Significant Accounting Policies:** Meridian Value Fund (the “Fund”), a series of Meridian Fund, Inc. (the “Company”), began operations on February 10, 1994. The Fund was registered on February 7, 1994 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. In addition to the Meridian Value Fund, the Company also offers the Meridian Growth 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 \$887,249,813, the aggregate gross unrealized appreciation is \$153,343,006, and the aggregate gross unrealized depreciation is (\$20,222,469), resulting in net unrealized appreciation of \$133,120,537.
 - 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 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 gain 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

Meridian Value Fund

Notes to Financial Statements (continued)

For the Period Ended December 31, 2001

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.

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 0.74%.

The Investment Adviser receives from the Fund as compensation for its services an annual fee of 1% of the Fund's net assets. The fee is paid monthly and calculated based on that month's average net assets. The investment adviser has agreed to voluntarily limit the expenses of the Fund to 2½%. With respect to this voluntary limit, the Investment Adviser did not reimburse the Fund during 2001.

3. **Capital Shares Transactions:** The Fund has authorized 50,000,000 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, 2000 were as follows:

	December 2001	June 2001
Shares sold	14,685,494	24,752,831
Shares issued on reinvestment of distributions	72,026	324,659
	14,757,520	25,077,490
Shares redeemed	<u>(4,436,031)</u>	<u>(3,670,860)</u>
Net increase	<u>10,321,489</u>	<u>21,406,630</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 \$2,300.
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 \$519,616,806 and \$226,882,005, respectively. The cost of the U.S. Government securities purchased were \$59,637,836, and \$110,000,000 were redeemed at maturity during the period ended December 31, 2001.

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MERIDIAN VALUE FUND®

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
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SEMI-ANNUAL REPORT



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December 31, 2001