



**MERIDIAN FUND, INC.®**

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MERIDIAN EQUITY INCOME FUND<sup>SM</sup>  
Meridian Growth Fund®  
Meridian Value Fund®

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**PROSPECTUS**

January 31, 2005

**This Prospectus contains essential information for anyone considering an investment in these Funds.  
Please read this document carefully and retain it for future reference.**

**The Securities and Exchange Commission has not approved or disapproved these securities or passed  
upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

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Aster Investment Management Co., Inc.

Investment Adviser

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web site: [www.meridianfund.com](http://www.meridianfund.com)

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# MERIDIAN FUND, INC.®

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## RISK/RETURN SUMMARY AND FUND EXPENSES

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### MERIDIAN EQUITY INCOME FUND<sup>SM</sup>

#### Investment Objective, Strategies and Risks

- Objective: The MERIDIAN EQUITY INCOME FUND<sup>SM</sup> primarily seeks long-term growth of capital along with income as a component of total return.
- Principal Investment Strategies: The Fund seeks to maximize total return by primarily investing in a diversified portfolio of dividend-paying equity securities. Under normal circumstances, these securities will primarily be equity securities of U.S. companies that pay dividends or interest, have the potential for capital appreciation and which the Investment Adviser believes may have the capacity to raise dividends in the future. In addition to common stocks, equity securities may include preferred stock as well as securities convertible into common stock. The Fund may also invest in securities of foreign companies (denominated in U.S. dollars or foreign currencies), including emerging market companies. The Fund may invest up to 25% of its total assets, calculated at the time of purchase, in securities of foreign companies.
- Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities, as described above. The Fund may invest in securities of any capitalization across a broad range of industries. The Fund may also invest a portion of its assets in debt or fixed income securities, including higher yield, higher risk, lower rated or unrated corporate bonds, commonly referred to as “junk bonds.” These are bonds that are rated Ba or below by Moody’s Investors Services, Inc. (“Moody’s”) or BB or below by Standard & Poor’s Ratings Group (“S&P”), are in default or are unrated but of comparable quality as determined by the Investment Adviser. The mix of the Fund’s investments at any time will depend on the industries and types of securities the Investment Adviser believes hold the most potential for achieving the investment objective within the Fund’s investment strategy.
- The Fund generally sells investments when the Investment Adviser concludes that the long-term growth or dividend

prospects of the company have deteriorated, or the issuer's circumstances or the political or economic outlook relative to the security have changed, and better investment opportunities exist in other securities.

The Fund's investment objective is non-fundamental and may be changed by the Fund's Board without shareholder approval. Shareholders will receive at least 60 days' prior notice of any change to the Fund's objective or principal investment strategies relating to the type of securities in which 80% of the value of its assets must be invested.

Principal Investment Risks:

Because the values of the Fund's investments will change with market conditions, so will the value of your investment in the Fund. Although MERIDIAN EQUITY INCOME FUND<sup>SM</sup> makes every effort to achieve its objective of long-term growth of capital, it cannot guarantee that the investment strategies or securities selection methods will achieve that objective. You could lose money on your investment in the Fund or the Fund could underperform other investments.

The value of the Fund's stock investments will fluctuate in response to the activities of individual companies and general stock market and economic conditions. The stock prices of smaller and newer companies tend to fluctuate more than those of larger, more established companies and may have a smaller market for their shares than large cap companies. Convertible securities may offer less market risk than owning common shares, but the potential for capital gain may be less than a common stock investment. Preferred stock is a hybrid security that combines features of both common stock and bonds. It is equity, not debt, and is thus riskier than bonds. Whereas bond interest is a contractual expense of the issuer, preferred dividends, although payable before common dividends, can be skipped if earnings are low.

The value of the Fund's fixed income and debt securities are affected by movements in interest rates; if interest rates rise, the value of these investments may fall. These securities are also subject to credit and liquidity risk. Credit risk is the risk that the entity that issued a debt security or bond may become unable to make payments of principal and interest when due and includes the risk of default. Liquidity risk is the risk that the Fund may not be able to sell medium- and lower-grade debt securities because there are too few buyers

for them. The lower rated debt securities in which the Fund invests are speculative and are subject to greater volatility and risk of loss through default than investment grade securities, particularly in deteriorating economic conditions.

The value of the Fund's investments in foreign securities also depend on changing currency values, different political and economic environments and other overall economic conditions in the countries in which the Fund invests. Emerging market securities involve greater risk and more volatility than those of companies in more developed markets.

## Performance

There is no performance information for the Fund because it had not commenced operations prior to the date of this prospectus.

## Fees and Expenses

The Fund has no sales, redemption (other than for redemptions within 60 days of purchase), exchange or account fees, although some institutions may charge you a fee for shares you buy through them. This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

<b>Shareholder Fees (fees paid directly from your investment)</b>	
Maximum Sales Load Imposed on Purchases	NONE
Maximum Sales Load Imposed on Reinvested Distributions	NONE
Maximum Deferred Sales Load	NONE
Redemption Fee	2.00% <sup>1</sup>
Exchange Fee	NONE
<b>Annual Fund Operating Expenses (fees paid from Fund assets)</b>	
Management Fees	0.95%
Rule 12b-1 Fees	NONE
Other Expenses <sup>2</sup>	0.74%
Total Annual Fund Operating Expenses (estimated)	1.69% <sup>3</sup>

<sup>1</sup> The redemption fee is calculated as a percentage of the amount redeemed (using standard rounding criteria), and will, under normal conditions, be charged when you sell or exchange your shares within

60 days of purchase. The fee is retained by the Fund and withheld from redemption proceeds. For more details, see the “Short-Term Trading Policy” section of this prospectus.

<sup>2</sup> Other expenses are based on estimates for the current fiscal year. Other expenses, as a ratio based on the Fund’s net assets, may be expected to be higher in the first year of operation or until assets increase. Other Expenses, as presented, do not reflect the effect of any voluntary reimbursement of expenses by the Investment Adviser. See footnote 3, below.

<sup>3</sup> The Investment Adviser has voluntarily agreed to reimburse the Fund for all ordinary operating expenses incurred by the Fund in excess of 1.25% of Fund assets. The estimated total annual fund operating expenses presented above do not reflect reimbursement by the Investment Adviser. The effect of reimbursement will be to cap actual Total Fund Operating Expenses at 1.25%. Subject to the approval of the Board of Directors of the Fund, the Fund will repay the Investment Adviser the amount of its reimbursement for up to three years following the reimbursement to the extent Fund expenses drop below 1.25% after giving effect to any repayment by the Fund. Either the Fund or the Investment Adviser can modify or terminate this arrangement at any time.

### Example

Use this table to compare fees and expenses of the Fund with those of other funds. It illustrates the amount of fees and expenses you would pay assuming the following:

- \$10,000 investment held in the Fund for the time periods indicated below
- 5% annual return
- redemption of all your shares at the end of each period indicated below
- no changes in the Fund’s operating expenses

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

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<b>1</b>	<b>3</b>
<b>Year</b>	<b>Years</b>
\$172	\$533

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## **MERIDIAN GROWTH FUND®**

### **Investment Objective, Strategies and Risks**

Objective:	The MERIDIAN GROWTH FUND® seeks long-term growth of capital.
Principal Investment Strategies:	<p>The Fund seeks long-term growth of capital by primarily investing in a diversified portfolio of publicly traded common stocks of U.S. companies. Under normal circumstances, the Fund emphasizes growth companies that the Investment Adviser believes may have prospects for above average growth in revenues and earnings. These may include companies that are relatively small in terms of total assets, revenues and earnings.</p> <p>The Fund may invest in securities of any capitalization across a broad range of industries. The Fund may also invest in debt and equity-related securities (including convertible debt securities and warrants), bonds rated A or better by Moody's, and securities of foreign companies (denominated in U.S. dollars or foreign currencies), including emerging market companies. The Fund may invest up to 25% of its total assets, calculated at the time of purchase, in securities of foreign companies.</p> <p>The mix of the Fund's investments at any time will depend on the industries and types of securities the Investment Adviser believes hold the most potential for achieving the investment objective within the Fund's investment strategy.</p> <p>The Fund generally sells investments when the Investment Adviser concludes that better investment opportunities exist in other securities, the security is fully valued, or the issuer's circumstances or the political or economic outlook have changed. Bonds that are downgraded after purchase will be sold if the Investment Adviser determines that they no longer have the potential to meet the investment objective.</p> <p>The Fund's investment objective is non-fundamental and may be changed by the Fund's Board without shareholder approval. Shareholders will receive at least 60 days' prior notice of any change to the Fund's objective.</p>

## Principal Investment Risks:

Because the value of the Fund's investments will change with market conditions, so will the value of your investment in the Fund. Although MERIDIAN GROWTH FUND® makes every effort to achieve its objective of long-term growth of capital, it cannot guarantee that the investment strategies or securities selection methods will achieve that objective. You could lose money on your investment in the Fund or the Fund could underperform other investments.

