

Item 1: Cover Page

Aster Investment Management Company, Inc.

60 E. Sir Francis Drake Blvd. Suite 306

Larkspur, California 94939

Telephone: 415-461-8770

Contact:

Gregg B. Keeling

CCO and VP of Operations.

.

Brochure date: March 15, 2012.

This brochure provides information about the qualifications and business practices of Aster Investment Management Company, Inc. If you have any questions about the contents of this brochure, please contact us at 415-461-8770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration as an investment adviser with the SEC by Aster Investment Management Company, Inc. does not imply a certain level of skill and training.

Additional information about Aster Investment Management Company, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

Material changes to the firm Brochure since the most recent annual update dated March 31, 2011 are as follows:

This Brochure has been updated to reflect that Richard F. Aster, Jr. no longer serves as President and Chairman of both Aster Investment Management and Meridian Fund, Inc. or as the principal portfolio manager for all Aster Investment Management client accounts, as well as all Fund portfolio accounts. Subsequent to the sudden and untimely death of Mr. Aster, a team of investment professionals assumed all investment advisory duties and responsibilities that formerly belonged to Mr. Aster. This Brochure has also been updated to reflect that in connection with Mr. Aster's death, his 96% ownership interest in Aster Investment Management was transferred to the Richard F. Aster, Jr. Trust (the "Trust") over which a trustee designated by Mr. Aster has authority to, among other things, vote the shares of Aster Investment Management held by the Trust. The principal items within the Brochure that were updated to reflect the changes above include Item 4 ("Advisory Business"), Item 10 ("Other Financial Industry Activities and Affiliations") and Item 13 ("Review of Accounts").

Additionally, Item 15 ("Custody") in the Brochure was updated to include information related to Aster Investment Management client participation in securities litigation class actions.

Item 3: Table of Contents

	Page
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance Based Fees and Side-By-Side Management	7
Item 7: Types of Clients	8
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9: Disciplinary Information	12
Item 10: Other Financial Industry Activities and Affiliations	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12: Brokerage Practices	16
Item 13: Review of Accounts	19
Item 14: Client Referrals and Other Compensation	20
Item 15: Custody	21
Item 16: Investment Discretion	22
Item 17: Voting Client Securities	23
Item 18: Financial Information	24

Item 4: Advisory Business

Aster Investment Management Company, Inc. (“Aster Investment Management”) has operated as an investment adviser continuously since March 31, 1977.

As disclosed to clients of Aster Investment Management, Richard F. Aster, Jr. died on February 16, 2012. Subsequent to the sudden and untimely death of Mr. Aster, a team of investment professionals assumed all investment advisory duties and responsibilities that formerly belonged to Mr. Aster. Mr. Aster owned approximately 96% of Aster Investment Management. In connection with his death, Mr. Aster’s ownership interest in Aster Investment Management was transferred to the Richard F. Aster, Jr. Trust (the “Trust”) over which a trustee designated by Mr. Aster has authority to, among other things, vote the shares of Aster Investment Management held by the Trust.

Aster Investment Management provides investment management services for Meridian Value Fund, Meridian Growth Fund and Meridian Equity Income Fund (each, a series of Meridian Fund, Inc.; each, a “Fund”, and, collectively, the “Funds”), and individual client investment account portfolios. Aster Investment Management manages the investment portfolios of the Funds according to the policies and restrictions in each Fund’s Prospectus and Meridian Fund, Inc.’s Statement of Additional Information.

Aster Investment Management also performs other types of services. In addition to providing investment advisory services, under the terms of the investment advisory agreements with Meridian Fund, Inc., Aster Investment Management provides office space and pays for certain operating expenses and compensation of persons performing executive, administrative, clerical and bookkeeping functions for Meridian Fund, Inc.

Aster Investment Management seeks investment advisory clients who share the firm’s investment objectives and investment philosophy and does not advise as to whether any particular investment objective or philosophy is suitable for individual investors.

