

# MERIDIAN FUND, INC.

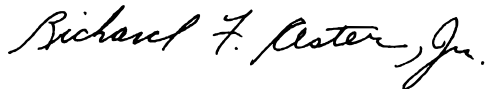
July 8, 2010

To Our Shareholders:

Stocks had a rough second quarter. The main concerns include financial instability in Europe, a faltering recovery in the United States and a possible slowing of growth in China. All the major indexes had double digit declines during the second quarter. The S&P 500 dropped 11.9%, the NASDAQ 12.0% and the Russell 2000 10.2%. Gold mining, residential REITs and brewing companies were among the best performing sectors. Mortgage finance, alternative fuel and consumer electronics stocks were among the worst performing groups. The yield on the ten-year Treasury bond declined significantly during the quarter, from 3.84% to 2.96%, reflecting expectations of slower growth in the United States and a flight from the Euro.

The economy is growing, but at a disappointing pace, especially for the early stages of an economic recovery. The recent news on housing, consumer confidence and job creation has been disappointing. Interest rates remain low and inflation does not appear to be an issue at this time. Deflation, in fact, appears to be more of an immediate concern. Europe has hit the wall on borrowing to finance government programs and has announced austerity measures, including spending reductions and tax increases. The United States has potentially large tax increases on the horizon and, in our opinion, will soon be forced to cut spending also. Many states face the same issues. We believe the only solution is a strong private sector that innovates, invests and creates jobs. This, unfortunately, has not been a priority of the Obama Administration and Congress. Our outlook is for a period of slow growth, large deficits, high levels of unemployment, low interest rates and moderate inflation.

Long-term investment results, history clearly shows, are improved by buying good companies or mutual funds consistently over an extended period of time. We welcome those new shareholders who joined the Meridian Funds during the quarter and appreciate the continued confidence of our existing shareholders.



Richard F. Aster, Jr.

## **Meridian Equity Income Fund® (MEIFX)**

The Meridian Equity Income Fund's net asset value per share at June 30, 2010 was \$8.51. This represents a decrease of 1.6% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, January 31, 2005, were 6.0% and 1.1%, respectively. At the close of the quarter, total net assets were \$24,936,826 and were invested 5.3% in cash and other assets net of liabilities and 94.7% in stocks. There were 496 shareholders.

Our basic strategy remains unchanged. The Fund continues to seek to invest in companies with above average dividend yields, strong financial returns and that have, in our opinion, the ability to grow dividends. The severe downturn in the economy and corporate profits over the past few years resulted in dividend cuts for companies which previously were considered safe. Dividends for good companies, however, have stabilized and are beginning to grow again, as the economy improves. The Fund is diversified with 60 holdings representing 60 different industry groups. At the end of the June 2010 quarter, the portfolio's average holding had a 5-year average return on equity of 21.2% and an average dividend yield of 3.9%; both measures substantially higher than the average S&P 500 stock. The yield compares favorably also to the 2.9% yield on the ten-year Treasury bond. The average holding has a market capitalization of \$21.0 billion, a debt ratio of 37.3% and earnings per share that are projected to increase 9.7% annually during the next several years. We believe these financial characteristics will lead to positive long-term returns for the Fund.

During the quarter we purchased shares of American Eagle Outfitters, Baxter International, Snap-On and Time Warner Cable. We sold our positions in Brown-Forman Corp, The Buckle, Stanley Black & Decker and The Valspar Corporation.

Pharmaceutical Product Development, Inc. (PPD) provides drug discovery and development outsourcing services to pharmaceutical and biotech companies along with academic and government organizations. PPD's services are conducted in forty-one countries and include clinical trial management, lab testing, patient enrollment, product administration and compliance, among other services. We believe the company should benefit from the trend towards globalization and outsourcing. Growth is expected to accelerate in 2011 as the number of chemical compounds in development is increasing. PPD yields in excess of the S&P 500 average, has no debt and solid returns. Prospects are good, in our opinion, for both continued earnings growth and dividend increases.

### **Meridian Growth Fund® (MERDX)**

The Meridian Growth Fund's net asset value per share at June 30, 2010 was \$33.94. This represents a decrease of 0.2% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,773.9% and 12.0%, respectively. At the close of the quarter, total net assets were \$1,438,265,606 and were invested 5.4% in cash, cash equivalents and other assets net of liabilities and 94.6% in stocks. There were 64,521 shareholders.

The second quarter market drop reflects a good deal of the economic concerns raised in our economic discussion above. Stock valuations have improved during the quarter and we believe the market will be alright, provided the economy continues to grow and interest rates remain low. There is no change in our strategy. We use market corrections to add to existing positions at appropriate valuations and take new positions in companies that have become attractive on a price basis. Our portfolio consists of small- and medium-sized growth stocks which, for the most part, have strong financial characteristics, reasonable valuations and projected growth rates that are expected to exceed that of the S&P 500 company average.

We added to several existing positions but made no new purchases during the quarter. We sold our shares in Dun & Bradstreet, Gafisa S.A., Global Payments and Meru Networks.

Waste Connections, Inc. is the third largest solid waste company in the US, focusing primarily on faster growing Western regions. The company specifically looks for markets where it has exclusive long-term contracts and secondary markets where there tend to be less competition. A major barrier to entry is the limited availability of landfill space. Approval for a new Greenfield development is difficult and, in many regions, is impossible. The industry has become more consolidated in recent years with management of the three major companies focused more on their returns on invested capital, rather than competing on price for market share. Waste Connections has achieved faster growth than its larger competitors and is less likely to face anti-trust hurdles when acquiring competitors in new or adjacent markets. We believe the business is recession resistant and should benefit from a stronger economy. The stock sells at a reasonable valuation based on its market position, growth prospects and seasoned management team.

### **Meridian Value Fund® (MVALX)**

The Meridian Value Fund's net asset value per share at June 30, 2010 was \$22.80. This represents a decrease of 7.0% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 537.6% and 13.1%, respectively. The comparable period returns for the S&P 500 with dividends were 147.2% and 6.2%, respectively. At the close of the quarter, total net assets were \$802,935,501 and were invested 5.4% in cash, cash equivalents and other assets net of liabilities and 94.6% in stocks. There were 48,843 shareholders.

