

September 9, 2011

MATTHEW 25 FUND, INC.

P.O. Box 2479
Jenkintown, PA 19046
1-215-884-4458
1-888-M25 FUND

NOTICE OF ANNUAL MEETING TO BE HELD
October 18, 2011

Notice is hereby given that an Annual Meeting of Shareholders of the Matthew 25 Fund, Inc. will be held October 18, 2011, at 7:30 PM. This meeting will be held at the office of the Matthew 25 Fund, which is located at 413 Johnson Street, Suite #200, Jenkintown, Pennsylvania 19046. This meeting will be conducted for the following purposes:

- 1 - To elect six directors to serve until the next Annual Meeting or until their successors are elected and qualified.
- 2 - To approve a change to the Fund's investment restrictions to allow the portfolio manager to purchase Exchange Traded Funds in the Fund's portfolio.
- 3 - To ratify the appointment of Sanville & Company, Certified Public Accountants as the Fund's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011.
- 4 - To consider and act upon any other matters that may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business August 31, 2011 as the record date for determination of the shareholders entitled to notice of and to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on October 18, 2011:

These Proxy Materials and the Matthew 25 Fund's Annual and Semi-Annual Reports are available on the Fund's Website at www.matthew25fund.com

IF YOU DO NOT EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, SIGN, AND RETURN THE ENCLOSED PROXY. PROMPT RETURN OF THE PROXY WILL BE APPRECIATED.

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
October 18, 2011

Enclosed herewith is a Notice of Annual Meeting of Shareholders of the Matthew 25 Fund (the "Fund") and a Proxy form solicited by the Board of Directors of the Fund. The Proxy may be revoked at any time before it is exercised either by mailing a written notice to the Fund, submitting a Proxy dated later than the original Proxy, or by voting in person at the Annual Meeting. Any shareholder attending the Annual Meeting may vote at the Meeting whether or not he or she has previously filed the Proxy.

You are requested to insert your instructions on the enclosed Proxy and then sign, date, and return it. The cost of soliciting Proxies will be borne by the Fund.

There is only one class of capital stock of the Fund with equal voting rights. On August 31, 2011, the date of record, there were 597 shareholders and 3,630,168.728 shares outstanding. In all matters each share has one vote per share and fractional shares will have an equivalent fractional vote.

The Fund will furnish, without charge, a copy of the Annual Report (12/31/10) and / or Semi-Annual Report (6/30/11). The Semi-Annual Report was mailed to all Shareholders as of June 30, 2011. Requests should be made to the following address or phone number:

MATTHEW 25 FUND
P.O. Box 2479
JENKINTOWN, PA 19046
1-888-M25-FUND

ELECTION OF DIRECTORS

There are six (6) nominees listed below who consent to serve as directors, if so elected, until the next Annual Meeting of Shareholders. The names, ages, principal occupations of the directors along with their shareholdings of Matthew 25 Fund are as follows:

Independent Directors:

Dr. Philip J. Cinelli is 51 years old. He is a physician in family practice with an office in Bangor, Pennsylvania. He has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Dr. Cinelli serves as a director.

Samuel B. Clement is 53 years old. He is a Stockbroker for Securities of America, located in Berwyn, Pennsylvania. He has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Mr. Clement serves as a director.

Linda Guendelsberger CPA is 51 years old. She is a CPA, with a Masters in Tax and is a Partner in the Accounting Firm of Weiser Mazers LLP, located in Horsham, Pennsylvania. She has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Ms. Guendelsberger serves as a director.

Scott A. Satall is 48 years old. He is an Officer and Director of BPI Ltd., located in West Conshohocken, Pennsylvania. He has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Mr. Satall serves as a director.

Interested Directors:

Steven D. Buck Esq. is 51 years old. He is an attorney and shareholder in the Law Firm of Stevens & Lee, located in Reading, Pennsylvania. He has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Mr. Buck serves as a director.

Mark Mulholland is 51 years old. He is President of Matthew 25 Fund, Inc. and President of Matthew 25 Management Corp., the Investment Adviser. He is also a stockbroker with Boenning & Scattergood. He has been a Director since July 8, 1996. The Matthew 25 Fund, Inc. is the sole public company for which Mr. Mulholland serves as a director.

<u>Name</u>	<u>Dollar Range of Equity Ownership of Fund as of 8/31/11</u>	<u>Fund Shares Owned as of 8/31/11</u>	<u>Percentage Ownership as of 8/31/11</u>
<i>Independent Directors</i>			
Philip J. Cinelli	\$100,001. - \$500,000.	29,630.140	0.82%
Samuel B. Clement	\$ 10,001 - \$ 50,000.	940.605	0.03%
Linda Guendelsberger	\$100,001. - \$500,000.	19,991.942	0.55%
Scott A. Satell	\$100,001. - \$500,000.	19,928.433	0.55%
<i>Interested Directors</i>			
Steven D. Buck*	\$100,001. - \$500,000.	19,647.721	0.54%
Mark Mulholland*	Over \$1,000,000.	208,364.057	5.74%

* Directors of the Fund who would be considered "interested persons" as defined by the Investment Company Act of 1940. Mark Mulholland is an interested person insofar as he is President and owner of the Fund's Investment Adviser. Mr. Buck is not an independent director as long as he or his law firm provides legal advice to the Fund for compensation. Additionally, Mr. Buck's sister Lesley Buck, is the Chief Compliance Officer of Matthew 25 Fund.