Individual client account portfolios are managed by Aster Investment Management on a discretionary basis. Aster Investment Management manages individual client investment portfolios by principally investing in shares of publicly traded companies and, to a more limited extent, fixed-income or debt securities and money market instruments. Individual clients may impose restrictions on investing in certain securities or types of securities or may request that certain securities be held in their portfolios.

Aster Investment Management is not involved as a participant or sponsor of any wrap fee programs.

As of December 31, 2011, the total amount of assets in accounts managed by Aster Investment Management on a discretionary basis was \$3,428,306,397. There were no assets managed on a non-discretionary basis.

Item 5: Fees and Compensation

Aster Investment Management's standard contractual advisory fee for managing individual client accounts is two percent (2.0%) of the assets under management. Fees less than two percent (2.0%) may be negotiated based on the size of a particular client account or other considerations or factors. Fees can be deducted from individual client accounts that provide Aster Investment Management with written authorization to do so. As further described below, fees are billed in advance and deducted from individual client accounts semi-annually.

Aster Investment Management also receives compensation for serving as the investment adviser to the Meridian Fund, Inc. series Funds. Fees vary according to terms of investment advisory agreements with the individual Funds:

Aster Investment Management charges the Meridian Growth Fund, as compensation for its services, an annual fee of 1.0% for the first \$50 million of the Fund's net assets and 0.75% of the Fund's net assets in excess of \$50 million; it charges the Meridian Value Fund, as compensation for its services, an annual fee of 1.0% of the Fund's net assets; and it charges the Meridian Equity Income Fund an annual fee of 1.0% for the first \$10 million of the Fund's net assets, 0.9% of the next \$20 million, then 0.8% of the next \$20 million and 0.7% of the Fund's net assets in excess of \$50 million. Fees for each of the three Meridian Funds are billed monthly and are calculated on the basis of that month's average daily net assets.

Aster Investment Management has contractually agreed to reimburse the Meridian Growth Fund and the Meridian Value Fund in the amount, if any, by which the aggregate operating expenses 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. Aster Investment Management also has voluntarily agreed to reimburse certain expenses of the Meridian Equity Income Fund in order to limit aggregate operating expenses of the Fund to 1.25% of the Fund's average net assets. Either the Fund or Aster Investment Management can modify or terminate these arrangements at any time. Reimbursement payments are made on a monthly basis, subject to year-end adjustment.

All client assets are held in custodial bank or brokerage firm accounts. Custodian fees, wire transaction fees and other expenses may be imposed by the bank, brokerage firm or other custodian holding a client account. Brokerage commissions and transaction fees will be incurred in relation to client portfolio securities transactions. See Item 12 of this brochure for further information on brokerage practices.

Individual client accounts pay advisory fees in advance. Clients are billed once every six months for fees covering two semi-annual billing periods, beginning January 1 and July 1. Fees are calculated based on the individual client's contractual annual percentage fee and the market value of the client's account at the close of the market on the last day of the month immediately preceding each six month semi-annual period. A portion of the advisory fee will be refunded and returned to the client in the event that the advisory agreement is terminated prior to the end of the six-month billing period. Fees will be refunded based on the ratio of the number of days from an

initial contribution, capital addition, or termination to June 30 or December 31, whichever occurs first, to the number of days in the semi-annual period.

For individual client accounts, Aster Investment Management or the client may terminate the investment advisory agreement by giving the other party written notice within five business days following the advisory agreement's signing. Thereafter, the agreement may be terminated only after either party has given the other at least thirty days written notice. For each Fund, Aster Investment Management or the Board of Directors of Meridian Fund, Inc. or the majority of outstanding voting securities of a Fund, on behalf of the Fund, may terminate the investment advisory agreement by giving the other party sixty days written notice.

Neither Aster Investment Management nor its supervised persons (*i.e.*, officers, directors, employees, or persons subject to its supervision or control) accepts compensation for the sale of securities or other investment products.