The value of the Fund's stock investments will fluctuate in response to the activities of individual companies and general stock market and economic conditions. The stock prices of smaller and newer companies tend to fluctuate more than those of larger, more established companies and may have a smaller market for their shares than large cap companies. Convertible securities may offer less market risk than owning common shares, but the potential for capital gain may be less than a common stock investment.

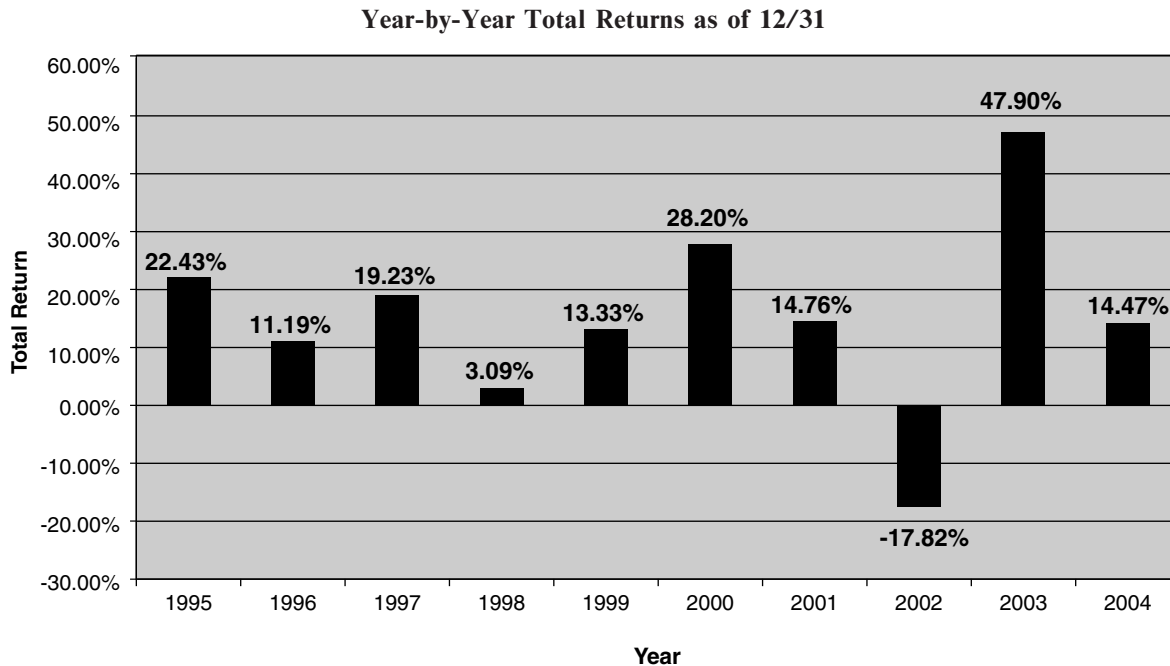
The value of the Fund's debt securities, including bonds and convertible securities, are affected by movements in interest rates; if interest rates rise, the values may fall. Debt securities are also subject to credit and liquidity risk. Credit risk is the risk that the entity that issued a debt security or bond may become unable to make payments of principal and interest when due and includes the risk of default. Liquidity risk is the risk that the Fund may not be able to sell medium- and lower-grade debt securities because there are too few buyers for them.

The values of the Fund's investments in foreign securities also depend on changing currency values, different political and economic environments and other overall economic conditions in the countries where the Fund invests. Emerging market securities involve greater risk and more volatility than those of companies in more developed markets.

## Performance

The bar chart and performance table on this page show how the Fund has performed and provides some indication of the risks of investing in the Fund by showing how the performance of the Fund has varied from year to year. The bar chart shows changes in the year-to-year performance of the Fund. The table below it compares the performance of the Fund over time to the Russell 2000 Index, a broad based index of 2000 mid- and small-capitalization stocks.

Both chart and table assume reinvestment of distributions. Of course, past performance (before and after taxes) does not indicate how the Fund will perform in the future.



During the period covered by this bar chart, the Fund's highest quarterly return was 20.96% (for the quarter ended June 30, 2003); and the lowest quarterly return was -18.79% (for the quarter ended September 30, 1998).

**Average Annual Total Returns**  
**(For the periods ending December 31, 2004)**

MERIDIAN GROWTH FUND®	<b>One Year</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception (August 1, 1984)</b>
Return Before Taxes	14.47%	15.40%	14.52%	14.60%
Return After Taxes on Distributions	14.07%	13.26%	10.79%	11.79%
Return After Taxes on Distributions and Sale of Fund Shares	9.60%	12.19%	10.26%	11.36%
Russell 2000 Index (reflects no deduction for fees, expenses, or taxes)	18.33%	6.61%	11.54%	11.70%

**Calculation Method for After-Tax Returns**

The after-tax returns shown in the table above depict past performance information and were calculated in accordance with the Securities and Exchange Commission (“SEC”) rules using the following assumptions:

- After-tax returns are calculated using the highest historical individual federal income tax rates for each taxable component of the distribution.
- Distributions were invested after deducting the taxes due on those distributions.
- Holding periods were determined based on the actual purchase and distribution dates.
- “Return After Taxes on Distributions” assumes you continue to hold your shares at the end of the period.
- “Return After Taxes on Distributions and Sale of Fund Shares” assumes you sell your shares at the end of the period and pay applicable federal taxes.
- The calculations do not include foreign, state or local taxes, the effects of phase-outs of certain exemptions, deductions, and credits at various income levels, and the effects of federal alternative minimum tax. As a result, actual after-tax returns depend on an investor’s tax situation and may differ from those shown.
- After-tax returns are not relevant to tax-exempt investors or those who hold their shares through tax-deferred arrangements, such as 401 (k) Plans or Individual Retirement Accounts (“IRAs”).

## Fees and Expenses

The Fund has no sales, redemption (other than for redemptions within 60 days of purchase), exchange or account fees, although some institutions may charge you a fee for shares you buy through them. This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

<b>Shareholder Fees (fees paid directly from your investment)</b>	
Maximum Sales Load Imposed on Purchases	NONE
Maximum Sales Load Imposed on Reinvested Distributions	NONE
Maximum Deferred Sales Load	NONE
Redemption Fee	2.00% <sup>1</sup>
Exchange Fee	NONE
<b>Annual Fund Operating Expenses (fees paid from Fund assets)</b>	
Management Fees	0.77%
Rule 12b-1 Fees	NONE
Other Expenses	0.11%
Total Annual Fund Operating Expenses	0.88%

<sup>1</sup> The redemption fee is calculated as a percentage of the amount redeemed (using standard rounding criteria), and will under normal conditions, be charged when you sell or exchange your shares within 60 days of purchase. The fee is retained by the Fund and withheld from redemption proceeds. For more details, see the “Short-Term Trading Policy” section of this prospectus.

## Example

Use this table to compare fees and expenses of the Fund with those of other funds. It illustrates the amount of fees and expenses you would pay assuming the following:

- \$10,000 investment held in the Fund for the periods indicated below
- 5% annual return
- redemption of all your shares at the end of each period indicated below
- no changes in the Fund’s operating expenses

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
\$90	\$281	\$488	\$1,084

## MERIDIAN VALUE FUND®

### Investment Objective, Strategies and Risks

**Objective:**

The MERIDIAN VALUE FUND® seeks long-term growth of capital.

**Principal Investment Strategies:**

The Fund seeks long-term growth of capital by primarily investing in a diversified portfolio of publicly traded common stocks of U.S. companies.

Under normal circumstances, the Fund emphasizes stocks which the Investment Adviser believes are undervalued in relation to the issuer's long-term earning power or asset value, or the stock market in general. The Fund generally sells investments when the Investment Adviser concludes that they are fully valued.

The Fund may invest in securities of any capitalization across a broad range of industries. The Fund may also invest in debt and equity-related securities (such as convertible debt securities, bonds and warrants) and securities of foreign companies (denominated in U.S. dollars or foreign currencies), including emerging market companies. The Fund may invest up to 25% of its total assets, calculated at the time of purchase, in securities of foreign companies.

The mix of the Fund's investments at any time will depend on the industries and types of securities the Investment Adviser believes hold the most potential for achieving the investment objective within the Fund's investment strategy.

The Fund intends to invest at least 65% of its total assets in common stocks and equity-related securities (such as convertible debt securities and warrants). The Fund may invest up to 35% of its total assets in debt or fixed income securities, including higher yield, higher risk, lower rated or unrated corporate bonds, commonly referred to as "junk bonds." These are bonds that are rated Ba or below by Moody's or BB or below by S&P, or are unrated but of comparable quality as determined by the Investment Adviser. The Fund may invest up to 10% of its total assets in securities rated below Ca by Moody's or C by S&P, or are unrated but of comparable quality.

The Fund may purchase high yield bonds that the Investment Adviser believes will increase in value due to improvements in their credit quality or ratings, anticipated declines in interest rates or improved business conditions for the issuer.