Our investment strategy remains unchanged. We continue to seek out-of-favor companies exemplified by an extended period of declining earnings. Over the past 18 months, most earnings problems have been related to poor economic conditions. During this period, we were able to invest in many high quality companies at attractive valuations. These are companies, in most cases, with leading and defensible market positions, high returns on invested capital, strong balance sheets and proven management teams. In normal economic conditions, such companies rarely fall out of favor. While some of these investments lagged the market during the strong rally off last year's market lows, we believe that with this core of high quality companies the Fund is positioned for positive returns during the next several years. In addition, with some stability in the economy, we now see more companies that fit our strategy for traditional company-specific reasons. This is historically the strength of the Meridian Value Fund and should bode well for future performance. We hold 53 positions, representing 30 industry groups. We continue to invest in companies of all market capitalizations and our largest areas of concentration are technology, retail and transportation.

During the quarter we purchased shares of Fidelity National Financial, W.W. Grainger, Monsanto Company, Steelcase and Ultra Petroleum Corp. We sold our shares in Adobe Systems, Baxter International, Covidien, Kinder Morgan Management, Transocean and Molson Coors Brewing Company.

Willis Group Holdings Plc. (Willis) is a global leader in the insurance brokerage industry. In recent years, insurance brokers have faced a number of challenges as a soft global economy has negatively impacted both insurance rates and the volume of insurance sold. Through this period, Willis has consistently gained market share and expanded the breadth of services offered to its customers. Willis also executed a significant acquisition of Hilb Rogal & Hobbs Company, which added more than \$700m in US sales while also providing significant cost synergy opportunities, and increasing the company's pricing power with insurance carriers. Because insurance brokers enjoy strong operating leverage when rates and volumes increase, we believe Willis should be able to generate strong earnings growth and pay down debt, even in a shallow economic recovery. With a history of over 20% return on equity, Willis's shares are attractively valued at less than 10x normalized earnings.

### **Miscellaneous**

The Meridian Funds are no-load and there are no transaction fees or commissions charged when purchased directly through our transfer agent, BNY Mellon Investment Servicing (US) Inc. This can be a very cost-effective method to purchase shares of the Meridian Funds for shareholders who do not need the services of a broker-dealer and for long-term investors that make multiple purchases.

We have added a new E-mail Alerts feature to our website at [www.meridianfund.com](http://www.meridianfund.com). When you sign up for E-mail Alerts you will receive notification of news items, shareholder reports, SEC filings, and other information regarding the Meridian Funds.

The information provided in this report should not be considered investment advice or a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in a particular Fund's portfolio at the time you receive this report or that securities sold have not been repurchased. Securities discussed are presented as illustrations of companies that fit a particular Fund's investment strategy and do not represent a Fund's entire portfolio and in the aggregate may represent only a small percentage of a Fund's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that investment decisions Fund management makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Management's views presented herein and any discussion of a particular Fund's portfolio holdings or performance are as of June 30, 2010 and are subject to change without notice.

# Meridian Equity Income Fund

## Summary of Portfolio Holdings

June 30, 2010

### Portfolio Holdings by Category (% of total net assets)

Health Care Services . . . . .	1.8%	\$	457,380
Consumer Products . . . . .	1.8		439,568
Semiconductors . . . . .	1.7		435,518
Media-Broadcasting & Cable TV . . . . .	1.7		432,264
Tobacco . . . . .	1.7		427,645
Food Distributors . . . . .	1.7		425,693
Household Appliances . . . . .	1.7		417,282
Metal & Glass Containers . . . . .	1.7		416,550
Paper & Packaging . . . . .	1.7		414,528
Application Software . . . . .	1.7		413,912
Railroads . . . . .	1.7		413,790
Soft Drinks . . . . .	1.6		410,984
Banking-Commercial . . . . .	1.6		410,975
Telecommunication Services-Integrated . . . . .	1.6		410,746
Retail . . . . .	1.6		408,388
Utilities-Gas . . . . .	1.6		408,348
Insurance-Multi-Line . . . . .	1.6		405,081
Industrial Conglomerates . . . . .	1.6		402,849
Machinery-Construction, Farm & Heavy Trucks Distributors . . . . .	1.6		402,469
Environmental Facilities & Services . . . . .	1.6		401,798
Insurance-Property & Casualty . . . . .	1.6		400,199
Air Freight & Logistics . . . . .	1.6		399,689
Apparel Accessories & Luxury Goods . . . . .	1.6		399,083
Pharmaceuticals . . . . .	1.6		398,608
Banking-Regional Banks . . . . .	1.6		397,769
REITs-Storage . . . . .	1.6		395,780
Insurance Brokers . . . . .	1.6		395,595
Office Services & Supplies . . . . .	1.6		394,406
Chemicals-Diversified . . . . .	1.6		393,084
Diversified Capital Markets . . . . .	1.6		392,665
Food & Meats-Packaged . . . . .	1.6		392,346
Household-Home Furnishings . . . . .	1.6		392,000
Restaurants . . . . .	1.6		389,665
Consumer Finance . . . . .	1.6		388,633
Oil & Gas-Storage & Transportation . . . . .	1.6		387,543
Health Care Equipment & Supplies . . . . .	1.6		387,351
Independent Power Producers & Energy . . . . .	1.6		387,159
Aerospace/Defense . . . . .	1.6		387,000
Personal Products . . . . .	1.6		386,524
Banking-Thrifts & Mortgage Finance . . . . .	1.5		384,250
Diversified Financial Services . . . . .	1.5		383,112
Publishing . . . . .	1.5		382,905
Health Care Products . . . . .	1.5		382,704
Apparel Retail . . . . .	1.5		382,016
Commercial Printing . . . . .	1.5		380,700
Energy . . . . .	1.5		380,030
Steel . . . . .	1.5		380,016
Chemicals-Specialty . . . . .	1.5		378,972
Trucking . . . . .	1.5		378,208
Asset Management & Custody Banks . . . . .	1.5		378,162
Packaging . . . . .	1.5		376,922
Industrial Machinery . . . . .	1.5		368,520
Electrical Components & Equipment . . . . .	1.5		367,773
Electronic Equipment Manufacturing . . . . .	1.5		365,148
Computer Hardware . . . . .	1.5		362,976
Home Improvement Retail . . . . .	1.4		359,700
Diversified Manufacturing Operations . . . . .	1.4		359,296
IT Services & Data Processing . . . . .	1.4		357,200
Department Stores . . . . .	1.4		355,789
Cash & Other Assets, Less Liabilities . . . . .	1.4		341,532
	5.3		1,310,028
	<u>100.0%</u>		<u>\$24,936,826</u>