Item 6: Performance Based Fees and Side-By-Side Management

If requested by a client, Aster Investment Management is willing to manage an account under a performance fee arrangement.

In these cases, an annual base fee of 1.0% of the assets under management plus a performance fee ranging from 0% to 2.0% will be charged depending on how the account performs in relation to the S&P 500 index or some other agreed-upon performance measure. The minimum performance fee is 1.0% and the maximum performance fee is 3.0% for this type of account. The base fee is payable in advance in two semi-annual installments (January 1 and July 1) and is based upon the market value of the client's account at the close of the market on the last day of the month preceding each semi-annual period. If the investment advisory agreement is terminated prior to the end of any six-month period, a partial refund of the base fee will be returned to the client. The performance fee is calculated after the end of a one-year performance measurement period. If the agreement is terminated prior to the end of the one-year performance measurement period, the performance fee will be based on the one-year period ending on the month end immediately prior to the termination date and will be reduced by any performance fee paid for the prior year. A performance fee will not be charged to clients who enter into a performance fee contract and then terminate the contract after less than twelve months.

Clients should be mindful that there may be a conflict of interest when performance-based fee accounts are managed by the same individuals who manage asset-based fee and/or other accounts at the same time. There is the risk that the individual managing different types of accounts side-by-side may favor the performance-based fee accounts by buying better performing assets for those accounts to increase performance-based fees.

All employees of Aster Investment Management are required to comply with a Code of Ethics that sets standards of conduct with respect to conflicts of interest and fiduciary duty to the firm's clients. As further described in Item 11, compliance with the Code of Ethics requires that employees avoid conflicts of interest and place the interests of advisory clients first. Violations of the Code of Ethics may result in sanctions and liability for the employee.

Item 7: Types of Clients

Aster Investment Management clients include individuals, investment companies, pension and profit sharing plans, trusts, charitable organizations and business entities.

Aster Investment Management seeks investment advisory clients who share the firm's investment objectives and investment philosophy and does not advise as to whether any particular investment objective or philosophy is suitable for individual investors.

With certain exceptions, Aster Investment Management requires a minimum of \$500,000 to open an individual client account. Exceptions include, for example, multiple identically-managed accounts opened by the same individual or related clients.

Aster Investment Management manages investment company client portfolio accounts that have an initial minimum net asset value of \$100,000.

No other conditions generally are imposed on the establishment or maintenance of investment advisory client accounts.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Aster Investment Management provides investment advice and portfolio management services for individual client investment account portfolios along with Meridian Fund account investment portfolios.

Methods of Analysis

Our investment ideas are generated through multiple sources. First, we maintain information on and/or monitor several hundred companies that we believe are potential investment candidates. Second, we screen companies having their initial public offering. Third, we use screening techniques to identify companies with reasonable valuations. Fourth, we read industry-specific publications, looking for experts' views on companies, industries, and products. Finally, we have developed relationships with a number of professional investors and analysts around the country who focus on similar types of companies.

First-hand research is essential to our investment approach. Our research effort includes reading annual reports, prospectuses and filings with the SEC, meeting with management, attending research conferences and trade shows, listening to internet webcasts, participating in conference calls, and talking with suppliers, customers, competitors, and analysts who are familiar with the industry and with particular companies.

While every company will have unique characteristics, we try to identify companies that: (1) compete in a market conducive to growth; (2) are able to obtain an important market share; (3) have the ability to generate an adequate return on equity; and (4) have capable management. Once we identify a company that we believe has the appropriate fundamental characteristics, we make purchase and sale decisions based on valuation criteria. These include the company's price/earnings ratio (P/E), the company's P/E in relation to its growth rate, the company's market capitalization in relation to its revenues, and other pertinent criteria. It is important to note that all companies have different characteristics and there is not a set of quantitative valuation parameters that can be applied universally. Overall, our objective is to buy individual companies at attractive valuations. We believe that a disciplined valuation approach best achieves superior long-term performance and reduces market and equity security price fluctuation risks.