The Fund's investment objective is non-fundamental and may be changed by the Fund's Board without shareholder approval. Shareholders will receive at least 60 days' prior notice of any change to the Fund's objective.

**Principal Investment Risks:**

Because the values of the Fund's investments will change with market conditions, so will the value of your investment in the Fund. Although MERIDIAN VALUE FUND® makes every effort to achieve its objective of long-term growth of capital, it cannot guarantee that the investment strategies or securities selection methods will achieve that objective. You could lose money on your investment in the Fund or the Fund could underperform other investments.

The values of the Fund's stock investments will fluctuate in response to the activities of individual companies and general stock market and economic conditions. The stock prices of smaller and newer companies tend to fluctuate more than those of larger, more established companies and may have a smaller market for their shares than large cap companies. Convertible securities may offer less market risk than owning common shares, but the potential for capital gain may be less than a common stock investment.

The value of the Fund's debt and fixed income securities fluctuate in response to movements in interest rates. If interest rates rise, the value of these securities generally fall; if interest rates fall, the value generally rise. The longer the average maturity of the Fund's debt or fixed income portfolio, the greater the change in value. The value of the Fund's convertible securities are also affected by interest rates. The value of any of the Fund's debt or fixed income investments may also decline in response to events affecting the issuer or its credit rating. The lower rated debt securities in which the Fund invests are speculative and are subject to greater volatility and risk of loss through default than investment grade securities, particularly in deteriorating economic conditions. Debt securities are also subject to liquidity risk. Liquidity risk is the risk that the Fund may not be able to sell

medium-and lower-grade debt securities because there are too few buyers for them.

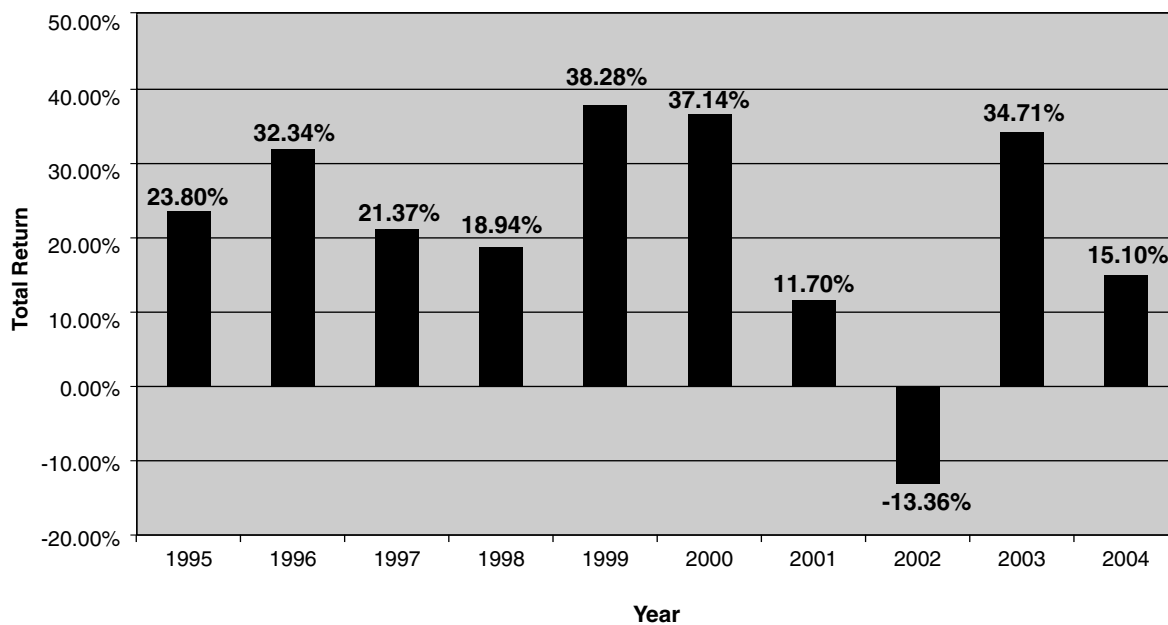
The value of the Fund's investments in foreign securities also depend on changing currency values, different political and economic environments and other overall economic conditions in the countries where the Fund invests. Emerging market securities involve greater risk and more volatility than those of companies in more developed markets.

## Performance

The bar chart and performance table on this page show how the Fund has performed and provides some indication of the risks of investing in the Fund by showing how the performance of the Fund has varied from year to year. The bar chart shows changes in the year-to-year performance of the Fund. The table below it compares the performance of the Fund over time to the S&P 500® Index, a widely recognized index of U.S. common stocks.

Both chart and table assume reinvestment of distributions. Of course, past performance (before and after taxes) does not indicate how the Fund will perform in the future.

**Year-by-Year Total Returns as of 12/31**



During the period covered by this total return chart, the Fund's highest quarterly return was 25.01% (for the quarter ended June 30, 1999); and the lowest quarterly return was -17.46% (for the quarter ended September 30, 1998).

**Average Annual Total Returns**  
(For the periods ending December 31, 2004)

<b>MERIDIAN VALUE FUND®</b>	<b>One Year</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception (February 10, 1994)</b>
Return Before Taxes	15.10%	15.53%	21.01%	18.72%
Return After Taxes on Distributions	12.78%	14.44%	18.93%	16.85%
Return After Taxes on Distributions and Sale of Fund Shares	12.49%	13.17%	17.77%	15.81%
S&P 500® Index (reflects no deductions for fees, expenses or taxes)	10.87%	2.30%	12.07%	10.79%

**Calculation Method for After-Tax Returns**

The after-tax returns shown in the table above depict past performance information and were calculated in accordance with the SEC rules using the following assumptions:

- After-tax returns are calculated using the highest historical individual federal income tax rates for each taxable component of the distribution.
- Distributions were invested after deducting the taxes due on those distributions.
- Holding periods were determined based on the actual purchase and distribution dates.
- “Return After Taxes on Distributions” assumes you continue to hold your shares at the end of the period.
- “Return After Taxes on Distributions and Sale of Fund Shares” assumes you sell your shares at the end of the period and pay applicable federal taxes.
- The calculations do not include foreign, state or local taxes, the effects of phase-outs of certain exemptions, deductions, and credits at various income levels, and the effects of federal alternative minimum tax. As a result, actual after-tax returns depend on an investor’s tax situation and may differ from those shown.
- After-tax returns are not relevant to tax exempt investors or those who hold their shares through tax-deferred arrangements, such as 401(k) Plans or IRAs.

## Fees and Expenses

The Fund has no sales, redemption (other than for redemptions within 60 days of purchase), exchange or account fees, although some institutions may charge you a fee for shares you buy through them. This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

<b>Shareholder Fees (fees paid directly from your investment)</b>	
Maximum Sales Load Imposed on Purchases	NONE
Maximum Sales Load Imposed on Reinvested Distributions	NONE
Maximum Deferred Sales Load	NONE
Redemption Fee	2.00% <sup>1</sup>
Exchange Fee	NONE
<b>Annual Fund Operating Expenses (fees paid from Fund assets)</b>	
Management Fees	1.00%
Rule 12b-1 Fees	NONE
Other Expenses	0.09%
Total Annual Fund Operating Expenses	1.09%

<sup>1</sup> The redemption fee is calculated as a percentage of the amount redeemed (using standard rounding criteria), and will, under normal conditions, be charged when you sell or exchange your shares within 60 days of purchase. The fee is retained by the Fund and withheld from redemption proceeds. For more details, see the “Short-Term Trading Policy” section of this prospectus.

## Example

Use this table to compare fees and expenses of the Fund with those of other funds. It illustrates the amount of fees and expenses you would pay assuming the following:

- \$10,000 investment held in the Fund for the time periods indicated below
- 5% annual return
- redemption of all your shares at the end of each period indicated below
- no changes in the Fund’s operating expenses

Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>1</u> <u>Year</u>	<u>3</u> <u>Years</u>	<u>5</u> <u>Years</u>	<u>10</u> <u>Years</u>
\$111	\$347	\$601	\$1,329

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## FURTHER INFORMATION ABOUT INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND RISKS

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### GENERAL

In selecting investments to achieve the objective of long-term growth of capital (and, for the MERIDIAN EQUITY INCOME FUND<sup>SM</sup>, long-term growth of capital along with income), the Investment Adviser considers the economic outlook and political conditions as well as issuer-specific criteria. In addition to the factors described below, those criteria include the issuer's growth relative to its price-earnings ratio, its financial strength and management practices and abilities, other valuation criteria, and the value of the individual securities relative to other investment alternatives.

The application of each Fund's investment policies depends on the Investment Adviser's judgment. The proportions of a Fund's assets invested in equity or debt securities or cash equivalents, particular industries, and specific issues will shift from time to time in accordance with the Investment Adviser's judgment.