# Meridian Growth Fund

## Summary of Portfolio Holdings

June 30, 2010

### Portfolio Holdings by Category (% of total net assets)

Tech-Software . . . . .	16.0%	\$ 230,591,594
Retail . . . . .	10.7	153,815,726
Technology . . . . .	6.9	99,839,489
Energy . . . . .	5.4	77,831,107
Insurance Brokers . . . . .	5.0	71,937,077
Industrial Conglomerates . . . . .	4.7	67,118,612
Health Care Products . . . . .	4.5	64,124,305
Industrial Services . . . . .	4.2	59,823,220
Building Products . . . . .	4.1	59,422,688
U.S. Government Obligations . . . . .	3.6	51,981,800
Brokerage & Money Management . . . . .	3.2	46,170,063
Chemicals-Specialty . . . . .	2.5	36,129,746
Restaurants . . . . .	2.4	33,774,065
Consumer Services . . . . .	2.3	33,248,416
Automotive Wholesale Services . . . . .	2.3	33,031,144
Cellular Communications . . . . .	2.3	32,952,250
Air Freight & Logistics . . . . .	2.1	30,265,270
Trucking . . . . .	2.1	30,223,017
Banking-Commercial . . . . .	2.0	29,208,235
Distributors . . . . .	2.0	28,751,488
Leisure & Amusement . . . . .	2.0	28,562,688
Health Care Technology . . . . .	1.9	26,850,810
Banking . . . . .	1.7	24,396,950
Health Care Information Services . . . . .	1.5	22,109,034
REITs-Diversified . . . . .	1.0	13,600,944
Metals . . . . .	0.9	13,595,792
Casino & Gaming . . . . .	0.9	12,746,202
Cash & Other Assets, Less Liabilities . . . . .	1.8	26,163,874
	<u>100.0%</u>	<u>\$1,438,265,606</u>

# Meridian Value Fund

## Summary of Portfolio Holdings

June 30, 2010

### Portfolio Holdings by Category (% of total net assets)

Retail . . . . .	10.1%	\$ 81,405,106
Technology . . . . .	8.7	69,684,270
Banking . . . . .	5.5	44,542,803
Industrial Products . . . . .	5.3	42,476,902
Leisure & Amusement . . . . .	5.0	39,816,518
Industrial Services . . . . .	4.6	36,703,269
Energy . . . . .	4.3	34,308,952
Diversified Financial Services . . . . .	4.1	33,234,292
U.S. Government Obligations . . . . .	4.0	31,988,800
Trucking . . . . .	3.5	28,007,098
Semiconductors . . . . .	3.2	25,835,034
Tech-Software . . . . .	3.0	24,453,281
Health Care Products . . . . .	2.9	23,058,523
Insurance Brokers . . . . .	2.9	22,907,115
Insurance . . . . .	2.5	20,399,350
Environmental Facilities & Services . . . . .	2.5	20,069,406
Home Improvement Retail . . . . .	2.5	19,705,312
Railroads . . . . .	2.4	19,212,564
Automotive Wholesale Services . . . . .	2.4	19,091,056
Industrial . . . . .	2.2	17,281,704
Metals . . . . .	2.1	17,244,584
Utilities . . . . .	2.1	16,840,684
Household Appliances . . . . .	2.0	15,691,007
Pharmaceuticals . . . . .	1.9	15,090,264
Air Freight & Logistics . . . . .	1.8	14,602,210
Asset Management & Custody Banks . . . . .	1.8	14,281,683
REITs-Diversified . . . . .	1.7	13,639,684
Brokerage & Money Management . . . . .	1.4	11,598,930
Office Services & Supplies . . . . .	1.2	9,851,800
Agriculture . . . . .	0.5	4,377,034
Insurance-Property & Casualty . . . . .	0.5	3,990,528
Cash & Other Assets, Less Liabilities . . . . .	1.4	11,545,738
	<u>100.0%</u>	<u>\$802,935,501</u>

# Meridian Fund, Inc.

## Disclosure of Fund Expenses (Unaudited)

For the Six Month Period January 1, 2010 to June 30, 2010

We believe it is important for you to understand the impact of fees and expenses on your investment. All mutual funds have operating expenses. As a shareholder of the Fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a Fund's gross income, directly reduce the investment return of the portfolio. A Fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period and assume reinvestment of all dividends and distributions.

	Beginning Account Value 1/1/10	Ending Account Value 6/30/10	Expense Ratio <sup>(1)</sup>	Expenses Paid During Period <sup>(2)</sup>
<b>Actual Fund Return</b>				
(See explanation below)				
Meridian Equity Income Fund . . . . .	\$1,000.00	\$ 983.80	1.25% <sup>(4)</sup>	\$6.15
Meridian Growth Fund . . . . .	\$1,000.00	\$ 998.20	0.83%	\$4.11
Meridian Value Fund . . . . .	\$1,000.00	\$ 930.20	1.07%	\$5.12
<b>Hypothetical 5% Return<sup>(3)</sup></b>				
(See explanation below)				
Meridian Equity Income Fund . . . . .	\$1,000.00	\$1,018.60	1.25% <sup>(4)</sup>	\$6.26
Meridian Growth Fund . . . . .	\$1,000.00	\$1,020.68	0.83%	\$4.16
Meridian Value Fund . . . . .	\$1,000.00	\$1,019.49	1.07%	\$5.36

(1) Annualized, based on the Fund's most recent fiscal half-year expenses.

(2) Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 181, the number of days in the most recent fiscal half-year, then divided by 365.

(3) Before expenses.

(4) See note 2 to Financial Statements.

