



Semi-Annual Report
June 30, 2004

www.naicgrowthfund.com

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**REPORT TO SHAREOWNERS:
JUNE 30, 2004**

THE FIRST SIX MONTHS OF 2004 HAS BEEN ONE OF UNCERTAINTIES FOR THE STOCK MARKET. WEIGHING ON INVESTORS MINDS, BOTH INDIVIDUAL AND INSTITUTIONAL, HAS BEEN THE QUESTION OF A PICK UP IN INFLATION, OIL PRICES, INTEREST RATES, IRAQ AND A PRESIDENTIAL ELECTION. THE STOCK MARKET HAS NEVER LIKED UNCERTAINTIES AND THOSE MENTIONED ABOVE HAVE CONTRIBUTED TO THE NARROW RANGE THAT STOCKS HAVE TRADED IN DURING THE FIRST HALF OF THE YEAR. EVIDENCE OF THAT IS THE PERFORMANCE OF THE POPULAR STOCK AVERAGES. THE S&P 500 WAS UP 2.6% WHILE THE DJIA INCREASED 1.6%. THE NET ASSET VALUE OF THE FUND WAS UP 0.5%.

ON A POSITIVE SIDE, CORPORATE EARNINGS HAVE BEEN MAKING GOOD PROGRESS FOR THE MOST PART, SOME OF THE REPORTS BEING ROBUST. IT APPEARS THAT SECOND QUARTER RESULTS WILL CONTINUE THE PATTERN. WE HAVE ALSO BEEN PLEASED WITH THE DIVIDEND INCREASES THAT HAVE BEEN DECLARED SO FAR THIS YEAR.

CHANGES IN THE PORTFOLIO IN THE FIRST SIX MONTHS INCLUDE ADDITIONAL PURCHASES OF 2,000 ABBOTT LABORATORIES BRINGING THE TOTAL HOLDING TO 12,000 SHARES; 1,000 AMERICAN INTERNATIONAL GROUP (11,000); 3,000 CITIGROUP (18,000); 2,000 GENERAL ELECTRIC (24,000); 2,000 H.J. HEINZ (16,000); 2,000 PFIZER (25,000); 4,000 POLYMEDICA (8,000); 2,000 STATE STREET BOSTON (10,000); 1,000 SYNOVUS FINANCIAL (25,000) AND 2,000 TELEFLEX (14,000). IN ADDITION, TWO-FOR-ONE SPLIT WERE PAID BY DONALDSON, JOHNSON CONTROLS, PENTAIR, AND STRYKER. WE ALSO RECEIVED A SPIN-OFF OF 1,200 HOSPIRA FROM ABBOT LABORATORIES. TWO SALES WERE MADE OF ALBERTSON'S WITH A \$64,000 LOSS AND INVACARE RESULTING IN A GAIN OF MORE THAN \$153,000.

WE LOOK FORWARD TO HAVING SOME OF THE UNCERTAINTIES BEHIND US IN THE COMING MONTHS AND A RETURN TO STOCK PRICES REFLECTING EARNINGS AND POTENTIAL EARNINGS.

THOMAS E. O'HARA
CHAIRMAN

KENNETH S. JANKE
PRESIDENT



NAIC GROWTH FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2004 (UNAUDITED)

ASSETS

INVESTMENT SECURITIES		
-AT MARKET VALUE (COST \$10,587,542)		\$22,060,698
SHORT-TERM INVESTMENTS		
-AT AMORTIZED COST		3,995,819
CASH AND CASH EQUIVALENTS		204,429
DIVIDENDS & INTEREST RECEIVABLE		41,182
PREPAID FEES		15,233
PREPAID INSURANCE		2,012
		<hr/>
		26,319,373

LIABILITIES

DIVIDENDS PAYABLE	-	
ACCRUED EXPENSES	(7,641)	
ACCOUNTS PAYABLE	1,675	
ADVISOR FEES PAYABLE	15,062	9,096
		<hr/>
TOTAL NET ASSETS		\$26,310,277