As of August 31, 2011, all Directors of the Fund, as a group, owned 298,502.898 shares or 8.23% of the Fund's outstanding shares.

Shareholders have one vote per each share they own, for each of the six directors. All signed Proxies returned to the Fund, except those specifically marked to indicate abstention will be cast for the nominees listed above. A majority of the votes cast, when a quorum is present, will be required to elect each director.

Correspondence intended for the Board of Directors may be sent to the individual Director or the Board of Directors at the Matthew 25 Fund, P.O. Box 2479, Jenkintown, PA 19046. All communications addressed to the Board of Directors or an individual Director are logged and sent to the Board or the individual Director. The Fund does not have a policy with regard to Directors' attendance at the Annual Meeting, but at least four of the six Directors attend the annual meeting, and often all six Directors are present.

BOARD COMMITTEES

The Fund's entire Board of Directors acts as the Audit Committee. The Audit Committee meets once a year, or more often as required, in conjunction with meetings of the Board of Directors. The Audit Committee oversees and monitors the Fund's internal accounting and control structure, its auditing function and its financial reporting process. The Audit Committee recommends the appointment of auditors for the Fund. The Audit Committee also reviews audit plans, fees, and other material arrangements with respect to the engagement of auditors, including permissible non-audit services performed. It reviews the qualifications of the auditor's key personnel involved in the foregoing activities and monitors the auditor's independence. During the fiscal year ended December 31, 2010, the Audit Committee held two meetings.

The Board does not have a separate nominating committee. Vacancies on the Board of Directors may be filled by a majority vote of the remaining members of the board, though less than a quorum, and each person so elected shall be a Director until elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose. When nominating a candidate for the Board of Directors, the Directors will give consideration to existing shareholders, nominees from shareholders, and qualified candidates not affiliated with the Fund at the time of nomination. At the appropriate time, if a shareholder wishes to submit a candidate for nomination, the name and background information of the candidate should be submitted to the Board in writing.

Major Shareholders: As of August 31, 2011, shareholders on record who own 5% or more of the outstanding shares of the Fund are as follows:

<u>Name</u>	<u>Address</u>	<u>Percentage ownership</u>
R. Neff	King of Prussia, PA	9.98%
Charles Schwab & Co (For the benefit of their customers)	San Francisco, California	7.28%
M. Mulholland	Jenkintown, PA	5.74%
National Financial Services (For the benefit of their customers)	New York, NY	5.23%

REMUNERATION OF DIRECTORS AND OFFICERS

The Fund paid a flat payment of \$1000 plus \$200 per meeting attended in shares of the Matthew 25 Fund, to each of the directors, for fiscal year ended December 31, 2010. For fiscal year 2011 the Fund intends to pay an annual flat payment of \$1000 per director plus \$200 per meeting attended in shares of the Matthew 25 Fund. Mark Mulholland does not receive director's fees since he receives benefit from the investment advisory fees payable to Matthew 25 Management Corp. This practice will continue as long as his firm acts as the Investment Advisor.

<u>Name</u>	<u>Aggregate Compensation from Fund in 2010</u>	<u>Retirement Benefits from Fund in 2010</u>	<u>Total Compensation from Fund In 2010</u>
<i>Independent Directors</i>			
Philip J. Cinelli	\$1,800.00	\$0.00	\$1,800.00
Samuel B. Clement	\$1,800.00	\$0.00	\$1,800.00
Linda Guendelsberger	\$1,800.00	\$0.00	\$1,800.00
Scott A. Satell	\$2,000.00	\$0.00	\$2,000.00
<i>Interested Directors</i>			
Steven D. Buck	\$2,000.00	\$0.00	\$2,000.00
Mark Mulholland	\$0.00	\$0.00	\$0.00

BROKERAGE

The Fund requires all brokers to effect transactions of portfolio securities in such a manner as to get prompt execution of the orders at the most favorable price. The Fund will place all orders for purchases and sales of its portfolio securities through the Fund's President who is answerable to the Fund's Board of Directors. In accordance with Rule 17 of the Investment Company Act of 1940, if the Fund's President is also a registered representative of a New York Stock Exchange or NASDAQ Member Firm, he may

place orders through his concern at as low commission rates as possible. These commissions should be competitive with rates available through any other national brokerage firm. The Directors will review all commission rates paid to determine if the amounts paid are reasonable. This review must be done at least quarterly.

The Fund's President may select other brokers who in addition to meeting the primary requirements of execution and price, have furnished statistical or other factual information and services, which, in the opinion of management, are helpful or necessary to the Fund's normal operations. No effort will be made in any given circumstances to determine the value of these services or the amount they might have reduced the Advisor's expenses. The Fund has no fixed policy, formula, method or criteria which it uses in allocating brokerage business to brokers furnishing these materials and services.