Each Fund's investment objective and its investment policies other than those listed as "fundamental" in the Statement of Additional Information ("SAI") may be changed by the Board of Directors without shareholder approval. Any such changes may result in a Fund having investment objectives or policies different from those which you considered appropriate at the time you invested in the Fund.

In addition, each Fund may use certain types of investments and investing techniques that are described in more detail in the SAI.

### EQUITY INCOME INVESTING

The MERIDIAN EQUITY INCOME FUND<sup>SM</sup> seeks to invest in equity securities that produce in-

come. The Investment Adviser primarily focuses on companies with the potential for paying higher than average dividends. In addition to common stocks, equity securities may include preferred stock as well as convertible bonds. The Fund may also invest in securities not meeting these criteria if the Investment Adviser believes they represent favorable investment opportunities for the Fund.

### GROWTH INVESTING

The companies in which the MERIDIAN GROWTH FUND<sup>®</sup> invests may have prospects for above-average growth in earnings and revenues because of many factors, including high sales growth, high unit growth, industry growth, high or improving returns on assets and equity and a strong balance sheet. The Fund may also invest in companies not meeting these criteria if the Investment Adviser believes they represent favorable investment opportunities for the Fund.

### VALUE INVESTING

Securities in which the MERIDIAN VALUE FUND<sup>®</sup> invests may be undervalued because of many factors, including market decline, poor economic conditions, tax-loss selling or actual or anticipated unfavorable developments affecting the issuer of the security. Any or all of these factors may provide buying opportunities at attractive prices compared to historical or current market price-earnings ratios, book value, underlying asset value, or the long-term earning prospects of the company. If, in the Investment Adviser's opinion, a stock has reached a fully valued position, it generally will be, but need not

be, sold and replaced by securities which are deemed to be undervalued in the marketplace.

The MERIDIAN VALUE FUND®'s policy of investing in securities that may be temporarily out of favor differs from the investment approach followed by many other mutual funds with a similar investment objective, including the MERIDIAN GROWTH FUND®. Many such mutual funds typically do not invest in securities that have declined sharply in price, are not widely followed, or are issued by companies that have reported poor earnings or have suffered a downturn in business. The Investment Adviser believes, however, that the securities of companies that may be temporarily out of favor due to earnings declines or other adverse developments may offer good investment opportunities for the Fund.

### **PORTFOLIO TURNOVER**

Short-term trading is not a principal investment strategy nor is it intended to be the primary means by which any Fund achieves its long-term investment objective. Each Fund, however, may, depending on individual company, general market, economic, or other conditions, find it necessary to engage in active and frequent trading of portfolio securities to achieve its investment objective. Each Fund's annual portfolio turnover rate may exceed 100%, but in the case of the MERIDIAN GROWTH FUND® is not expected to exceed 100% and in the case of the MERIDIAN EQUITY INCOME FUND<sup>SM</sup> and the MERIDIAN VALUE FUND® is not expected to exceed 200%. The Funds' portfolio turnover rates and the resultant commission expenses may be higher on a relative basis than those of most other mutual funds. See "Financial Highlights" for the Funds' past portfolio turnover rates. Frequent trading can result in short-term capital gains to the Funds, which are taxed as ordinary income when distributed to shareholders. A higher portfolio

turnover rate will increase aggregate brokerage commission expenses which must be borne directly by a Fund and ultimately by that Fund's shareholders.

### **RISKS OF INVESTING IN SMALLER, NEWER COMPANIES**

Each of the Fund's may invest in securities of any capitalization across a broad range of industries. Each Fund's portfolio may include securities of smaller companies and less-seasoned companies that have limited operating histories and may not yet be profitable. These may include companies classified as mid-cap and micro-cap. Investments in these companies offer opportunities for capital gains, but involve significant risks, including limited product lines, markets or financial resources, dependence on a key group of managers, the absence of a ready market for the securities (or securities which trade less frequently or in a limited volume, or only in the over-the-counter market or on a regional stock exchange), volatility of the stock price, and in the case of unseasoned companies, the untested long-term viability of the firms' operations. A Fund will not invest in a company having an operating history of less than three years if, immediately after and as a result of that investment, the value of the Fund's holdings of such securities exceeds 25% of the value of the Fund's total assets.

### **DEBT SECURITIES**

Each Fund may invest in debt securities of both governmental and corporate issuers. A decline in prevailing levels of interest rates generally increases the value of debt securities in a Fund's portfolio, while an increase in rates usually reduces the value of those securities. As a result, to the extent that a Fund invests in debt securities, interest rate fluctuations will affect its net asset value, but not the income it receives

from debt securities it owns. In addition, if the debt securities contain call, prepayment, or redemption provisions, during a period of declining interest rates those securities are likely to be redeemed, and the Fund would probably be unable to replace them with securities having as great a yield.

### **HIGH YIELD BONDS**

The MERIDIAN GROWTH FUND® will only purchase bonds rated A or better (or, if unrated, are considered by the Investment Adviser to be of equivalent credit rating). The MERIDIAN VALUE FUND® and the MERIDIAN EQUITY INCOME FUND<sup>SM</sup> may purchase high-yield, high risk bonds (bonds rated less than Baa or BBB by Moody's), which typically are subject to greater market fluctuations and to greater risk of loss of income and principal due to default by the issuer than are higher-rated bonds. High-yield, high-risk bonds' values tend to reflect short-term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding, higher-rated bonds. In addition, it may be more difficult to dispose of, or to determine the value of, high-yield, high-risk bonds. Bonds rated less than Baa or BBB are considered speculative. Bonds rated Ca or CC are described by Moody's as "speculative in a high degree; often in default or having other marked shortcomings." See Exhibit A to the SAI for a complete description of the bond ratings.

### **FOREIGN SECURITIES**

Each Fund may invest in the securities of non-U.S. companies, including securities in emerging markets. These companies are not subject to uniform accounting, auditing and financial reporting standards and practices, or regulatory requirements comparable to those applicable to U.S. companies. Emerging market securities, in

particular, involve greater risk and may be more volatile than those companies in more developed markets. For example, political and economic structures in less developed countries may be changing rapidly, which may cause instability; their securities markets may be underdeveloped; and emerging market countries are also more likely to experience high levels of inflation, deflation or currency fluctuations, which could adversely affect their economies and securities markets. In general, there may be less public information available about non-U.S. companies. Additionally, specific local political and economic factors must be evaluated in making these investments, including trade balances and imbalances, and related economic policies; expropriation or confiscatory taxation; limitations on the removal of funds or other assets; political or social instability; the diverse structure and liquidity of the various securities markets; and nationalization policies of governments around the world. However, investing outside the U.S. can also reduce overall risk because it provides greater diversification opportunities. Securities of non-U.S. issuers may be denominated in currencies other than the U.S. dollar. If the currency in which a security is denominated appreciates against the U.S. dollar, the dollar value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security expressed in dollars. The value of currencies may fluctuate in a manner unrelated to the investment performance of the securities denominated in those currencies.

### **DEFENSIVE INVESTMENTS**

When the Investment Adviser concludes, on the basis of its analyses of the economy, political conditions, or its own valuation guidelines and standards, that general market conditions warrant the reduction of some or all of a Fund's

equity securities holdings, a Fund may adopt a temporary defensive posture to preserve capital and, if possible, to achieve positive returns in defensive type investments. During such periods a Fund may hold a portion or all of its assets in corporate debt obligations, preferred stocks, cash or money market instruments. A Fund may not achieve its investment objective while it is investing defensively.

#### **POLICY REGARDING DISCLOSURE OF PORTFOLIO HOLDINGS**

A description of the Funds' policies regarding disclosure of the Funds' portfolio holdings can be found in the Funds' SAI and on the Funds' website at [www.meridianfund.com](http://www.meridianfund.com).

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## ORGANIZATION AND MANAGEMENT

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### MERIDIAN FUND, INC.<sup>®</sup>

Meridian Fund, Inc.<sup>®</sup> (“Meridian”) is a no-load, open-end, diversified management investment company consisting of three separate portfolios, the MERIDIAN EQUITY INCOME FUND<sup>SM</sup>, the MERIDIAN GROWTH FUND<sup>®</sup> and the MERIDIAN VALUE FUND<sup>®</sup>.

### THE INVESTMENT ADVISER

Meridian has retained as investment adviser Aster Investment Management Co., Inc. (the “Investment Adviser”), 60 E. Sir Francis Drake Blvd., Wood Island, Suite 306, Larkspur, California 94939. The Investment Adviser is an investment adviser for individuals and institutions. The Investment Adviser manages the investment of the Funds’ portfolios, provides administrative services and manages Meridian’s other business affairs. These services are subject to general oversight by Meridian’s Board of Directors.

The Investment Adviser is a professional investment management organization founded in 1977. Richard F. Aster, Jr. owns substantially all of the Investment Adviser, and is President and a Director of Meridian and of the Investment Adviser.