SHAREOWNERS' EQUITY

COMMON STOCK-PAR VALUE \$0.001 PER SHARE;		
AUTHORIZED 50,000,000 SHARES,		
OUTSTANDING 2,423,121 SHARES		\$ 2,424
ADDITIONAL PAID-IN CAPITAL		14,730,256
UNDISTRIBUTED NET INVESTMENT INCOME		13,612
UNDISTRIBUTED NET REALIZED GAIN ON INVESTMENTS		90,829
UNREALIZED APPRECIATION OF INVESTMENTS		11,473,156
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SHAREOWNERS' EQUITY		\$26,310,277

NET ASSET VALUE PER SHARE		\$ 10.86
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SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2004 (UNAUDITED)

INVESTMENT INCOME

INTEREST	\$	20,168
DIVIDENDS		204,010
		<hr/>
		224,178

EXPENSES

ADVISORY FEES	88,030	
LEGAL FEES	34,000	
EXPENSE REIMBURSEMENT	22,848	
INSURANCE	12,070	
TRANSFER AGENT	12,000	
AUDIT FEES	8,000	
OTHER PROFESSIONAL FEES	6,000	
CUSTODIAN FEES	5,500	
DIRECTORS' FEES & EXPENSES	4,813	
OTHER FEES & EXPENSES	4,750	
PRINTING	4,000	
MAILING & POSTAGE	3,000	
ANNUAL SHAREOWNERS' MEETING	1,750	
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TOTAL EXPENSES		206,761
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NET INVESTMENT INCOME		17,417

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

REALIZED GAIN ON INVESTMENTS:		
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	744,172	
COST OF INVESTMENT SECURITIES SOLD	653,343	
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NET REALIZED GAIN ON INVESTMENTS		90,829
		<hr/>
UNREALIZED APPRECIATION OF INVESTMENTS:		
UNREALIZED APPRECIATION AT BEGINNING OF YEAR	10,347,031	
UNREALIZED APPRECIATION AT END OF PERIOD	11,473,156	
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NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS		1,126,125
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NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS		1,216,954
		<hr/>
NET INCREASE FROM OPERATIONS	\$	1,234,371

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

SIX MONTHS ENDED
JUNE 30, 2004
 (UNAUDITED)

YEAR ENDED
DECEMBER 31, 2003

FROM OPERATIONS:

NET INVESTMENT INCOME	\$ 17,417	\$ 12,596
NET REALIZED GAIN ON INVESTMENTS	90,829	806,949
NET CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS	1,126,125	2,887,254
NET INCREASE/(DECREASE) FROM OPERATIONS	1,234,371	3,706,799

DISTRIBUTIONS TO STOCKHOLDERS FROM:

NET INVESTMENT INCOME	-	16,990
NET REALIZED GAIN FROM INVESTMENT TRANSACTIONS	-	806,949
TOTAL DISTRIBUTIONS	-	823,939

FROM CAPITAL STOCK TRANSACTIONS:

DIVIDEND REINVESTMENT	419,422	748,337
CASH PURCHASES	155,287	314,679
NET INCREASE FROM CAPITAL STOCK TRANSACTIONS	574,709	1,063,016
NET INCREASE/(DECREASE) IN NET ASSETS	1,809,080	3,945,876

TOTAL NET ASSETS:

BEGINNING OF YEAR	\$24,501,197	\$20,555,321
END OF PERIOD (INCLUDING UNDISTRIBUTED NET INVESTMENT INCOME OF 17,417 AND (\$3,805) , RESPECTIVELY)	\$26,310,277	\$24,501,197

SHARES:

SHARES ISSUED TO COMMON STOCKHOLDERS UNDER THE DIVIDEND REINVESTMENT PLAN, CASH PURCHASE PLAN, AND FOLLOW-ON OFFERING	54,669	104,355
SHARES AT BEGINNING OF YEAR	2,368,452	2,264,097
SHARES AT END OF PERIOD	2,423,121	2,368,452

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
FINANCIAL HIGHLIGHTS (A)