Investment Strategies

Individual client accounts:

Our investment research and analysis for individual client account portfolios primarily focuses on publicly traded common stocks of U.S. companies, including small- to medium-sized companies. The objective is to identify good companies that may be purchased at reasonable valuations and that may provide an adequate return given the overall market risk and underlying

equity security risk. Market risk is the risk that the value of the investments in a client account will fluctuate due to adverse stock market and economic conditions as well as the activities of specific companies and industries. Equity security risk is the risk that a particular company's stock price will fluctuate in response to many factors including the company's historical and prospective earnings, industry and general economic conditions, interest rates, investor perceptions and market liquidity.

While there may be exceptions, individual client accounts are invested primarily in equity securities of companies with revenues, at the time of initial purchase, of less than \$10 billion, that are growing earnings per share faster than the average S&P 500 company, and which have the potential, in our opinion, to become significantly larger in size. Unlike large, mature firms, these companies still may have their most significant growth years ahead of them and, if held over a significant period of time, may prove to be good investments. Many small to medium-sized firms are not followed closely by Wall Street analysts or large investment firms. Because some of these smaller companies may have prospects for better-than-average returns, we believe this situation creates an opportunity for investors.

Individual client accounts generally remain close to fully invested. However, to control risk when stock prices appear overvalued to us, we may invest a portion of our clients' assets in short-term money market instruments such as Treasury Bills, certificates of deposit, and high-grade commercial paper. These instruments are very liquid, provide protection against loss of capital, and can be redeployed quickly into common stocks and bonds during more favorable times.

We do not believe in over-diversification. We attempt to limit individual client account portfolio positions during most periods to around fifty or less. Good performance, in our opinion, is achieved by focusing on a number of select companies. A stock that doubles or triples in price, for example, will not have a meaningful impact on a portfolio with three hundred different positions. Over-diversification also makes stock selection more difficult. It is easier to pick fifty good stocks than it is one hundred. Finally, we believe that limiting the number of stocks in a portfolio enables an investment manager to be selective, to research specific companies in greater depth and to monitor their performance more closely, thus further controlling equity security risk.

Meridian Fund Portfolios:

Aster Investment Management manages the Funds according to the policies and restrictions described in the Funds' Prospectus and Statement of Additional Information. The Funds' Prospectus and Statement of Additional Information contain further information regarding each of the individual Fund's principal investment strategies and investment risks.

Shareholders and prospective shareholders of the Funds may review the Prospectus and the Statement of Additional Information by visiting the Meridian Fund, Inc. website at <http://www.meridianfund.com>.

You can request free copies of the Funds' Prospectus and Statement of Additional Information by contacting the Funds at Meridian Fund, Inc., P.O. Box 9792, Providence, RI 02940 or by

calling 800-446-6662. You can also review the Funds' Prospectus and Statement of Additional Information on the SEC website at <http://www.sec.gov>.

Risk of Loss

Because the value of investments in equity securities will change with market conditions, so will the value of your investments in accounts managed by Aster Investment Management. Although Aster Investment Management makes every effort to achieve our objective of a consistent and acceptable real rate of return, clients should be prepared to bear the risk that investment strategies or securities selection methods may not achieve this objective. As noted above, we attempt to limit individual client account portfolio positions during most periods to approximately fifty or less. This focused investment strategy could result in a greater negative impact on your account if, for example, an individual stock declines in price. You could lose money on your investments managed by us and your investments could under-perform other investments.

Item 9: Disciplinary Information

During the past ten years, there were no legal or disciplinary events that would be material to a client's or a prospective client's evaluation of Aster Investment Management's advisory business or the integrity of its management. During the past ten years, Aster Investment Management and its employees and management persons have not been involved in any legal, disciplinary, regulatory, criminal or civil actions or proceedings and have not been subject to any order, judgment or decree.