All commissions paid year to date ending 8/31/11 were paid to a brokerage firm that is not affiliated with the Fund's President. The average commission rate paid for this period was less than a penny per share.

ADMINISTRATOR AND UNDERWRITER

The Fund acts as its own Administrator and Underwriter.

INVESTMENT ADVISOR

Matthew 25 Management Corp. is the Investment Advisor to the Fund. Its office is located at 413 Johnson Street, Suite #200, Jenkintown, Pennsylvania 19046.

LITIGATION

As of the date of this Proxy, there was no pending or threatened litigation involving the Fund in any capacity whatsoever.

APPROVAL OR REJECTION OF CHANGE TO THE FUND'S INVESTMENT RESTRICTIONS TO ALLOW THE PURCHASE OF EXCHANGE TRADED FUNDS IN THE FUND'S PORTFOLIO

Your Board of Directors recommends that you approve a change to the Fund's investment restrictions to allow the purchase of Exchange Traded Funds in the Matthew 25 Fund's portfolio. This investment policy change is recommended to allow the Matthew 25 Fund additional investment opportunities. An exchange-traded fund (ETF) is an investment fund that trades on an exchange. ETFs portfolios may hold stocks, bonds, commodities, futures or options. Portfolios of ETFs may represent a broad index, a sector of an index such as an industry or a country, specific types of securities, commodities, or currencies. While the Fund will continue to primarily invest in individual securities, the ability to invest in ETFs will provide greater flexibility in its investment choices. The Fund may choose to invest in ETFs for a variety of reasons such as, without limitation, portfolio and cash flow management, tax planning, or to gain exposure to chosen asset classes, sectors or categories.

RATIFICATION OR REJECTION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Your Board of Directors has selected, subject to shareholder approval, Sanville & Company, CPAs, to audit and certify financial statements of the Fund for the year 2011. In connection with the audit function, Sanville & Company will review the Fund's Annual Report to Shareholders and the Fund's filings with the Securities and Exchange Commission.

The Board of Directors has adopted procedures to pre-approve the types of professional services for which the Fund may retain such auditors. As part of the approval process, the Board of Directors considers whether the performance of each professional service is likely to affect the independence of Sanville & Company. No partners of Sanville & Company have any direct or indirect financial interest in the Fund. During the fiscal year ended December 31, 2010, and up to the date of this Notice, Sanville & Company has not provided any non-auditing services to the Fund.

A representative of Sanville & Company will not be present at the meeting unless requested by a shareholder (either in writing or by telephone) in advance of the meeting. Such requests should be directed to the president of the Fund.

SHAREHOLDER PROPOSALS

The Fund tentatively expects to hold its next annual meeting in October 2012. Shareholder proposals may be presented at that meeting provided they are received by the Fund not later than June 30, 2012 in accordance with Rule 14a-8 under the Securities & Exchange Act of 1934 that sets forth certain requirements.

OTHER MATTERS

The Board of Directors knows of no other matters to be presented at the meeting other than those mentioned above. Should other business come before the meeting, the proxies will be voted in accordance with the view of the Board of Directors.

PROXY

SOLICITED BY THE BOARD OF DIRECTORS MATTHEW 25 FUND INC. ANNUAL MEETING OF SHAREHOLDERS October 18, 2011

The Annual Meeting of the Matthew 25 Fund, Inc. will be held October 18, 2011, at 7:30 PM. This meeting will be held at the office of the Matthew 25 Fund, which is located at 413 Johnson Street, Suite #200, Jenkintown, Pennsylvania 19046. The undersigned hereby appoints Mark Mulholland as proxy to represent and to vote all shares of the undersigned at the Annual Meeting of Shareholders and all adjournments thereof, with all powers the undersigned would possess if personally present, upon the matters specified below.

SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED: IF NO DIRECTION IS INDICATED AS TO A PROPOSAL, THE PROXY WILL VOTE AT HIS DISCRETION ON THE FOLLOWING MATTERS AND ON ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

The Board of Directors recommends that you vote FOR on item #1.

1. Election of Directors

FOR all nominees except as marked to the contrary below.

WITHHOLD AUTHORITY to vote for all nominees.

To withhold authority to vote for nominees, strike a line through their name(s)

Steven D. Buck

Philip J. Cinelli

Samuel B. Clement

Linda Guendelsberger

Mark Mulholland

Scott A. Satell

The Board of Directors recommends that you vote FOR on item #2.

2. Proposal to approve a change to the Fund's investment restrictions to allow the portfolio manager to purchase Exchange Traded Funds in the Fund's portfolio.

FOR AGAINST ABSTAIN

The Board of Directors recommends that you vote FOR on item #3.

3. Proposal to ratify the selection of Sanville & Company, by the Board of Directors, as the Fund's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2011.

FOR AGAINST ABSTAIN

Please mark, date, sign, & return the proxy promptly in the enclosed envelope.
For joint registrations, both parties should sign.

Shareholder ID:

Share Balance as of 8/31/11 =

Shareholder's Signature

Shareholder's Signature

Dated _____, 2011