	SIX MONTHS ENDED					
	JUNE 30, 2004 (UNAUDITED)	2003	2002	YEARS ENDED DECEMBER 31,		
				2001	2000	1999
NET ASSET VALUE AT BEGINNING OF YEAR	\$10.34	\$9.08	\$11.08	\$11.96	\$11.22	\$10.86
NET INVESTMENT INCOME	.01	.01	.02	.04	.09	.08
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	.51	1.60	(1.48)	(.25)	2.18	.76
TOTAL FROM INVESTMENT OPERATIONS	.52	1.61	(1.46)	(.21)	2.27	.84
DISTRIBUTION FROM:						
NET INVESTMENT INCOME	-	(.01)	(.02)	(.04)	(.09)	(.09)
REALIZED GAINS	-	(.34)	(.52)	(.63)	(1.44)	(.39)
TOTAL DISTRIBUTIONS	-	(.35)	(.54)	(.67)	(1.53)	(.48)
NET ASSET VALUE AT END OF PERIOD	\$10.86	\$10.34	\$9.08	\$11.08	\$11.96	\$11.22
PER SHARE MARKET VALUE, END OF PERIOD						
LAST TRADED PRICE (B)	\$8.55	\$9.50	\$9.95	\$10.75	\$10.50	\$10.00
TOTAL INVESTMENT RETURN ANNUALIZED:						
BASED ON MARKET VALUE						
1 YEAR	(19.00%)	(1.02%)	2.10%	3.70%	30.90%	2.85%
FROM INCEPTION	8.74%	9.94%	10.86%	11.66%	12.57%	10.28%
BASED ON NET ASSET VALUE						
1 YEAR	10.31%	18.05%	(13.81%)	(1.59%)	27.27%	7.75%
FROM INCEPTION	10.62%	10.63%	10.06%	12.42%	13.81%	13.15%
NET ASSETS, END OF YEAR (000's)	\$26,310.3	\$24,501.2	\$20,555.3	\$23,909.2	\$23,927.8	\$22,351.7
RATIOS TO AVERAGE NET ASSETS ANNUALIZED:						
RATIO OF EXPENSES TO AVERAGE NET ASSETS (C)						
	1.62%	1.79%	1.61%	1.57%	1.25%	1.00%
RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS (C)						
	.14%	.06%	.17%	0.32%	0.74%	0.70%
PORTFOLIO TURNOVER RATE	7.08%	11.31%	11.19%	1.77%	10.61%	4.20%
AVERAGE COMMISSION RATE PAID PER SHARE	\$0.097	\$0.125	\$0.125	\$0.125	\$0.125	\$0.125

(A) ALL PER SHARE DATA FOR ALL PERIODS HAS BEEN RESTATED TO REFLECT THE EFFECT OF A 15% STOCK DIVIDEND WHICH WAS DECLARED ON AUGUST 18, 2000 AND PAID ON SEPTEMBER 29, 2000 TO SHAREHOLDERS OF RECORD ON SEPT. 18, 2000.

(B) IF THERE WAS NO SALE ON THE VALUATION DATE, THE BID PRICE FOR EACH SUCH DATE IS SHOWN.

(C) FOR THE YEARS ENDED 2000, & 1999, THE ADVISER VOLUNTARILY WAIVED ALL OR A PORTION OF ITS FEES. HAD THE ADVISER NOT DONE SO IN 2000, AND 1999, THE RATIO OF EXPENSES TO AVERAGE NET ASSETS WOULD HAVE BEEN 1.44%, & 1.37%, AND THE RATIO OF NET INVESTMENT INCOME TO AVERAGE NET ASSETS WOULD HAVE BEEN 0.55%, & 0.32%, FOR EACH OF THESE YEARS.

NAIC GROWTH FUND, INC.
PORTFOLIO OF INVESTMENTS - JUNE 30, 2004 (UNAUDITED)

<u>%</u>	<u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>%</u>	<u>COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
3.5	AUTO REPLACEMENT				2.9	ELECTRICAL EQUIPMENT			
	O'REILLY AUTO*	20,000	\$242,606	\$923,600		GENERAL ELECTRIC	24,000	\$441,341	\$775,920
11.7	BANKING				2.0	ELECTRONICS			
	BANK ONE CORP.	10,000	331,370	504,200		DIEBOLD	10,000	269,187	522,700
	CITIGROUP	18,000	194,288	833,940					
	COMERICA, INC.	10,000	404,669	540,900	10.1	ETHICAL DRUGS			
	HUNTINGTON BANC.	25,000	238,023	569,500		ABBOTT LABORATORIES	12,000	516,377	495,600
	SYNOVUS FINANCIAL	25,000	263,393	628,500		JOHNSON & JOHNSON	15,000	614,274	836,100
2.4	BUILDING PRODUCTS					MERCK & CO., INC.	10,000	359,350	473,500
	JOHNSON CONTROLS	12,000	96,895	641,880		PFIZER, INC.	25,000	516,875	858,500
2.6	CHEMICALS				1.9	FINANCIAL SERVICES			
	RPM	25,000	287,099	377,750		STATE STREET BOSTON	10,000	167,976	486,800
	SIGMA ALDRICH	5,000	94,937	298,450					
3.6	CONSUMER PRODUCTS								
	COLGATE-PALMOLIVE	10,000	200,450	586,000					
	NEWELL RUBBERMAID	16,000	413,527	369,440					