# Meridian Fund, Inc.

## Disclosure of Fund Expenses (Unaudited) (continued)

For the Six Month Period January 1, 2010 to June 30, 2010

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The table above illustrates your Fund's costs in two ways:

**Actual Fund Return:** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the Fund's **actual** return, the third column shows the period's annualized expense ratio, and the last column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund at the beginning of the period. You may use the information here, together with your account value, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period."

**Hypothetical 5% Return:** This section is intended to help you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had a return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is **not** the Fund's actual return, the results do not apply to your investment. You can assess your Fund's costs by comparing this 5% Return hypothetical example with the 5% Return hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your *ongoing* costs only and do not reflect any transactional costs such as short-term redemption and exchange fees or sales and service charges you may pay third party broker/dealers. Had these transactional costs been included, your costs would have been higher. Therefore, the hypothetical section of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

# Management's Discussion of Meridian Equity Income Fund® Performance

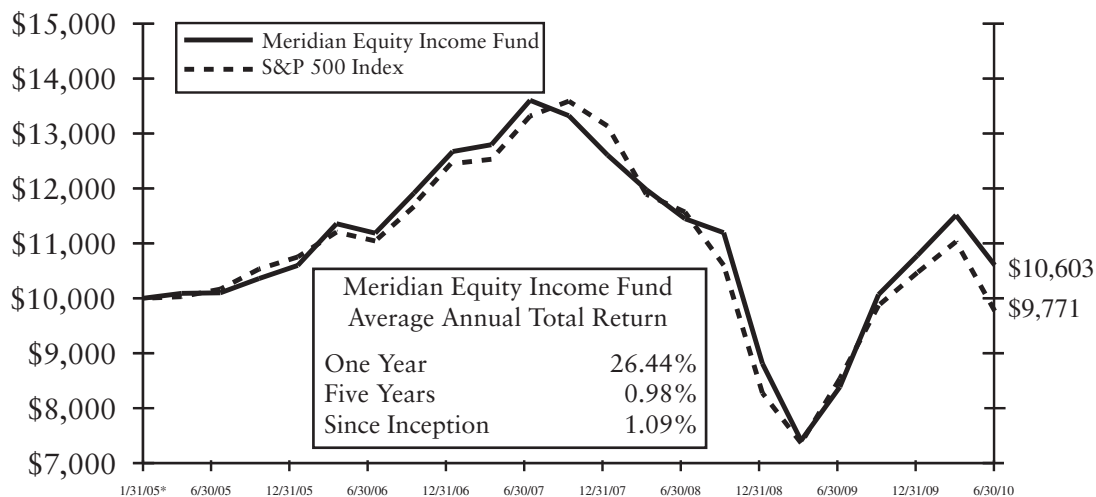
During the fiscal year ended June 30, 2010, the Meridian Equity Income Fund gained 26.44% compared to a gain of 14.43% for the S&P 500 with reinvested dividends, a gain of 21.48% for the Russell 2000 and a gain of 14.94% for the NASDAQ.

The Equity Income Fund is highly diversified. During the period the Fund was invested in companies individually comprising 64 sectors, along with 11 sectors comprised of 2 companies. During the period each company was typically weighted between 1.50% and 1.85% of net assets. As a result of this strategy one sector cannot move the performance dramatically in any direction.

The Fund's strongest performance was from companies in the media broadcasting & cable, chemicals-diversified, department stores, household appliances, office services & supplies, personal products and aerospace sectors, as well as the performance of individual stocks that were the only issue we own in a particular sector. The Fund's weakest performance was from companies in the chemicals-specialty, pharmaceuticals, apparel-retail and semiconductors sectors as well as the performance of individual stocks that were the only issue we own in a particular sector.

The Fund emphasizes investments in 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.

Value of \$10,000 invested in the Meridian Equity Income Fund and the S&P 500 Index



Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares and do not reflect the imposition of a 2% redemption fee on shares held 60 days or less to deter market timers. If reflected, the taxes and fees would reduce the performance quoted. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

\* Inception date.

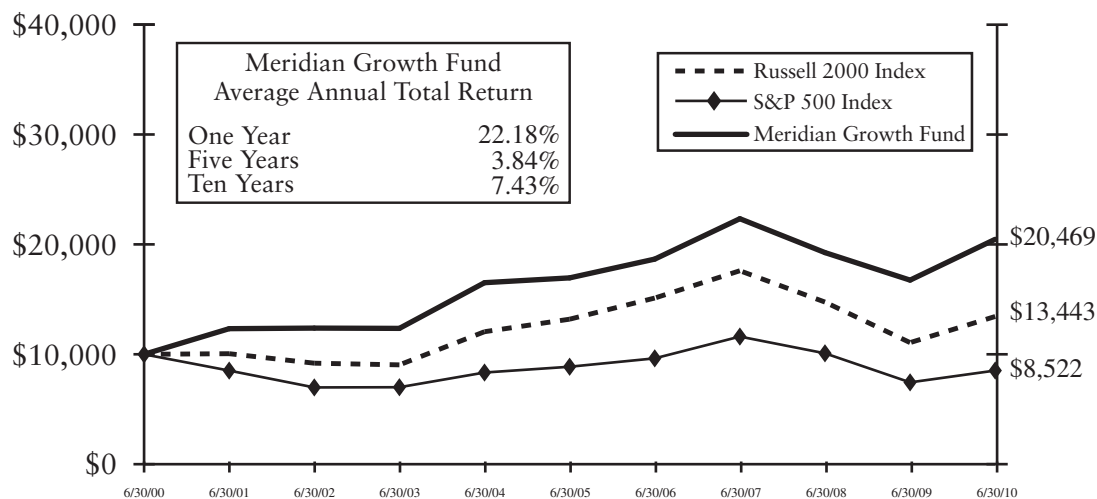
# Management's Discussion of Meridian Growth Fund<sup>®</sup> Performance

During the fiscal year ended June 30, 2010, the Meridian Growth Fund gained 22.18% compared to a gain of 14.43% for the S&P 500 with reinvested dividends, a gain of 21.48% for the Russell 2000, and a gain of 14.94% for the NASDAQ.