Item 10: Other Financial Industry Activities and Affiliations

The Funds are managed by employees of Aster Investment Management under the terms of investment advisory agreements that provide for management fees to be paid to Aster Investment Management by each of the Funds. These fees compensate Aster Investment Management for providing advisory and portfolio management services and for providing certain executive, administrative and clerical support for the Funds. Item 4 and Item 5 in this brochure contain further information describing the services provided under the advisory agreements and details of the related fees. In the event that the assets under management in the Funds' accounts greatly exceed the assets under management in individual client accounts, the larger Fund accounts could be favored or allocated more resources, which would represent a conflict of interest with other advisory clients.

Michael Stolper owns 4% of the outstanding shares of Aster Investment Management Company and therefore shares in the profits of the Company. Mr. Stolper is a registered investment adviser and refers investors to Aster Investment Management and Meridian Fund. Mr. Stolper also serves as a director on the Board of Meridian Fund, Inc. These affiliations and activities could result in a potential conflict of interest between Mr. Stolper and clients. For example, as a shareholder of Aster Investment Management, Mr. Stolper may have an incentive to increase advisory fees that could be adverse to the interests of clients and/or to recommend that potential clients invest assets with the Company in order to generate profits for the Company and himself. Because of these potential conflicts, Mr. Stolper is designated as an Interested Director of Meridian Fund, Inc. Also, Mr. Stolper is required to annually certify that he complies with the provisions of Meridian Fund's and Aster Investment Management's Code of Ethics. The provisions of the Code of Ethics require that he adhere to standards of business conduct that include the duty and obligation to avoid conflicts of interest. *(See Item 11 in this brochure for more information about the Code of Ethics.)*

Aster Investment Management addresses potential conflicts of interest by implementing policies and procedures to ensure the fair allocation of securities transactions, brokerage expenses and access to shares in initial public offerings, along with access to research and other management resources. These policies and procedures are reviewed annually for adequacy and effectiveness by the Chief Compliance Officer of both Aster Investment Management Company and Meridian Fund.

Additionally, the senior officers of Aster Investment Management and Meridian Fund annually certify that they acknowledge, understand and comply with a Code of Ethics and a Supplemental Code of Ethics for Principal Officers and Senior Financial Officers. These Codes of Ethics require that the officers of both Aster Investment Management Company and Meridian Fund adhere to standards of business conduct that include the duty and obligation to avoid conflict with the interests of clients.

Aster Investment Management and persons with the power to exercise a controlling influence over Aster Investment Management or to determine the general investment advice given by Aster investment Management, are not registered as broker-dealers or registered representatives of a broker-dealer, or as futures commission merchants, commodity pool operators, commodity trading advisors, or associated persons of such persons.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Aster Investment Management maintains a Code of Ethics pursuant to SEC rule 204A-1. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

Aster Investment Management's Code of Ethics requires employees and access persons to comply with all applicable Federal Securities Laws.

The Code of Ethics is based on recommendations made by the Investment Company Institute, an industry trade organization, and is revised and updated to comply with the latest SEC rules and amendments to the 1940 Act.

Aster Investment Management, its officers and employees may invest in the same securities that are purchased for client accounts or may own securities which subsequently are purchased for clients. To address the risk of conflicts of interest that may arise from trading in personal accounts, the Code of Ethics imposes restrictions on the timing of transactions and requires pre-authorization and approval of personal transactions in securities that are held by or may be considered for clients, as well as transactions in any mutual fund managed by Aster Investment Management. The Code of Ethics prohibits short-term trading and all personal securities positions must be held a minimum of sixty days. The Code of Ethics requires periodic reporting of personal holdings and all securities transactions. Provisions of the Code of Ethics also include limits on accepting gifts from brokers and the reporting of violations. Additionally, the Code of Ethics prohibits all employees and supervised persons from acquiring securities in any initial public offering.