### PORTFOLIO MANAGER

Richard F. Aster, Jr. has managed the MERIDIAN EQUITY INCOME FUND<sup>SM</sup>, the MERIDIAN GROWTH FUND<sup>®</sup> and MERIDIAN VALUE FUND<sup>®</sup> since each Fund’s inception. Mr. Aster has been President of Aster Investment Management Co., Inc. for over twenty-five years.

### MANAGEMENT FEES AND OTHER EXPENSES

*Management Fees.* MERIDIAN EQUITY INCOME FUND<sup>SM</sup> pays the Investment Adviser an annual fee of 1% of the first \$10 million of the Fund’s average daily net assets, 0.9% of the next \$20 million of the Fund’s average daily net assets, 0.8% of the next \$20 million of the Fund’s average daily net assets and 0.7% of the Fund’s average daily net assets in excess of \$50 million. MERIDIAN GROWTH FUND<sup>®</sup> pays the Investment Adviser an annual fee of 1% of the first \$50 million of the Fund’s average daily net assets and 0.75% of the Fund’s average daily net assets in excess of \$50 million. MERIDIAN VALUE FUND<sup>®</sup> pays the Investment Adviser an annual fee of 1% of the Fund’s average daily net assets. The management fees are computed daily and paid monthly. For the fiscal year ended June 30, 2004, the Investment Adviser received an investment advisory fee of 0.77% of the average daily net assets for the MERIDIAN GROWTH FUND<sup>®</sup> and 1.00% of the average daily net assets for the MERIDIAN VALUE FUND<sup>®</sup>.

*Expenses.* Each Fund will pay all of its own expenses. Expenses which relate to all Funds (such as, for example, the fees and expenses paid to the Meridian Directors) will be allocated among Funds by the Investment Adviser in a reasonable manner.

The Investment Adviser has contractually agreed until at least October 31, 2005 to reimburse the MERIDIAN GROWTH FUND<sup>®</sup> and the MERIDIAN VALUE FUND<sup>®</sup> in the amount, if any, by which the aggregate operating expenses of the Fund in any fiscal year exceed 2.5% of the first \$30 million of the Fund’s average net assets, 2.0% of the next \$70 million of the average net assets, and

1.5% of the remaining average net assets. The Investment Adviser has agreed to reimburse certain expenses of the MERIDIAN EQUITY INCOME FUND<sup>SM</sup> in order to limit aggregate operating expenses of the Fund to 1.25% of the Fund's average net assets. Either the Fund or the Adviser can modify or terminate this arrangement at any time. Any reimbursement will be on a monthly basis, subject to year-end adjustment. Interest expense, taxes and capital items such as brokerage fees and commissions are not included as expenses for these purposes.

#### **THE TRANSFER, REDEMPTION AND DISBURSING AGENT**

PFPC Inc. ("PFPC") serves as Transfer, Redemption and Disbursing Agent to each Fund.

PFPC's address is 760 Moore Rd., King of Prussia, PA 19406.

#### **CUSTODIAN**

PFPC Trust Company, 8800 Tincum Boulevard, Suite 200, Philadelphia, PA 19153, serves as Custodian of all securities and funds owned by the Funds.

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## SHAREHOLDER INFORMATION

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### HOW TO PURCHASE SHARES

#### Initial Purchase

*Minimum Initial Investment.* You must invest at least \$1,000 to purchase shares when you open an account in each Fund.

Shares of the Funds may be purchased at the next NAV per share of the Fund determined after receipt of a properly completed application, by the Transfer Agent, PFPC, Inc. Purchase orders that are received by the transfer agent before 4:00 p.m. eastern time will be made at that day's NAV. You may purchase shares from a Fund by sending a signed, completed application form and a check drawn on a U.S. bank, payable in U.S. dollars:

**via regular mail to:**

MERIDIAN FUND, INC.®  
c/o PFPC Inc.  
P.O. Box 9792  
Providence, RI 02940

If you are sending applications, checks or other communications to a Fund **via express delivery, registered or certified mail**, send to:

MERIDIAN FUND, INC.®  
c/o PFPC Inc.  
760 Moore Road  
King of Prussia, PA 19406-1212

Meridian does not accept purchases by third party checks, traveler's checks, credit card checks, cashier's checks, starter checks from newly established checking accounts, credit cards, cash or money orders.

The Funds reserve the right to suspend or modify the continuous offering of their shares.

*Application Forms and Questions.* Call Shareholder Services at 1-800-446-6662.

You can download application forms, prospectus, and shareholder reports from our web site at [www.meridianfund.com](http://www.meridianfund.com).

*Payments by Wire.* If you want to pay for your initial shares by wiring funds, call Shareholder Services at 1-800-446-6662 directly to have an account number assigned and make arrangements for the timely submission of the application form. See "Purchases By Wire" for further instructions.

*Purchases through Third Parties.* Third party dealers may have different investment limits, fees and policies for buying and selling shares than are described in this prospectus. In addition, Meridian assumes no liability for the failure of third party dealers to transmit your order promptly or accurately to either Fund.

#### Tax-Deferred Plans

You may be entitled to invest in the Funds through a tax-deferred account under a prototype trust approved by the Internal Revenue Service ("IRS") (a "Plan Account"), such as an Individual Retirement Account ("IRA"), a Simplified Employee Pension Plan ("SEP-IRA"), a Roth IRA, or a Coverdell Education Savings Account. There is no service charge for the purchase of Fund shares through a Plan Account but there is an annual maintenance fee of \$12 per Plan Account. PFPC Trust Company serves as custodian for Plan Accounts offered by Meridian. For more information about Plan Accounts along with the necessary materials to establish a Plan Account, call 1-800-446-6662 or write to: Meridian Fund, Inc.® c/o PFPC Inc., 760 Moore Rd. King of Prussia, PA 19406.

You should consult your own tax advisers regarding the tax consequences to you of estab-

lishing or purchasing Fund shares through a Plan Account.

**Additional Purchases**

Once you have opened an account, you may buy additional shares at any time by sending the stub from your last statement together with a check drawn on a U.S. bank for at least \$50, payable in U.S. dollars:

**via regular mail to:**

MERIDIAN FUND, INC.®  
c/o PFPC Inc.  
P.O. Box 9792  
Providence, RI 02940

**via express delivery, registered or certified mail to:**

MERIDIAN FUND, INC.®  
c/o PFPC Inc.  
760 Moore Road  
King of Prussia, PA 19406-1212

Share purchase confirmations will include a form for sending additional funds. You must include your account number.

*Automatic Investment.* If you wish to have funds deducted from a checking account and invested into your Meridian account, call Shareholder Services at 1-800-446-6662 for the form.

**Purchases By Wire**

You may wire funds to Meridian. You should make arrangements so that your funds arrive at the same time as your instructions for the purchase of shares. Call Shareholder Services at

1-800-446-6662. Transfer funds by wire via the Federal Reserve Wire System as follows:

PNC Bank  
Pittsburgh, PA  
ABA No.:031000053  
FFC Account number: 86-0690-5521  
Attn: (Meridian Equity Income, Meridian Growth or Meridian Value Fund®)  
Meridian Fund Account Name  
Meridian Fund Account Number

PNC Bank and Meridian are not liable for any loss incurred by delay in receiving money submitted by wire transfer.

**Automatic Investment Plan**

The automatic investment plan provides a convenient method to have monies deducted directly from your bank account for investment in the Funds. You may open an automatic investment plan account with a \$1,000 initial purchase and a minimum \$50 monthly investment. To begin participating in this plan, please contact Shareholder Services at 1-800-446-6662. If you have an existing account that does not include the automatic investment plan, you can contact Shareholder Services at 1-800-446-6662 to establish an automatic investment plan. The Funds may alter, modify or terminate this plan at any time.

**Automated Clearing House Purchases**

Current shareholders may purchase additional shares via Automated Clearing House (“ACH”). To have this option added to your account, please send a letter to the Fund requesting this option and supply a voided check for the bank account. Only bank accounts held at domestic institutions that are ACH members may be used for these transactions.

You may not use ACH transactions for your initial purchase of Fund shares. ACH purchases will be effective at the closing price per share on the business day after the order is placed. The Funds may alter, modify or terminate this purchase option at any time.

### **Purchases By Telephone**

Meridian may, from time to time, accept telephone purchase orders from broker-dealers and institutions previously approved by Meridian. Meridian does not have a sales or service charge but those broker-dealers may charge you for their services.

### **Identity Verification**

To help the U.S. government fight the funding of terrorism and money-laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies persons opening accounts. To comply, we require your name, address, date of birth and government-issued identification number (generally, a Social Security Number) and other information that may help us identify you. We may ask for copies of related documentation and we may consult third-party databases to help verify your identity.

### **Price Of Shares**

Each Fund sells its shares at the next net asset value (“NAV”) per share of the Fund determined after the Transfer Agent has received a properly completed application. NAV is computed as of the close of business (currently 4:00 p.m., Eastern Time) each day the New York Stock Exchange (“NYSE”) is open for trading.