The Growth Fund's performance reflected the strength of our holdings in the technology, retail and energy sectors (representing approximately twenty, ten and five percent of total portfolio holdings, respectively), as well as the performance of individual stocks that may be the only issue we own in a particular sector. This was offset primarily by weakness in our holdings in the insurance brokers, industrial services and the business services sectors, as well as the performance of individual stocks that may be the only issue we own in a particular sector.

The Fund's investments include companies that are relatively small in terms of total assets, revenues and earnings, which the Investment Adviser believes may have prospects for above average growth in revenue and earnings.

## Value of \$10,000 invested in the Meridian Growth Fund, the Russell 2000 Index and the S&P 500 Index



Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares and do not reflect the imposition of a 2% redemption fee on shares held 60 days or less to deter market timers. If reflected, the taxes and fees would reduce the performance quoted. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

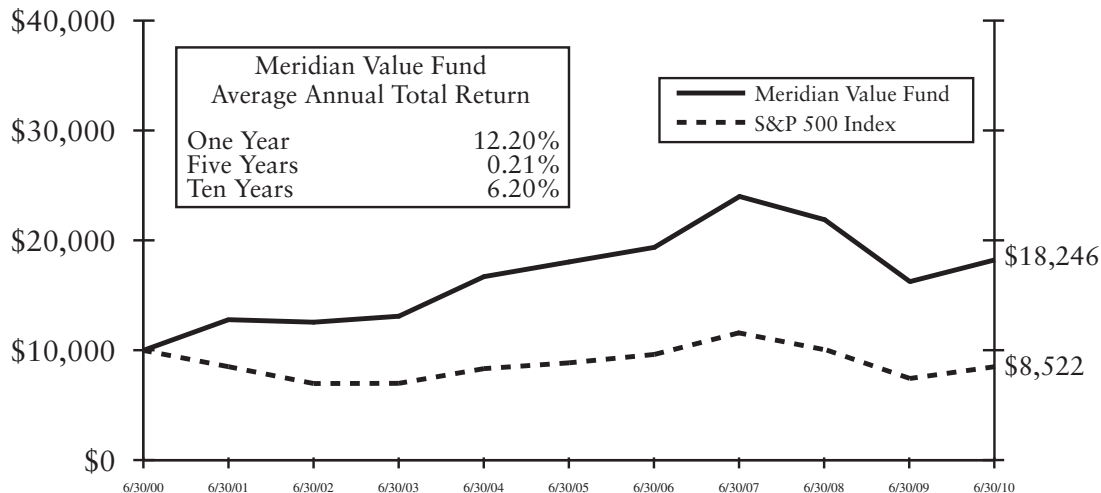
# Management's Discussion of Meridian Value Fund® Performance

During the fiscal year ended June 30, 2010, the Meridian Value Fund gained 12.20% compared to a gain of 14.43% for the S&P 500 with reinvested dividends, a gain of 21.48% for the Russell 2000 and a gain of 14.94% for the NASDAQ.

The Value Fund's performance reflected the strength of our holdings in the home improvement-retail, leisure & amusement, tech-software and retail sectors (representing approximately twenty-two percent of total portfolio holdings), as well as the performance of individual stocks that may be the only issue we own in a particular sector. This was offset primarily by relative weakness in our holdings in the industrial services, trucking and health care products sectors, as well as the performance of individual stocks that may be the only issue we own in a particular sector.

The Meridian Value Fund's strategy is to invest in stocks, across a range of market capitalizations, which the Investment Adviser believes are undervalued in relation to the issuer's long-term earnings power, asset value and/or the stock market in general. Investments include both smaller company equities and mid-to-large capitalization stocks. Based on this strategy, the Fund's average compounded annual return for the ten-year period from June 30, 2000 to June 30, 2010 was a 6.20% gain compared to 1.61% loss for the S&P 500, with reinvested dividends. Prior to June 30, 1995 the Value Fund's cash position was approximately 50%, as it was in the start-up process of becoming fully invested. The Meridian Value Fund's average compounded annual return from inception to June 30, 2010 was a gain of 12.15%, compared to a gain of 7.32% for the S&P 500, with reinvested dividends.

Value of \$10,000 invested in the Meridian Value Fund and the S&P 500 Index



Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares and do not reflect the imposition of a 2% redemption fee on shares held 60 days or less to deter market timers. If reflected, the taxes and fees would reduce the performance quoted. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

# Meridian Equity Income Fund

## Schedule of Investments

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS - 94.7%					
AEROSPACE & DEFENSE - 1.6%					
Northrop Grumman Corp. . . . .	7,100	\$ 386,524	CHEMICALS-SPECIALTY - 1.5%		
			RPM International, Inc. . . .	21,200	\$ 378,208
AIR FREIGHT & LOGISTICS - 1.6%					
United Parcel Service, Inc. Class B . . . . .	7,015	399,083	COMMERCIAL PRINTING - 1.5%		
			R. R. Donnelley & Sons Co. . . . .	23,215	380,030
APPAREL ACCESSORIES & LUXURY GOODS - 1.6%					
VF Corp. . . . .	5,600	398,608	COMPUTER HARDWARE - 1.4%		
			Diebold, Inc. . . . .	13,200	359,700
APPAREL RETAIL - 1.5%					
American Eagle Outfitters, Inc. . . . .	32,400	380,700	CONSUMER FINANCE - 1.6%		
			H & R Block, Inc. . . . .	24,700	387,543
APPLICATION SOFTWARE - 1.7%					
Interactive Data Corp. . . . .	12,400	413,912	CONSUMER PRODUCTS - 1.8%		
			Kimberly-Clark Corp. . . . .	7,250	439,568
ASSET MANAGEMENT & CUSTODY BANKS - 1.5%					
Federated Investors, Inc. Class B . . . . .	18,200	376,922	DEPARTMENT STORES - 1.4%		
			JC Penney Co., Inc. . . . .	15,900	341,532
BANKING-COMMERCIAL - 1.6%					
Bank of Hawaii Corp. . . . .	8,500	410,975	DISTRIBUTORS - 1.6%		
			Genuine Parts Co. . . . .	10,185	401,798
BANKING-REGIONAL BANKS - 1.6%					
Cullen/Frost Bankers, Inc. . . . .	7,700	395,780	DIVERSIFIED CAPITAL MARKETS - 1.6%		
			NYSE Euronext . . . . .	14,200	392,346
BANKING-THRIFTS & MORTGAGE FINANCE - 1.5%					
Hudson City Bancorp, Inc. . . . .	31,300	383,112	DIVERSIFIED FINANCIAL SERVICES - 1.5%		
			Broadridge Financial Solutions, Inc. . . . .	20,100	382,905
CHEMICALS-DIVERSIFIED - 1.6%					
PPG Industries, Inc. . . . .	6,500	392,665	DIVERSIFIED MANUFACTURING OPERATIONS - 1.4%		
			Harsco Corp. . . . .	15,200	357,200
			ELECTRICAL COMPONENTS & EQUIPMENT - 1.5%		
			Hubbell, Inc. Class B . . . . .	9,200	365,148