Item 12: Brokerage Practices

Factors considered in selecting broker-dealers for client transactions and determining the reasonableness of commission compensation:

Research and Other Soft Dollar Benefits:

Aster Investment Management may receive research or other products or services besides execution from a broker-dealer or a third-party in connection with client securities transactions (“soft dollar benefits”).

We utilize the services of broker-dealers providing soft dollar benefits, if, in our judgment, we may obtain prices and executions generally comparable with those available from other qualified firms. When circumstances relating to a proposed transaction indicate that a particular broker-dealer is clearly in a position to obtain the best execution, the order is placed with that broker-dealer without preference given to whether that broker-dealer provides, or does not provide, research, statistical or other products or services.

When client brokerage commissions are used to obtain research or other products and services, Aster Investment Management receives the benefit of not having to produce or pay for the research, products or services, and an incentive exists to select or recommend a broker-dealer based on receiving research and other products or services. Accordingly, in circumstances in which two or more broker-dealers are in a position to offer comparable prices and execution, we may give preference to broker-dealers that provide research, statistical and other related services. The commissions charged by these broker-dealers may be higher than the commissions charged by other broker-dealers that do not provide soft dollar benefits.

Soft dollar benefits are used to service all Aster Investment Management client accounts. Upon determining that best execution is obtained, we seek to fairly allocate brokerage transactions that create soft dollar credits. Transactions creating soft dollar commission credits and resulting benefits are allocated proportionally to the Meridian Growth Fund, the Meridian Value Fund, the Meridian Equity Income and to individual client accounts based on the relative number of portfolio managers and research analysts working on the various accounts.

In our opinion, soft dollar benefits related to research, including both proprietary research (created or developed by the broker-dealer) and research created by a third party, are useful in varying degrees and provide value and assistance to the research efforts of Aster Investment Management, while not necessarily reducing the expenses of Aster Investment Management in every case.

During the past fiscal year, all of the soft dollar benefits acquired by Aster Investment Management with client brokerage commissions were related to investment decision-making or trade execution and qualified for the safe harbor in section 28(e) of the Securities and Exchange Act of 1934. These soft dollar benefits were comprised of internet-accessed research tools and reports, published research reports, economic studies, industry surveys, transcripts of company

conference calls, analyst reports and EDGAR database research products. Additionally, soft dollar credits were used to obtain Bloomberg Anywhere, which was treated as a mixed-use product partially eligible for safe harbor status. During the past fiscal year, soft dollar commission transactions were executed through brokers with Bank of America Merrill Lynch and O'Neil Securities, Inc.

Brokerage for Client Referrals:

In the past fiscal year, Aster Investment Management did not direct client transactions to any broker-dealers in exchange for client referrals.

When a broker refers a client to Aster Investment Management the broker may expect to be compensated for the referral through brokerage commissions. However, Aster Investment Management has a general policy of not allocating brokerage business in return for services other than brokerage or research products unless directed by a client in writing to do so. We reserve the right to limit the extent to which clients may designate brokers or dealers for the execution of their transactions. See Directed Brokerage, below.

We may recommend brokerage firms that are capable of providing custodial services to clients. Such recommendations are based on financial strength, back office capabilities, relationships and experience with the brokerage firm. Clients may utilize any custodian they wish. Aster Investment Management does not consider client referrals when recommending custodial brokerage firms to clients.

Directed Brokerage:

Aster Investment Management does not recommend, request or require that client transactions be executed through firms that clients may designate. We may accept client instructions under certain circumstances to execute, or not to execute, securities transactions through a particular broker or dealer. We reserve the right to limit the extent to which clients may designate brokers or dealers for the execution of their transactions. By directing brokerage, Aster Investment Management may not achieve the most favorable execution and it may cost you more money. For example, in a directed brokerage account, you may pay higher brokerage commissions when an order is not aggregated with other clients to reduce transaction costs. Additionally, you may not receive the most favorable price compared to aggregated trades which may find a better market when executed in large blocks.