SEE NOTES TO FINANCIAL STATEMENTS

* NON-INCOME PRODUCING SECURITY

<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>	<u>% COMMON STOCK</u>	<u>SHARES</u>	<u>COST</u>	<u>MARKET</u>
6.8 FOOD				8.2 MULTI INDUSTRY			
CONAGRA	18,000	\$351,815	\$486,900	CARLISLE	9,000	\$364,086	\$555,840
HEINZ, H.J.	16,000	532,050	621,760	PENTAIR	28,000	456,569	912,800
MCCORMICK & CO.	20,000	223,975	681,400	TELEFLEX	14,000	445,436	694,400
8.1 HOSPITAL SUPPLIES				1.2 OFFICE SUPPLIES			
BIOMET CORP.	17,000	166,709	747,830				
HOSPIRA	1,200	34,252	34,248	AVERY DENNISON	5,000	264,504	321,450
POLYMEDICA	8,000	218,481	246,160				
STRYKER CORP.	20,000	95,500	1,096,400				
2.6 INDUSTRIAL SERVICES				1.9 REALTY TRUST			
DONALDSON CO.	24,000	162,563	681,120	FIRST INDUSTRIAL REALTY TRUST	14,000	394,963	510,860
6.1 INSURANCE				3.1 SOFT DRINKS			
AFLAC, INC.	20,000	143,906	810,400				
AMERICAN INT'L GROUP	11,000	266,419	784,850	PEPSICO	15,000	335,649	805,500
2.4 MACHINERY							
EMERSON ELECTRIC	10,000	335,278	629,500				

SEE NOTES TO FINANCIAL STATEMENTS

% COMMON STOCK SHARES COST MARKET TOP TEN HOLDINGS - NAIC GROWTH FUND, 6/30/04

2.7 TRANSPORTATION

				COMPANY	MARKET VALUE	% OF PORTFOLIO INVESTMENTS
SYSKO CORP.	20,000	\$142,750	\$716,000			
				STRYKER	\$1,096,400	4.2
				O'REILLY AUTO	923,600	3.5
				PENTAIR	912,800	3.5
				PFIZER INC.	858,500	3.3
				JOHNSON & JOHNSON	836,100	3.2
83.8%				CITIGROUP	833,940	3.2
INVESTMENT SECURITIES		<u>\$10,587,542</u>	<u>\$22,060,698</u>	AFLAC	810,400	3.1
				PEPSICO.	805,500	3.1
				AMERICAN INT. GP.	784,850	3.0
15.3	UNITED STATES TREASURY BILLS, MATURING 7/29/2004		\$3,995,819	GENERAL ELECTRIC	775,920	2.9
1.0	MISC. CASH EQUIVALENTS		<u>262,856</u>			
16.3%			<u>\$4,258,675</u>			
	TOTAL INVESTMENTS		\$26,319,373			
(0.1)	ALL OTHER ASSETS LESS LIABILITIES		(9,096)			
<u>100%</u>	TOTAL NET ASSETS		<u>\$26,310,277</u>			

SEE NOTES TO FINANCIAL STATEMENTS

NAIC GROWTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS

(1) ORGANIZATION

THE NAIC GROWTH FUND, INC. (THE "FUND") WAS ORGANIZED UNDER MARYLAND LAW ON APRIL 11, 1989 AS A DIVERSIFIED CLOSED-END INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940. THE FUND COMMENCED OPERATIONS ON JULY 2, 1990.