*The accompanying notes are an integral part of the financial statements.*

# Meridian Equity Income Fund

## Schedule of Investments (continued)

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS (continued)					
ELECTRONIC EQUIPMENT MANUFACTURING - 1.5%			INDEPENDENT POWER PRODUCERS & ENERGY - 1.6%		
Molex, Inc. . . . .	19,900	\$ 362,976	Constellation Energy Group, Inc. . . . .	12,000	\$ 387,000
ENERGY - 1.5%			INDUSTRIAL CONGLOMERATES - 1.6%		
Chevron Corp. . . . .	5,600	380,016	3M Co. . . . .	5,100	402,849
ENVIRONMENTAL FACILITIES & SERVICES - 1.6%			INDUSTRIAL MACHINERY - 1.5%		
Waste Management, Inc. . . . .	12,790	400,199	Eaton Corp. . . . .	5,620	367,773
FOOD DISTRIBUTORS - 1.7%			INSURANCE BROKERS - 1.6%		
SYSCO Corp. . . . .	14,900	425,693	Willis Group Holdings Plc (United Kingdom) . . . . .	13,125	394,406
FOOD & MEATS-PACKAGED - 1.6%			INSURANCE-MULTI-LINE - 1.6%		
Kraft Foods, Inc. Class A . . . . .	14,000	392,000	Chubb Corp. . . . .	8,100	405,081
HEALTH CARE EQUIPMENT & SUPPLIES - 1.6%			INSURANCE-PROPERTY & CASUALTY - 1.6%		
Hillenbrand, Inc. . . . .	18,100	387,159	Mercury General Corp. . . . .	9,645	399,689
HEALTH CARE PRODUCTS - 1.5%			IT SERVICES & DATA PROCESSING - 1.4%		
Baxter International, Inc. . . . .	9,400	382,016	Paychex, Inc. . . . .	13,700	355,789
HEALTH CARE SERVICES - 1.8%			MACHINERY-CONSTRUCTION, FARM & HEAVY TRUCKS - 1.6%		
Pharmaceutical Product Development, Inc. . . . .	18,000	457,380	Caterpillar, Inc. . . . .	6,700	402,469
HOME IMPROVEMENT RETAIL - 1.4%			MEDIA-BROADCASTING & CABLE TV - 1.7%		
Home Depot, Inc. . . . .	12,800	359,296	Time Warner Cable, Inc. . . . .	8,300	432,264
HOUSEHOLD APPLIANCES - 1.7%			METAL & GLASS CONTAINERS - 1.7%		
Snap-On, Inc. . . . .	10,200	417,282	Greif, Inc. Class A . . . . .	7,500	416,550
HOUSEHOLD-HOME FURNISHINGS - 1.6%			OFFICE SERVICES & SUPPLIES - 1.6%		
Leggett & Platt, Inc. . . . .	19,425	389,665	Pitney Bowes, Inc. . . . .	17,900	393,084

*The accompanying notes are an integral part of the financial statements.*

# Meridian Equity Income Fund

## Schedule of Investments (continued)

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS (continued)					
OIL & GAS-STORAGE & TRANSPORTATION - 1.6%			SEMICONDUCTORS - 1.7%		
Spectra Energy Corp. . . . .	19,300	\$ 387,351	Microchip Technology, Inc. . . . .	15,700	\$ 435,518
PACKAGING - 1.5%			SOFT DRINKS - 1.6%		
MeadWestvaco Corp. . . . .	16,600	368,520	Coca-Cola Co. (The) . . . . .	8,200	410,984
PAPER & PACKAGING - 1.7%			STEEL - 1.5%		
Sonoco Products Co. . . . .	13,600	414,528	Nucor Corp. . . . .	9,900	378,972
PERSONAL PRODUCTS - 1.5%			TELECOMMUNICATION SERVICES- INTEGRATED - 1.6%		
Avon Products, Inc. . . . .	14,500	384,250	AT&T, Inc. . . . .	16,980	410,746
PHARMACEUTICALS - 1.6%			TOBACCO - 1.7%		
Johnson & Johnson . . . . .	6,735	397,769	Reynolds American, Inc. . . . .	8,205	427,645
PUBLISHING - 1.5%			TRUCKING - 1.5%		
McGraw-Hill Cos., Inc. (The) . . . . .	13,600	382,704	Ryder System, Inc. . . . .	9,400	378,162
RAILROADS - 1.7%			UTILITIES-GAS - 1.6%		
Norfolk Southern Corp. . . . .	7,800	413,790	AGL Resources, Inc. . . . .	11,400	408,348
REITS-STORAGE - 1.6%			TOTAL INVESTMENTS - 94.7%		
Public Storage REIT . . . . .	4,500	395,595	(Cost \$24,806,294) . . . . .		23,626,798
RESTAURANTS - 1.6%			CASH AND OTHER ASSETS, LESS LIABILITIES - 5.3% . . . . .		<u>1,310,028</u>
McDonald's Corp. . . . .	5,900	388,633	NET ASSETS - 100.0% . . . . .		<u><u>\$24,936,826</u></u>
RETAIL - 1.6%					
Mattel, Inc. . . . .	19,300	408,388			