NAV is determined by totaling the value of all portfolio securities, cash, other assets, including accrued interest and dividends, held by a Fund, and subtracting from that total all liabilities,

including accrued expenses. The total NAV is divided by the total number of shares outstanding to determine the NAV of each share. Securities in the Fund’s portfolio are valued primarily on market quotes, or, if quotes are not available, by a method that the Board of Directors of Meridian believes would reflect accurately the securities’ fair value. Fair value pricing, for example, may be used for high-yield debt securities when available pricing information is stale or is determined for other reasons not to accurately reflect fair value. The fair value process is discussed more fully below. International markets may be open on days when U.S. markets are closed. The value of foreign securities owned by a Fund could change on days when Fund shares may not be bought or sold. Short-term securities with original or remaining maturities more than 60 days are valued at the mean of their quoted bid and asked prices. Short-term securities with 60 days or less to maturity are amortized to maturity based on their cost to the Fund if acquired within 60 days of maturity or, if already held by the Fund on the 60th day, based on the value determined on the 61st day.

Securities and other assets for which reliable market quotations are not readily available will be valued at their fair value as determined by the Adviser under the guidelines established by, and under the general supervision and responsibility of, the Funds’ Board. The Adviser may determine the fair value for securities that are thinly traded, illiquid, or where the Adviser believes that the prices provided by a pricing service are not accurate or are not available. Fair value pricing is intended to be used as necessary in order to accurately value the Funds’ portfolio securities and their respective net asset values. When fair valuation is employed, the prices of securities used by a Fund to calculate its NAV may differ from quoted or published prices for

the same security. The fair value prices of portfolio securities generally will be used when it is determined that the use of such prices will have a material impact on the NAV of a Fund.

For example, a Fund may use fair value pricing if the value of a security it holds has been materially affected by events occurring before the Fund's pricing time but after the close of the primary markets or exchange on which the security is traded. This most commonly occurs with foreign securities, but may occur in other cases as well. Significant events that may impact the value of securities principally traded in foreign markets (e.g., movement in the U.S. securities market, or other regional and local developments) may occur between the time that foreign markets close and the time that the Fund calculates its net asset value. Because the frequency of significant events is not predictable, fair value pricing of certain common stocks may or may not occur on a frequent basis.

Shares will not be priced on the days on which the NYSE is closed for trading, and on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

### **Exchanges Between Funds**

You may exchange shares from one Fund to another Fund, subject to the minimum investment requirements of the Fund purchased. To exchange shares, write Meridian's Transfer Agent (see "Redemption and Transfer of Shares") or — if you have submitted a signed Account Application which indicates that you have not declined the option — telephone 1-800-446-6662 toll-free. The Fund and its Transfer Agent employ reasonable procedures including providing written confirmations to con-

firm that the instructions received from any person with appropriate account information are genuine. If the Fund or its Transfer Agent fail to employ such procedures, they may be liable for losses due to unauthorized or fraudulent instructions. Exchange redemptions and purchases are processed simultaneously at the share prices next determined after the exchange order is received. (See "How to Purchase Shares — Price of Shares.")

**Exchanges generally have the same tax consequences as ordinary sales and purchases.**

**Exchange services are available only in states where the Fund to be purchased may be legally offered and may be terminated or modified at any time upon 60 days' written notice.**

## **HOW TO REDEEM AND TRANSFER SHARES**

### **By Mail**

You may redeem shares of a Fund by mail by writing directly to Meridian's Transfer Agent, PFPC Inc., via regular mail at MERIDIAN FUND, INC.<sup>®</sup>, c/o PFPC Inc., P.O. Box 9792, Providence, RI 02940 or via express delivery, registered or certified mail at MERIDIAN FUND, INC.<sup>®</sup>, 760 Moore Road, King of Prussia, PA 19406. If you send a redemption request to Meridian directly, rather than to its Transfer Agent, Meridian will forward your request to the Transfer Agent, but the effective date of redemption may be delayed until the request is received by the Transfer Agent.

You must sign the redemption request exactly as your name appears on the registration form and must include the account number. If more than one person owns the shares, all owners must sign the redemption request exactly as their names appear on the registration.

You must deliver stock certificates for any shares to be redeemed together with the signed redemption request.

Medallion signature guarantees, when required as described below, and any additional documents required by Meridian for shares owned by corporations, executors, administrators, trustees or guardians, also must accompany the redemption request. A request for redemption will not be processed until all of the necessary documentation is complete and has been received by the Transfer Agent. If you have questions about what documents are required, call Shareholder Services at 1-800-446-6662.

### **By Telephone**

The fund may require additional documentation or a medallion signature guarantee on any redemption request to help protect against fraud.

If the address of record has been changed within 30 days of a redemption request, a medallion signature guarantee is required to process the request to protect against fraud.

Unless you have declined the option in your account application, you may redeem shares of a Fund by telephone by calling Shareholder Services at 1-800-446-6662 during normal business hours.

You may elect at any time to use the telephone redemption service. You may make that election on the initial application form or on other forms prescribed by the Fund. An executed authorization form must be on file with the Transfer Agent before you may use the service. Share certificates for the shares being redeemed must be held by the Transfer Agent. A corporation (or partnership) also must submit a corporate resolution (or certificate of partnership) indicating the names, titles and the required number of signatures authorized to act on its behalf. The

authorization form must be signed by a duly authorized officer(s) and the corporation seal affixed.

The Funds provide written confirmation of transactions initiated by telephone to confirm that telephone transactions are genuine. If a Fund or the Transfer Agent fails to employ this and other reasonable procedures, the Fund or the Transfer Agent may be liable.

When using the telephone redemption service, you must give the full registration name, address, number of shares or dollar amount to be redeemed, Fund account number and name of the Fund in order for the redemption request to be processed.

PFPC and Meridian reserve the right to refuse any telephone instructions and may discontinue these redemption options upon 30 days written notice.

At times of peak activity it may be difficult to place requests by phone. During these times, consider sending your request in writing.

### **Redemption By Wire**

In the case of redemption proceeds that are wired to a bank, the Fund transmits the payment only on days that commercial banks are open for business and only to the bank and account previously authorized on your application or your medallion signature guaranteed letter of instruction. The Fund and PFPC will not be responsible for any delays in wired redemption proceeds due to heavy wire traffic over the Federal Reserve System. The Funds reserve the right to refuse a wire redemption if it is believed advisable to do so. If you redeem your shares by wire transfer, PFPC charges a fee (currently \$9.00) for each wire redemption. You may also have your redemption proceeds sent to your bank via ACH. PFPC does not charge for the

ACH service, however please allow 2 to 3 business days for the transfer of money to reach your banking institution.

### **Systematic Withdrawal Plan**

Once you have established an account with \$5,000 or more, you may automatically receive funds from your account on a monthly, quarterly or semi-annual basis (minimum withdrawal of \$100). Call Shareholder Services at 1-800-446-6662 to request a form to start a systematic withdrawal plan.

### **Redemption Price and Conditions**

All shares of the Funds may be redeemed at the next NAV per share of the Fund determined after receipt of a redemption request by mail or telephone as described above, by the Transfer Agent. Because the NAV of a Fund's shares will fluctuate as a result of changes in the market value of the securities it owns, the amount you receive upon redemption may be more or less than the amount you paid for the shares. (See "How to Purchase Shares — Price of Shares.") Payment for shares redeemed in writing or by telephone, if in good order, will be made promptly after receipt, but not later than seven business days after the valuation date. Under normal conditions, each Fund imposes a 2.00% short-term redemption fee when shares of the Fund are redeemed within 60 days of purchase (see "Short-Term Trading Policy"). Requests for redemption which are subject to any special conditions or which specify an effective date other than as provided in this Prospectus cannot be accepted. The Funds may suspend the right of redemption or postpone the date of payment during any period when (1) trading on the NYSE is restricted or the NYSE is closed for other than customary weekends and holidays, (2) an emergency exists making disposal of portfolio securities or valuation of net assets of

the Funds not reasonably practicable or (3) the Securities and Exchange Commission ("SEC") has by order permitted such suspension for the protection of the Funds' shareholders.

Investment dealers handling redemption transactions may charge you for the service.

Requests for redemptions will be honored but payment will be withheld until checks (including certified checks or cashier's checks) received for the shares purchased have cleared, which can take as long as fifteen calendar days from date of purchase. If you have questions about the proper form for redemption, call Shareholder Services at 1-800-446-6662.

### **Mandatory Redemption**

If your account in a Fund falls below \$750 for any reason other than market fluctuations, we will ask you to add to your account. If your account balance is not brought up to the minimum or you do not send us other instructions, we reserve the right to redeem your shares and send you the proceeds. You will be given at least 60 days notice to bring the account up to the minimum level before involuntary redemption.

### **Medallion Signature Guarantee**

To prevent fraudulent redemptions, Meridian requires that the signature of each shareholder be medallion guaranteed for all redemptions greater than \$25,000 or those directed to an address or individual other than the holder of record.