(2) SIGNIFICANT ACCOUNTING POLICIES

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE FUND NOT OTHERWISE SET FORTH IN THE NOTES TO FINANCIAL STATEMENTS:

DIVIDENDS AND DISTRIBUTIONS – DIVIDENDS FROM THE FUND'S NET INVESTMENT INCOME AND REALIZED NET LONG- AND SHORT-TERM CAPITAL GAINS WILL BE DECLARED AND DISTRIBUTED AT LEAST ANNUALLY. SHAREOWNERS MAY ELECT TO PARTICIPATE IN THE DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (SEE NOTE 4).

INVESTMENTS – INVESTMENTS IN EQUITY SECURITIES ARE STATED AT MARKET VALUE, WHICH IS DETERMINED BASED ON QUOTED MARKET PRICES OR DEALER QUOTES. IF NO SUCH PRICES ARE AVAILABLE ON THE VALUATION DATE, THE BOARD OF DIRECTORS HAS DETERMINED THE MOST RECENT MARKET PRICES BE USED. PURSUANT TO RULE 2A-7 OF THE INVESTMENT COMPANY ACT OF 1940, THE FUND UTILIZES THE AMORTIZED COST METHOD TO DETERMINE THE CARRYING VALUE OF SHORT-TERM DEBT OBLIGATIONS. UNDER THIS METHOD, INVESTMENT SECURITIES ARE VALUED FOR BOTH FINANCIAL REPORTING AND FEDERAL TAX PURPOSES AT AMORTIZED COST, WHICH APPROXIMATES FAIR VALUE. ANY DISCOUNT OR PREMIUM IS AMORTIZED FROM THE DATE OF ACQUISITION TO MATURITY. INVESTMENT SECURITY PURCHASES AND SALES ARE ACCOUNTED FOR ON A TRADE DATE BASIS. INTEREST INCOME IS ACCRUED ON A DAILY BASIS WHILE DIVIDENDS ARE INCLUDED IN INCOME ON THE EX-DIVIDEND DATE.

USE OF ESTIMATES – THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES AND DISCLOSURE OF CONTINGENT ASSETS AND LIABILITIES AT THE DATE OF THE FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUES AND EXPENSES DURING THE REPORTING PERIOD. ACTUAL RESULTS COULD DIFFER FROM THOSE ESTIMATES.

FEDERAL INCOME TAXES – THE FUND INTENDS TO COMPLY WITH THE GENERAL QUALIFICATION REQUIREMENTS OF THE INTERNAL REVENUE CODE APPLICABLE TO REGULATED INVESTMENT COMPANIES. THE FUND INTENDS TO DISTRIBUTE AT LEAST 90% OF ITS TAXABLE INCOME, INCLUDING NET LONG-TERM CAPITAL GAINS, TO ITS SHAREOWNERS. IN ORDER TO AVOID IMPOSITION OF THE EXCISE TAX APPLICABLE TO REGULATED INVESTMENT COMPANIES, IT IS ALSO THE FUND'S INTENTION TO DECLARE AS DIVIDENDS IN EACH CALENDAR YEAR AT LEAST 98% OF ITS NET INVESTMENT INCOME AND 98% OF ITS NET REALIZED CAPITAL GAINS PLUS UNDISTRIBUTED AMOUNTS FROM PRIOR YEARS.

THE FOLLOWING INFORMATION IS BASED UPON FEDERAL INCOME TAX COST OF PORTFOLIO INVESTMENTS AS OF JUNE 30, 2004:

GROSS UNREALIZED APPRECIATION	\$ 11,538,025
GROSS UNREALIZED DEPRECIATION	(64,869)
NET UNREALIZED APPRECIATION	\$ 11,473,156
FEDERAL INCOME TAX COST	\$ 10,587,542