While clients may designate a particular broker for their account, it is our experience that brokerage rates in directed relationships may not necessarily be the lowest available from a particular brokerage firm. The total cost for the services provided to a client's account by the directed broker may therefore be higher than the rates Aster Investment Management could obtain from negotiation with a particular broker or other sources.

Brokers often charge some form of negotiated standard rate which is calculated based on the pricing of all of the services which the broker provides. Aster Investment Management will, at

the request of a client, seek to negotiate commission rates with a directed broker. Clients are encouraged to discuss directed broker arrangements with us prior to entering into directed brokerage arrangements.

Aggregating purchase and sale of securities for various client accounts:

Transactions in a client account may be aggregated and executed as part of concurrent authorizations to purchase or sell the same security for other accounts serviced by Aster Investment Management. Purchases and sales of securities will be aggregated when deemed reasonable and equitable to the accounts involved.

In some cases, a greater percentage of transactions in client accounts domiciled at a specific brokerage firm may be allocated to that brokerage firm. This may result in those accounts paying for a greater percentage of the services provided by that firm and may result in those accounts paying unfavorable commissions or getting unfavorable prices. At the same time, those accounts may end up paying for a smaller percentage of research and other services provided by other firms.

It is our opinion that this practice does not unfairly disadvantage individual clients and on balance is fair and reasonable and in the interest of all clients. Orders for transactions in portfolio securities will be placed with the objective of obtaining the best available price and execution along with the most equitable overall allocation of payment for investment research and other brokerage services. In seeking the most favorable price and market for the execution of transactions, we evaluate a wide range of criteria. Criteria include the broker's commission rate, execution capability, positioning and distribution capabilities, back-office efficiency, ability to handle difficult trades, financial stability, prior performance and ongoing relationship in serving Aster Investment Management and its clients. We allocate transactions to the best of our ability and judgment. We do not consider that we have an obligation to aggregate trades in order to obtain the lowest available commission rate to exclusion of price, service and qualitative considerations.

Item 13: Review of Accounts

The team of investment management professionals at Aster Investment Management reviews individual clients' accounts and investment company client accounts on a continuous basis. These reviews assess the desired weighting of assets between stocks, bonds, short-term money market instruments and cash, in accordance with the investment strategy. These reviews also determine which securities are to be purchased or sold, the target percentage of ownership of each security, the allowable variance from target percentage and the desired time frame to execute any changes in portfolio holdings. An analysis is also performed any time Aster Investment Management considers that a significant financial, economic, political or international development changes the fundamental outlook for the financial markets, or when a significant development takes place with respect to a security held in client portfolios.

Aster Investment Management provides each non-investment company client with a written letter, on a quarterly basis, that discusses market conditions and reviews the investment strategy for the most recent quarter. Clients also are provided with a semi-annual written statement listing all securities held in each individual client's portfolio. These semi-annual statements report the number of shares or par value of each security, the market price per unit and the total market dollar value of each security held. Cash balances are listed and the total value of the portfolio is calculated.

Item 14: Client Referrals and Other Compensation

Aster Investment Management does not seek and does not receive economic benefits from third-party non-clients for providing investment advice or advisory services to our clients.

Mr. Michael Stolper, a registered investment adviser, refers investors to Aster Investment Management and Meridian Fund, Inc., for which he does not receive direct compensation. Mr. Stolper is a minority shareholder in Aster Investment Management and therefore he is indirectly compensated for such referrals, as he shares in the profits of the Company.

Item 15: Custody

All client assets are held in the custody of banks or brokerage firms and clients may designate the custodian for their account(s). Certain individual client accounts have provided Aster Investment Management with written authorization to deduct advisory fees. Because Aster Investment Management has been granted authorization to deduct advisory fees, it may be deemed to have custody of client assets under certain circumstances.