Signatures must be guaranteed through a "medallion" program. A "medallion" signature guarantee may be obtained from a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution which is participating in a medallion program

recognized by the Securities Transfer Association. The three recognized medallion programs are Securities Transfer Agents Medallion Program (“STAMP”), Stock Exchanges Medallion Program (“SEMP”) and New York Stock Exchange, Inc. Medallion Signature Program (“NYSE MSP”). Signature guarantees from financial institutions which are not participating in one of these programs will not be accepted.

The medallion signature guarantees must appear, together with the signatures of the registered owners on one of the following: (1) a written request for redemption, which identifies clearly the exact names in which the account is registered, the account number and the number of shares or the dollar amount to be redeemed, (2) a separate instrument of assignment which should specify the total number of shares to be redeemed (this “stock power” may be obtained from Meridian or PFPC, or from most banks and stockbrokers), or (3) all stock certificates tendered for redemption, or on the letter of stock power if shares are held by the Transfer Agent.

#### **Other Documents**

Additional documents may be required for purchases and redemptions when shares are registered in the name of a corporation, partnership, association, agent, fiduciary, trust, estate or other organization. For further information, please call the Funds’ shareholder servicing agent at 1-800-446-6662.

#### **Share Transfers**

You may transfer shares of a Fund by delivering to PFPC: (1) a letter of instructions, signed exactly as the shares are registered by each registered owner, which identifies clearly the exact names in which the account presently is registered, the account number, the number of shares to be transferred, and the names, address

and social security or tax identification number of the account to which the shares are to be transferred, (2) stock certificates, if any, which are the subject of the transfer, and (3) an instrument of assignment (“stock power”), which should specify the total number of shares to be transferred and on which the signatures of the registered owners have been guaranteed. (See “Signature Guarantee.”) Additional documents are required for transfers by corporations, executors, administrators, trustees and guardians. If you have questions about the documents required, call Shareholder Services (1-800-446-6662). If the transfer establishes a new account, you must also submit a new application. Meridian is not bound to record any transfer on the stock transfer books maintained by PFPC until PFPC has received all required documents.

#### **Short-Term Trading Policy**

The Funds are intended for long-term investors and not for those who wish to trade frequently in their shares. The Funds are not intended to accommodate frequent purchases and redemptions of shares by shareholders. Short-term trading (sometimes known as “market timing”) into and out of the Fund, particularly in larger amounts, may harm performance by disrupting portfolio management strategies and by increasing expenses, including brokerage and administrative costs, and may dilute the value of the holdings of other shareholders of the Fund. Short-term trading may cause the Fund to retain more cash than the portfolio manager would normally retain in order to meet unanticipated redemptions or may force the Fund to sell portfolio securities at disadvantageous times to raise the cash needed to meet those redemption or exchange requests. With this in mind, the Board of Directors has adopted a Short-Term Trading Policy for all share purchase transactions after April 30, 2005. Under the policy, to

discourage short-term trading in Fund shares, each Fund imposes a 2.00% short-term redemption fee when shares of a Fund are redeemed (either by selling or exchanging into another Fund) within 60 days of purchase. The short-term redemption fee is not a sales charge and it is not a sales commission. The short-term redemption fee is withheld from gross redemption proceeds and is retained by the Fund. The short-term redemption fee does not apply to: 1) shares acquired through reinvestment of dividends and other Fund distributions, 2) systematic purchases and redemptions, 3) required distributions or return of excess contributions from retirement accounts, 4) certain hardship situations such as death or disability, and 5) redemptions in omnibus accounts where redemptions cannot be tracked to the individual shareholder.

The policy specifies that shares will be redeemed in the following order: first, shares acquired through reinvestment of dividends and other fund distributions; second, shares held more than 60 days; and third, shares held for 60 days or less (subject to short-term redemption fee). Holding periods are determined based on a first-in first-out method. Shareholders will normally comply with the Fund's policy regarding short-term trading by allowing 60 days to pass after each investment before they sell or exchange the Fund. Exchanges involve a redemption of shares and are subject to the redemption fee. The Fund may take action if shares are held longer than 60 days if the trading is disruptive for other reasons such as unusually large trade size. In addition, the Fund reserves the right to impose restrictions on purchases or exchanges at any time on conditions that are more restrictive on disruptive or short-term trading than those that are otherwise stated in this prospectus. The Funds reserve the right to modify the terms of,

or terminate, the short-term redemption fee at any time. The Funds and their agent also reserve the right to refuse any purchase order, at any time, by any investor or group of investors for any reason.

This Short-Term Trading Policy is subject to limitations on the Funds' ability to detect and curtail short-term or disruptive trading practices. Shareholders seeking to engage in short-term trading practices may use a variety of strategies to avoid detection. Despite the best efforts of the Funds or their agents to prevent short-term or disruptive trading, there is no guarantee that the Funds or their agents will be able to identify such shareholders or curtail short-term trading practices. The Funds receive purchase and redemption orders through financial intermediaries and cannot always identify or reasonably detect excessive short-term trading which may be facilitated by these intermediaries or by the use of omnibus account arrangements offered by these intermediaries to investors. Omnibus accounts are commonly used by financial intermediaries and benefit plans. Omnibus accounts allow multiple investors to aggregate their respective share ownership positions and purchase, redeem and exchange Fund shares using a single account where the identity of the individual shareholder(s) is not known to the Funds or their agents. If an individual shareholder in an omnibus account can be identified, they will be subject to the redemption fee.

#### **Keeping You Informed**

After you invest, during the year we will send you the following communications:

- *confirmation statements*
- *account statements*, mailed after the close of each calendar quarter

- *annual and semiannual reports*, mailed approximately 60 days after June 30 and December 31
- *quarterly reports*, mailed approximately 45 days after March 31 and September 30.
- *1099 tax form*, sent by January 31
- *annual updated prospectus*, mailed to existing shareholders in the Fall.

In order to reduce shareholder expenses we may, if prior consent has been provided, mail only one copy of a Fund's prospectus and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call us at 1-800-446-6662 or if your shares are held through a financial institution please contact them directly. We will begin sending your individual copies with the next scheduled mailing.

### **CUSTOMER IDENTIFICATION PROGRAM**

Federal regulations require Meridian to obtain your name, your date of birth (for a natural person), your residential address or principal place of business (as the case may be) and (if different) mailing address, and your Social Security number, employer identification number or other government-issued identification when you open an account. Additional information may be required in certain circumstances. This information will be used to verify your true identity. Purchase applications without such information may not be accepted. If you have applied for an identification number, the application must be provided and the number submitted within a time period after the establishment of the account deemed reasonable by Meridian. To the extent permitted by applicable law, Meridian reserves the right to place limits on transactions in your account until your identity is verified. In

the rare event that we are unable to verify your identity, the Funds reserve the right to redeem your account at the current day's NAV.

### **DISTRIBUTIONS AND TAX STATUS**

#### **Distributions**

Meridian declares and pays annually to the shareholders of each Fund distributions from the Funds' net investment income, if any. The amount depends on earnings, the financial condition of the Fund and other factors. We will distribute any net realized capital gains to shareholders annually. A Fund may make additional distributions of any net investment income or net realized capital gains near or following the end of the calendar year.

We will automatically reinvest all distributions in shares, at NAV (without sales charge), unless you otherwise instruct the Transfer Agent in writing.

The NAV of shares will be reduced by the amount of your distributions. If you purchase shares shortly before the record date for a distribution you will pay the full price for the shares and receive some portion of the price back as a taxable distribution. The Funds have built up, or have the potential to build up, high levels of unrealized appreciation, which may result in future taxable distributions.

#### **Undeliverable Distribution Checks**

If you choose to receive distributions in cash and distribution checks are returned and marked as "undeliverable" or remain uncashed for six months, your account will be changed automatically so that all future distributions are reinvested in your account. Checks that remain uncashed for six months will be cancelled and the money reinvested in the Fund. No interest is paid during the time the check is outstanding.

## Federal Income Taxes

This discussion regarding federal income taxes is based on laws that were in effect as of the date of this Prospectus. It does not apply to tax-exempt or foreign shareholders or those holding Fund shares through a tax-deferred account, such as a 401(k) Plan or IRA. The discussion summarizes only some of the important federal income tax considerations that affect the Funds and you as a shareholder. It is not intended as a substitute for careful tax planning. You should consult your tax adviser about your specific tax situation, including the federal, state, local and foreign tax consequences to you of an investment in a Fund. Additional federal income tax considerations are discussed further in the SAI.

We will pass on to a Fund's shareholders substantially all of the Fund's net investment income and net realized capital gains, if any. Distributions to you of a Fund's ordinary income and net short-term capital gain, if any, generally are taxable as ordinary income. Distributions to you of a Fund's net long-term capital gain, if any, generally are taxable as long-term capital gain.