EXPENSES — THE FUND'S SERVICE CONTRACTORS BEAR ALL EXPENSES IN CONNECTION WITH THE PERFORMANCE OF THEIR SERVICES. THE FUND BEARS ALL EXPENSES INCURRED IN CONNECTION WITH ITS OPERATIONS INCLUDING, BUT NOT LIMITED TO, MANAGEMENT FEES (AS DISCUSSED IN NOTE 3), LEGAL AND AUDIT FEES, TAXES, INSURANCE, SHAREOWNER REPORTING AND OTHER RELATED COSTS. SUCH EXPENSES WILL BE CHARGED TO EXPENSE DAILY AS A PERCENTAGE OF NET ASSETS. THE ADVISORY AGREEMENT PROVIDES THAT THE FUND MAY NOT INCUR ANNUAL AGGREGATE EXPENSES IN EXCESS OF TWO PERCENT (2%) OF THE FIRST TEN MILLION DOLLARS OF THE FUND'S AVERAGE NET ASSETS, ONE AND ONE-HALF PERCENT (1 1/2%) OF THE NEXT TWENTY MILLION DOLLARS OF THE AVERAGE NET ASSETS, AND ONE PERCENT (1%) OF THE REMAINING AVERAGE NET ASSETS FOR ANY FISCAL YEAR. ANY EXCESS EXPENSES SHALL BE THE RESPONSIBILITY OF THE INVESTMENT ADVISER, AND THE PRO RATA PORTION OF THE ESTIMATED ANNUAL EXCESS EXPENSES WILL BE OFFSET AGAINST THE INVESTMENT ADVISER'S MONTHLY FEE.

A DIRECTOR OF THE FUND PROVIDES PROFESSIONAL SERVICES TO THE FUND. THE FEES FOR THOSE SERVICES AMOUNTED TO \$6,000 FOR THE PERIOD ENDED JUNE 30, 2004.

(3) MANAGEMENT ARRANGEMENTS

INVESTMENT ADVISER — GROWTH FUND ADVISOR, INC., SERVES AS THE FUND'S INVESTMENT ADVISER SUBJECT TO THE INVESTMENT ADVISORY AGREEMENT, AND IS RESPONSIBLE FOR THE MANAGEMENT OF THE FUND'S PORTFOLIO, SUBJECT TO REVIEW BY THE BOARD OF DIRECTORS OF THE FUND.

FOR THE SERVICES PROVIDED UNDER THE INVESTMENT ADVISORY AGREEMENT, THE INVESTMENT ADVISER RECEIVES A MONTHLY FEE AT AN ANNUAL RATE OF THREE-QUARTERS OF ONE PERCENT (0.75%) OF THE AVERAGE WEEKLY NET ASSET VALUE OF THE FUND, DURING THE TIMES WHEN THE AVERAGE WEEKLY NET ASSET VALUE IS AT LEAST \$3,800,000. THE INVESTMENT ADVISER WILL NOT BE ENTITLED TO ANY COMPENSATION FOR A WEEK IN WHICH THE AVERAGE WEEKLY NET ASSET VALUE FALLS BELOW \$3,800,000.

CUSTODIAN AND PLAN AGENT — STANDARD FEDERAL BANK, NA (SFB) SERVES AS THE FUND'S CUSTODIAN PURSUANT TO THE CUSTODIAN AGREEMENT. AS THE FUND'S CUSTODIAN, SFB RECEIVES FEES AND COMPENSATION OF EXPENSES FOR SERVICES PROVIDED INCLUDING, BUT NOT LIMITED TO, AN ANNUAL ACCOUNT CHARGE, ANNUAL SECURITY FEE, SECURITY TRANSACTION FEE AND STATEMENT OF INVENTORY FEE. AMERICAN STOCK TRANSFER AND TRUST COMPANY SERVES AS THE FUND'S TRANSFER AGENT

AND DIVIDEND DISBURSING AGENT PURSUANT TO TRANSFER AGENCY AND DIVIDEND DISBURSEMENT AGREEMENTS. AMERICAN STOCK TRANSFER AND TRUST COMPANY RECEIVES FEES FOR SERVICES PROVIDED INCLUDING, BUT NOT LIMITED TO, ACCOUNT MAINTENANCE FEES, ACTIVITY AND TRANSACTION PROCESSING FEES AND REIMBURSEMENT OF OUT-OF-POCKET EXPENSES SUCH AS FORMS AND MAILING COSTS.