REIT - Real Estate Investment Trust

*The accompanying notes are an integral part of the financial statements.*

# Meridian Growth Fund Schedule of Investments

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS - 94.6%					
AIR FREIGHT & LOGISTICS - 2.1%					
Expeditors International of Washington, Inc. . . . .	877,000	\$ 30,265,270			
AUTOMOTIVE WHOLESALE SERVICES - 2.3%					
Copart, Inc.* . . . . .	922,400	33,031,144			
BANKING - 1.7%					
CVB Financial Corp. . . . .	2,568,100	24,396,950			
BANKING - COMMERCIAL - 2.0%					
Bank of Hawaii Corp. . . . .	604,100	29,208,235			
BROKERAGE & MONEY MANAGEMENT - 3.2%					
Affiliated Managers Group, Inc.* . . . . .	458,400	27,856,968			
T. Rowe Price Group, Inc. . . . .	412,550	18,313,095			
		46,170,063			
BUILDING PRODUCTS - 4.1%					
Lumber Liquidators Holdings, Inc.* . . . . .	938,800	21,902,204			
Valspar Corp. . . . .	1,245,700	37,520,484			
		59,422,688			
CASINOS & GAMING - 0.9%					
International Game Technology . . . . .	811,860	12,746,202			
CELLULAR COMMUNICATIONS - 2.3%					
American Tower Corp. Class A* . . . . .	740,500	32,952,250			
CHEMICALS-SPECIALTY - 2.5%					
RPM International, Inc. . . . .	2,025,210	36,129,746			
CONSUMER SERVICES - 2.3%					
Rollins, Inc. . . . .	1,606,980	33,248,416			
DISTRIBUTORS - 2.0%					
Watsco, Inc. . . . .	496,400	\$ 28,751,488			
ENERGY - 5.4%					
Continental Resources, Inc.* . . . .	335,200	14,956,624			
Core Laboratories NV (Netherlands) . . . . .	173,700	25,639,857			
FMC Technologies, Inc.* . . . .	380,680	20,046,609			
Noble Energy, Inc. . . . .	284,900	17,188,017			
		77,831,107			
HEALTH CARE INFORMATION SERVICES - 1.5%					
Cerner Corp.* . . . . .	291,330	22,109,034			
HEALTH CARE PRODUCTS - 4.5%					
DENTSPLY International, Inc. . . . .	1,014,200	30,334,722			
Edwards Lifesciences Corp.* . . . .	603,170	33,789,583			
		64,124,305			
HEALTH CARE TECHNOLOGY - 1.9%					
IDEXX Laboratories, Inc.* . . . .	440,900	26,850,810			
INDUSTRIAL CONGLOMERATES - 4.7%					
Cooper Industries Plc . . . . .	777,100	34,192,400			
Dionex Corp.* . . . . .	442,200	32,926,212			
		67,118,612			
INDUSTRIAL SERVICES - 4.2%					
Ritchie Bros. Auctioneers, Inc. (Canada) . . . . .	1,243,600	22,658,392			
Waste Connections, Inc.* . . . .	1,065,200	37,164,828			
		59,823,220			
INSURANCE BROKERS - 5.0%					
Brown & Brown, Inc. . . . .	1,828,250	34,992,705			
Willis Group Holdings Plc (United Kingdom) . . . . .	1,229,430	36,944,372			
		71,937,077			

*The accompanying notes are an integral part of the financial statements.*

# Meridian Growth Fund

## Schedule of Investments (continued)

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS (continued)					
LEISURE & AMUSEMENT - 2.0%			TRUCKING - 2.1%		
Royal Caribbean Cruises, Ltd.* . . . . .	1,254,400	\$ 28,562,688	J.B. Hunt Transport Services, Inc. . . . .	925,100	\$ 30,223,017
METALS - 0.9%			TOTAL COMMON STOCKS - 94.6%		
Cameco Corp. (Canada) . . . . .	638,900	13,595,792	(Cost \$1,166,883,463) . . . . .		<u>1,360,119,932</u>
REITS-DIVERSIFIED - 1.0%			U.S. GOVERNMENT OBLIGATIONS - 3.6%		
Digital Realty Trust, Inc. REIT . . . . .	235,800	13,600,944	U.S. Treasury Bill @ .091%** due 09/23/10 (Face Value \$30,000,000) . . . . .		29,989,500
RESTAURANTS - 2.4%			U.S. Treasury Bill @ .127%** due 09/23/10 (Face Value \$22,000,000) . . . . .		<u>21,992,300</u>
Cracker Barrel Old Country Store, Inc. . . . .	725,388	33,774,065	TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$51,987,283) . . . . .		
RETAIL - 10.7%					<u>51,981,800</u>
Bed Bath & Beyond, Inc.* . . . . .	567,200	21,031,776	TOTAL INVESTMENTS - 98.2%		
CarMax, Inc.* . . . . .	991,400	19,728,860	(Cost \$1,218,870,746) . . . . .		1,412,101,732
Coach, Inc. . . . .	748,900	27,372,295	CASH AND OTHER ASSETS, LESS		
Family Dollar Stores, Inc. . . . .	774,000	29,172,060	LIABILITIES - 1.8% . . . . .		
Mattel, Inc. . . . .	1,602,000	33,898,320			<u>26,163,874</u>
PetSmart, Inc. . . . .	749,500	22,612,415	NET ASSETS - 100.0% . . . . .		
		<u>153,815,726</u>			<u>\$1,438,265,606</u>
TECHNOLOGY - 6.9%			REIT - Real Estate Investment Trust		
Autodesk, Inc.* . . . . .	1,027,500	25,029,900	* Non-income producing securities		
NetApp, Inc.* . . . . .	570,400	21,281,624	** Annualized yield at date of purchase		
Trimble Navigation, Ltd.* . . . . .	919,100	25,734,800			
Zebra Technologies Corp. Class A* . . . . .	1,095,513	27,793,165			
		<u>99,839,489</u>			
TECH-SOFTWARE - 16.0%					
Advent Software, Inc.* . . . . .	729,138	34,240,320			
Blackbaud, Inc. . . . .	1,317,500	28,681,975			
BMC Software, Inc.* . . . . .	820,000	28,396,600			
Citrix Systems, Inc.* . . . . .	747,400	31,562,702			
MICROS Systems, Inc.* . . . . .	927,900	29,572,173			
Nuance Communications, Inc.* . . . . .	1,321,200	19,751,940			
Solera Holdings, Inc. . . . .	936,500	33,901,300			
Teradata Corp.* . . . . .	803,300	24,484,584			
		<u>230,591,594</u>			

The accompanying notes are an integral part of the financial statements.