An individual's net long-term capital gain is subject to a reduced maximum 15% rate of tax. A Fund's net long-term capital gain distributed to individual shareholders generally will qualify for the reduced rate of tax if attributable to the Fund's sales and exchanges after May 5, 2003. Also, if you're an individual Fund shareholder, your distributions attributable to dividends received by the Fund from certain U.S. and foreign corporations generally will be taxed at a maximum 15% tax rate, as long as certain holding period requirements are met by you for your Fund shares and the Fund for portfolio securities producing such dividends. Absent further legislation, these reduced rates of tax will expire after December 31, 2008. Corporate shareholders may be able to deduct a portion of

their distributions when determining their taxable income.

In general, distributions are taxable to you when paid, whether you take the distributions in cash or automatically reinvest them in additional Fund shares.

You will be notified in January each year about the federal tax status of distributions made by the Funds for the prior year.

Redemptions (including redemptions in-kind) and exchanges of Fund shares will ordinarily result in a taxable capital gain or loss, depending on the amount you receive for your shares (or are deemed to have received in the case of exchanges) and the amount you paid (or are deemed to have paid) for them. Such gain or loss generally will be long-term capital gain or loss if you have held your redeemed or exchanged Fund shares for more than one year at the time of redemption or exchange. In certain circumstances, all or a portion of capital losses realized on the redemption or exchange of Fund shares may be disallowed.

A Fund may be required to "back-up" withhold a portion of your distributions and redemption proceeds if you have not provided the Fund your taxpayer identification number in compliance with IRS rules and certified that you are not subject to back-up withholding. To avoid this, make sure you provide your correct tax identification number (social security number for most investors) and appropriate certification on your account application. If you do not provide us with a correct taxpayer identification number, you may also be subject to IRS penalties. The IRS may also instruct the Fund that you are subject to back-up withholding.

The Funds may incur foreign taxes in connection with some of their foreign investments. In general, shareholders cannot deduct or claim a credit for these taxes.

## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand each Fund's financial history. No financial highlights are presented for the MERIDIAN EQUITY INCOME FUND<sup>SM</sup> because it had not commenced operations prior to the date of this prospectus. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned on an investment in the Fund (assuming reinvestment of all distributions). This information has been audited by PricewaterhouseCoopers LLP, independent auditors, whose report, along with the Funds' financial statements, is included in the Funds' annual reports, which are available upon request and incorporated by reference in the SAI.

### MERIDIAN GROWTH FUND®

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

FOR THE FISCAL YEAR ENDED JUNE 30,										
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net Asset Value — Beginning of period	\$ 27.24	\$ 28.10	\$ 31.30	\$ 29.45	\$ 26.28	\$ 33.26	\$ 33.20	\$ 32.21	\$ 27.29	\$ 24.27
Income from Investment Operations										
Net Investment Income (Loss)*	(0.04)	(0.08)	(0.12)	2.26	0.11	0.16	0.27	0.40	0.30	0.27
Net Gains (Losses) on Securities (both realized and unrealized)	9.10	(0.11)	(0.24)	3.89	4.99	(0.50)	4.92	3.71	5.47	3.63
Total From Investment Operations	9.06	(0.19)	(0.36)	6.15	5.10	(0.34)	5.19	4.11	5.77	3.90
Less Distributions										
Distributions from Net Investment Income	0.00	(0.06)	0.00	(2.44)	(0.15)	(0.14)	(0.32)	(0.36)	(0.31)	(0.18)
Distributions from Net Realized Capital Gains	(0.92)	(0.61)	(2.84)	(1.86)	(1.78)	(6.50)	(4.81)	(2.76)	(0.54)	(0.70)
Total Distributions	(0.92)	(0.67)	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)	(3.12)	(0.85)	(0.88)
Net Asset Value — End of Period	\$ 35.38	\$ 27.24	\$ 28.10	\$ 31.30	\$ 29.45	\$ 26.28	\$ 33.26	\$ 33.20	\$ 32.21	\$ 27.29
Total Return	33.65%	(0.20%)	0.42%	23.34%	21.45%	3.05%	16.92%	13.92%	21.40%	16.44%
Ratios/Supplemental Data										
Net Assets, End of Period (in thousands)	\$1,273,302	\$448,393	\$310,659	\$182,117	\$140,990	\$185,683	\$296,803	\$353,029	\$384,087	\$328,153
Ratio of Expenses to Average Net Assets	0.88%	0.95%	1.02%	1.04%	1.09%	1.01%	0.95%	0.96%	0.96%	1.06%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.21%)	(0.47%)	(0.62%)	(0.26%)	0.31%	0.49%	0.76%	1.23%	0.99%	1.18%
Portfolio Turnover Rate	19%	27%	26%	43%	28%	51%	38%	37%	34%	29%

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

## MERIDIAN VALUE FUND®

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

FOR THE FISCAL YEAR ENDED JUNE 30,										
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net Asset Value — Beginning of period	\$ 31.65	\$ 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)**	0.00	(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)	8.70	1.34	(0.51)	5.75	5.91	3.56	4.32	3.20	5.15	0.44
Total From Investment Operations	8.70	1.31	(0.56)	6.87	5.96	3.46	4.13	2.94	5.05	0.40
Less Distributions										
Distributions from Net Investment Income	0.00	0.00	(0.04)	(1.09)	0.00	0.00	0.00	0.00	0.00	0.00
Distributions from Net Realized Capital Gains	0.00	0.00	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Total Distributions	0.00	0.00	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)	(0.86)	0.00	0.00
Net Asset Value — End of Period	\$ 40.35	\$ 31.65	\$ 30.34	\$ 30.98	\$ 25.88	\$ 22.29	\$ 19.30	\$ 17.40	\$ 15.32	\$ 10.27
Total Return	27.49%	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 (in thousands)	\$2,226,590	\$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	1.09%	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	0.01%	(0.12%)	(0.22%)	0.60%	0.39%	(0.65%)	(1.35%)	(1.96%)*	(1.36%)*	(0.58%)*
Portfolio Turnover Rate	81%	60%	54%	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 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 following notice does not constitute part of and is not incorporated into the prospectus.

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## MERIDIAN FUND, INC.<sup>®</sup> PRIVACY POLICY NOTICE

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Meridian Fund, Inc.<sup>®</sup> shareholders are entitled to know how we protect personal information and how we limit disclosure.

**Information sources.** We obtain nonpublic personal information about our shareholders from the following sources:

- Applications or other forms
- Transactions with us, our affiliates, or others

**Protection of information.** We do not disclose any nonpublic personal information about current or former shareholders, except as permitted or required by law. Personal information refers to information that personally identifies you or your financial accounts. This includes among other items, your social security numbers, your address and account transactions. We do not sell your personal information to anyone.

**Disclosure of information.** We may send your financial adviser or other individuals (as designated by you) copies of confirmations, quarterly account statements and other documents reporting activity in your accounts. We may also provide your personal information to firms that assist us in servicing your account, such as our transfer agent. If at any time in the future it is necessary to disclose your personal information

in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so that you will have the opportunity to opt out of such disclosure. We will not disclose your personal information to any other unaffiliated third parties, except as permitted or required by law, unless you have specifically asked us to do so; that is, opted in.

**Security measures.** To protect your personal information, we permit access only by authorized employees or service providers. We maintain physical, electronic and procedural safeguards to protect your personal account information. Our employees and agents have access to that information only so that they may offer products or provide services to you, for example, when responding to questions directly related to your account. If you ever find that your account information is incomplete, inaccurate or not current, please write to us at Meridian Fund, Inc.<sup>®</sup> c/o PFPC Inc., 760 Moore Road, King of Prussia, PA 19406 or call us at 1-800-446-6662. This privacy policy applies to all Meridian Fund, Inc.<sup>®</sup> accounts you presently have, or may open in the future using your social security number, whether or not you remain a shareholder of our funds. If you have any questions or concerns, please contact us at the address or telephone number above.

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*For more information about MERIDIAN FUND, INC.® the following documents are available free upon request. You can download shareholder reports from our web site at [www.meridianfund.com](http://www.meridianfund.com):*

**Annual/Semiannual Reports:**

The Funds' annual and semiannual reports to shareholders contain detailed information about the Funds' portfolios.

In the Funds' Annual Report, you will find a discussion of market conditions and investment strategies that significantly affected the Funds' performance during the last fiscal year.

**Quarterly Reports:**

The Funds' quarterly reports to shareholders contain the holdings of the Funds' portfolios.

**Statement of Additional Information (SAI):**

The SAI provides more detailed information about the Funds, including operations and investment strategies. It is incorporated by reference and is legally considered a part of this Prospectus.

You can get free copies of the reports and the SAI, request other information or make shareholder inquiries, by contacting us at:

**MERIDIAN FUND, INC.®  
c/o PFPC Inc.  
760 Moore Road  
King of Prussia, PA 19406  
800-446-6662**

You can also review the Funds' reports and SAI at the Public Reference Room of the Securities and Exchange Commission. In addition, you can get text-only copies:

- For a fee, by writing the Public Reference Section of the Commission, Washington, D.C. 20549-0102, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by calling 202-942-8090
- Free from the Commission's Website at <http://www.sec.gov>.