(4) DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

THE FUND HAS A DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (THE "PLAN") WHICH ALLOWS SHAREOWNERS TO REINVEST DIVIDENDS PAID AND MAKE ADDITIONAL CONTRIBUTIONS. UNDER THE PLAN, IF ON THE VALUATION DATE THE NET ASSET VALUE PER SHARE IS LOWER THAN THE MARKET PRICE AT THE CLOSE OF TRADING ON THAT DAY, THEN THE PLAN AGENT WILL ELECT ON BEHALF OF THE SHAREOWNERS WHO ARE PARTICIPANTS OF THE PLAN TO TAKE THE DIVIDENDS IN NEWLY ISSUED SHARES OF THE FUND'S COMMON STOCK. IF NET ASSET VALUE EXCEEDS THE MARKET PRICE ON THE VALUATION DATE, THE PLAN AGENT WILL ELECT TO RECEIVE CASH DIVIDENDS, AND WILL PROMPTLY BUY SHARES OF THE FUND'S COMMON STOCK ON WHATEVER MARKET IS CONSISTENT WITH BEST PRICE AND EXECUTION. THE NUMBER OF SHARES CREDITED TO EACH SHAREOWNER PARTICIPANT'S ACCOUNT WILL BE BASED UPON THE AVERAGE PURCHASE PRICE FOR ALL SHARES PURCHASED.

(5) DISTRIBUTIONS TO SHAREOWNERS

NO DISTRIBUTIONS WERE MADE THIS YEAR TO DATE. THE TAX CHARACTER OF DISTRIBUTIONS PAID DURING 2003 AND 2002 WAS AS FOLLOWS:

	<u>2003</u>	<u>2002</u>
DISTRIBUTIONS PAID FROM:		
ORDINARY INCOME	\$ 16,990	\$ 43,435
LONG-TERM CAPITAL GAIN	<u>806,949</u>	<u>1,181,894</u>
	<u>\$823,939</u>	<u>\$1,225,329</u>

AS OF JUNE 30, 2004, THE COMPONENTS OF DISTRIBUTABLE EARNINGS ON A TAX BASIS WERE AS FOLLOWS:

UNDISTRIBUTED ORDINARY INCOME	\$ 13,612
UNREALIZED APPRECIATION	\$11,473,156

(6) INVESTMENT TRANSACTIONS

PURCHASES AND SALES OF SECURITIES, OTHER THAN SHORT-TERM SECURITIES FOR THE PERIOD ENDED JUNE 30, 2004, WERE \$1,545,227 AND \$ 744,172, RESPECTIVELY.

(7) FINANCIAL HIGHLIGHTS

THE FINANCIAL HIGHLIGHTS PRESENT A PER SHARE ANALYSIS OF HOW THE FUND'S NET ASSET VALUE HAS CHANGED DURING THE YEARS PRESENTED. ADDITIONAL QUANTITATIVE MEASURES EXPRESSED IN RATIO FORM ANALYZE IMPORTANT RELATIONSHIPS BETWEEN CERTAIN ITEMS PRESENTED IN THE FINANCIAL STATEMENTS. THE TOTAL INVESTMENT RETURN BASED ON MARKET VALUE ASSUMES THAT SHAREOWNERS BOUGHT INTO THE FUND AT THE BID PRICE AND SOLD OUT OF THE FUND AT THE BID PRICE. IN REALITY, SHAREOWNERS BUY INTO THE FUND AT THE ASK PRICE AND SELL OUT OF THE FUND AT THE BID PRICE. THEREFORE, ACTUAL RETURNS MAY DIFFER FROM THE AMOUNTS STATED.

2004 ANNUAL SHAREHOLDERS MEETING

THE 2004 ANNUAL MEETING OF SHAREHOLDERS WAS HELD ON APRIL 15, 2004 FOR THE FOLLOWING PURPOSES:

1. TO ELECT A BOARD OF EIGHT (8) DIRECTORS;
2. TO RATIFY OR REJECT THE SELECTION OF PLANTE & MORAN, PLLC AS INDEPENDENT AUDITORS OF THE FUND FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2004.

THE FOLLOWING DIRECTORS WERE ELECTED FOR PROPOSAL 1: THOMAS O'HARA, KENNETH JANKE, LEWIS ROCKWELL, CARL HOLTH, PEGGY SCHMELTZ, BENEDICT SMITH, JAMES LANE, AND LUKE SIMS. FOR PROPOSAL 2, SHAREHOLDERS RATIFIED THE SELECTION OF PLANTE & MORAN, PLLC AS INDEPENDENT ACCOUNTANTS OF THE FUND.