Clients receive monthly statements that are prepared by and mailed from the custodian bank or brokerage firm maintaining their accounts. These custodian statements provide a complete list of all account activity during the month and report the market value of securities and cash balances in the account. Clients should carefully compare account statements and reports received from Aster Investment Management with statements they receive from their qualified custodian(s).

Aster Investment Management may, in the course of managing client account portfolios, participate in securities litigation class actions and file claims on behalf of Aster Investment Management clients. Litigation claim settlement checks payable to individual clients that are received by Aster Investment Management are forwarded to the respective client account custodian for deposit into client accounts. Aster Investment Management does not take responsibility for filing litigation claims on behalf of terminated clients. Litigation claim settlement checks received subsequent to the termination of a client's investment advisory agreement with Aster Investment Management will be forwarded to the client at their last known address of record.

Item 16: Investment Discretion

Aster Investment Management manages client account portfolios on a discretionary basis. Clients execute an Investment Advisory Agreement, including a Limited Power of Attorney, with Aster Investment Management before receiving advisory services. Individual clients may impose restrictions on investing in certain securities or types of securities or may request that certain securities be held in their portfolios.

Item 17: Voting Client Securities

Under the terms of our standard Investment Advisory Agreement with clients, Aster Investment Management is not required to take any action with respect to the voting of proxies for securities in client accounts. However, unless a client specifically requests or reserves the right, in writing, to vote its own proxies or take shareholder action in other corporate actions, we will vote client proxies and respond to corporate actions as part of our discretionary authority over client assets.

A client may specify in writing that they wish to vote proxies on their own, or that they have delegated the authority to vote their proxies to a third party. In such cases we will not vote the securities and will direct the relevant custodian to send proxy material directly to the client or their third party agent. In certain instances, custodians holding individual client accounts vote proxies on behalf of clients without forwarding the proxy solicitations to us. In all other instances, we will vote all proxies on behalf of client accounts that are forwarded to us by custodians.

Aster Investment Management votes all proxies in accordance with its Proxy and Corporate Action Voting Policies and Procedures, adopted pursuant to SEC rule 206(4)-6. These policies and procedures include guidelines that will be used, as deemed appropriate, in voting proposals contained in proxy statements. Proxy issues and proposals are each considered individually. The guidelines are not rigid rules that must be followed. Proxies are voted in a manner that is intended to enhance the economic value of the assets in our client accounts. The guidelines will be revised, as may be required, from time to time. Proxy issues requiring special consideration or that are not specifically addressed by the guidelines will be voted on a case-by-case basis, after consultation with a member of the investment management team. You may obtain a copy of the proxy voting policies and procedures on request, as well as information about how we voted specific client securities, by contacting us at the address listed on the cover page of this brochure.

The Proxy and Corporate Action Voting Policies and Procedures include procedures to resolve actual or perceived conflicts of interest between Aster Investment Management and our clients. Where a proxy proposal raises a material conflict of interest, the issue will be resolved by 1) voting in accordance with pre-determined voting policy guidelines, or 2) voting after disclosing the conflict to clients and obtaining the relevant clients' consent. When a client does not respond to such a conflict disclosure request or denies the request, we will abstain from voting the securities held in that client's account.

The procedures and guidelines were implemented, in part, to ensure that proxies are voted consistently across all client accounts and portfolios. We recognize that some proposals may require special consideration. Proxies or actions may be voted separately or as exceptions to the voting policy guidelines in accordance with client instructions in cases where a client provides written proxy voting instructions in a timely manner.

Item 18: Financial Information

The Balance Sheet of Aster Investment Management Company, Inc. for the fiscal year ended December 31, 2011 is included in response to this item. The Balance Sheet was audited by an independent public accountant and was prepared in accordance with generally accepted accounting principles.

Aster Investment Management is not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments. In addition, Aster Investment Management has not been the subject of a bankruptcy petition at any time during the past ten years.