TABULATION REPORT

PROPOSAL 1 - ELECTION OF DIRECTORS	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>WITHHELD</u>
THOMAS O'HARA	1,721,908	36,168		
KENNETH JANKE	1,721,726	36,352		
LEWIS ROCKWELL	1,722,813	35,268		
CARL HOLTH	1,732,419	25,661		
PEGGY SCHMELTZ	1,721,271	36,808		
BENEDICT SMITH	1,725,246	32,834		
JAMES LANE	1,724,115	33,966		
LUKE SIMS	1,731,969	26,111		
PROPOSAL 2 - SELECTION OF PLANTE & MORAN, PLLC	1,719,429	11,849	26,798	
TOTAL SHARES ISSUED AND OUTSTANDING ON RECORD DATE:	2,410,210			

NAIC GROWTH FUND, INC.
BOARD OF DIRECTORS

THOMAS E. O'HARA
CHAIRMAN,
HIGHLAND BEACH, FL

KENNETH S. JANKE
PRESIDENT,
BLOOMFIELD HILLS, MI

PEGGY L. SCHMELTZ
DIRECTOR,
BOWLING GREEN, OH

LEWIS A. ROCKWELL
SECRETARY,
GROSSE POINTE SHORES, MI

BENEDICT J. SMITH
DIRECTOR,
BIRMINGHAM, MI

LUKE E. SIMS
DIRECTOR,
MILWAUKEE, WI

CARL A. HOLTH
DIRECTOR,
CLINTON TWP., MI

JAMES M. LANE
DIRECTOR,
HIGHLAND BEACH, FL

SHAREOWNER INFORMATION

THE TICKER SYMBOL FOR THE NAIC GROWTH FUND, INC., ON THE CHICAGO STOCK EXCHANGE IS GRE. YOU MAY WISH TO VISIT THE CHICAGO STOCK EXCHANGE WEB SITE AT **WWW.CHICAGOSTOCKEX.COM**.

THE DIVIDEND REINVESTMENT PLAN ALLOWS SHAREOWNERS TO AUTOMATICALLY REINVEST DIVIDENDS IN FUND COMMON STOCK WITHOUT PAYING COMMISSIONS. ONCE ENROLLED, YOU CAN MAKE ADDITIONAL STOCK PURCHASES THROUGH MONTHLY CASH DEPOSITS RANGING FROM \$50 TO \$1,000. FOR MORE INFORMATION, REQUEST A COPY OF THE **DIVIDEND REINVESTMENT SERVICE FOR STOCKHOLDERS OF NAIC GROWTH FUND, INC.**, FROM AMERICAN STOCK TRANSFER AND TRUST COMPANY, P.O. Box 922 WALL STREET STATION, NEW YORK, NY 10038 TELEPHONE 1-800-937-5449

QUESTIONS ABOUT DIVIDEND CHECKS, STATEMENTS, ACCOUNT CONSOLIDATION, ADDRESS CHANGES, STOCK CERTIFICATES OR TRANSFER PROCEDURES SHOULD BE WRITTEN TO AMERICAN STOCK TRANSFER AND TRUST COMPANY, P.O. Box 922 WALL STREET STATION, NEW YORK, NY 10038 TELEPHONE 1-800-937-5449

A DESCRIPTION OF THE POLICIES AND PROCEDURES THAT THE FUND USES TO DETERMINE HOW TO VOTE PROXIES RELATING TO PORTFOLIO SECURITIES IS AVAILABLE (1) WITHOUT CHARGE, UPON REQUEST, BY CALLING 877-275-6242; (2) ON THE FUND'S WEBSITE AT WWW.NAICGROWTHFUND.COM; AND (3) ON THE SECURITIES AND EXCHANGE COMMISSION WEBSITE AT WWW.SEC.GOV.

SHAREOWNERS OR INDIVIDUALS WANTING GENERAL INFORMATION OR HAVING QUESTIONS, WRITE NAIC GROWTH FUND, INC., P.O. Box 220, ROYAL OAK, MICHIGAN 48068. TELEPHONE 877-275-6242 OR VISIT US AT OUR WEBSITE AT WWW.NAICGROWTHFUND.COM.