# Meridian Value Fund Schedule of Investments

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS - 94.6%					
AGRICULTURE - 0.5%					
Monsanto Co. . . . .	94,700	\$ 4,377,034	ENVIRONMENTAL FACILITIES & SERVICES - 2.5%		
			Waste Management, Inc. . . . .		
			641,400	\$ 20,069,406	
AIR FREIGHT & LOGISTICS - 1.8%					
UTi Worldwide, Inc. . . . .	1,179,500	14,602,210	HEALTH CARE PRODUCTS - 2.9%		
			Gen-Probe, Inc.* . . . . .		
			244,500	11,105,190	
			Hologic, Inc.* . . . . .		
			858,100	<u>11,953,333</u>	
					23,058,523
ASSET MANAGEMENT & CUSTODY BANKS - 1.8%					
Franklin Resources, Inc. . . . .	165,700	14,281,683	HOME IMPROVEMENT RETAIL - 2.5%		
			Sherwin-Williams Co. (The) . . . . .		
			284,800	19,705,312	
AUTOMOTIVE WHOLESALE SERVICES - 2.4%					
LKQ Corp.* . . . . .	990,200	19,091,056	HOUSEHOLD APPLIANCES - 2.0%		
			Stanley Black & Decker, Inc. . . . .		
			310,590	15,691,007	
BANKING - 5.5%					
CVB Financial Corp. . . . .	1,801,800	17,117,100	INDUSTRIAL - 2.2%		
JPMorgan Chase & Co. . . . .	212,300	7,772,303	Curtiss-Wright Corp. . . . .		
Northern Trust Corp. . . . .	254,800	11,899,160	595,100	17,281,704	
Wells Fargo & Co. . . . .	302,900	<u>7,754,240</u>			
		44,542,803	INDUSTRIAL PRODUCTS - 5.3%		
			Cummins, Inc. . . . .		
			84,400	5,496,972	
BROKERAGE & MONEY MANAGEMENT - 1.4%					
TD Ameritrade Holding Corp.* . . . . .	758,100	11,598,930	Lincoln Electric Holdings, Inc. . . . .		
			295,800	15,082,842	
			Sealed Air Corp. . . . .		
			1,110,400	<u>21,897,088</u>	
					42,476,902
DIVERSIFIED FINANCIAL SERVICES - 4.1%					
Broadridge Financial Solutions, Inc. . . . .	1,147,000	21,850,350	INDUSTRIAL SERVICES - 4.6%		
Equifax, Inc. . . . .	405,700	<u>11,383,942</u>	Nalco Holdings Co. . . . .		
			972,000	19,887,120	
			Ritchie Bros. Auctioneers, Inc. (Canada) . . . . .		
			425,700	7,756,254	
			W.W. Grainger, Inc. . . . .		
			91,100	<u>9,059,895</u>	
					36,703,269
ENERGY - 4.3%					
Apache Corp. . . . .	174,100	14,657,479	INSURANCE - 2.5%		
Forest Oil Corp.* . . . . .	569,300	15,576,048	Travelers Cos., Inc. (The) . . . . .		
Ultra Petroleum Corp.* . . . . .	92,100	<u>4,075,425</u>	414,200	20,399,350	
		34,308,952			

The accompanying notes are an integral part of the financial statements.

# Meridian Value Fund

## Schedule of Investments (continued)

June 30, 2010

	Shares	Value		Shares	Value
COMMON STOCKS (continued)					
INSURANCE BROKERS - 2.9%					
Willis Group Holdings Plc (United Kingdom) . . . .	762,300	\$ 22,907,115			
INSURANCE-PROPERTY & CASUALTY - 0.5%					
Fidelity National Financial, Inc. Class A* . . . . .	307,200	3,990,528			81,405,106
LEISURE & AMUSEMENT - 5.0%					
Carnival Corp. . . . .	670,600	20,278,944			
Polaris Industries, Inc. . . . .	357,700	<u>19,537,574</u>			25,835,034
		39,816,518			
METALS - 2.1%					
Cameco Corp. (Canada) . . . . .	356,600	7,588,448			
Newmont Mining Corp. . . . .	156,400	<u>9,656,136</u>			17,244,584
		17,244,584			
OFFICE SERVICES & SUPPLIES - 1.2%					
Steelcase, Inc. Class A . .	1,271,200	9,851,800			
PHARMACEUTICALS - 1.9%					
BioMarin Pharmaceutical, Inc.* . . . . .	795,900	15,090,264			
RAILROADS - 2.4%					
Union Pacific Corp. . . .	276,400	19,212,564			
REITS-DIVERSIFIED - 1.7%					
Host Hotels & Resorts, Inc. REIT . . . . .	1,011,846	13,639,684			
RETAIL - 10.1%					
Carter's, Inc.* . . . . .	788,800	\$ 20,706,000			
Costco Wholesale Corp. . . . .	346,200	18,982,146			
Kohl's Corp.* . . . . .	413,400	19,636,500			
Mattel, Inc. . . . .	1,043,500	<u>22,080,460</u>			81,405,106
SEMICONDUCTORS - 3.2%					
NVIDIA Corp.* . . . . .	1,222,700	12,483,767			
Power Integrations, Inc. . . . .	414,700	<u>13,351,267</u>			25,835,034
TECHNOLOGY - 8.7%					
Axiom Corp.* . . . . .	831,600	12,216,204			
Autodesk, Inc.* . . . . .	655,100	15,958,236			
Cisco Systems, Inc.* . . .	899,600	19,170,476			
Echelon Corp.* . . . . .	378,100	2,771,473			
Zebra Technologies Corp. Class A* . . . . .	771,300	<u>19,567,881</u>			69,684,270
		69,684,270			
TECH-SOFTWARE - 3.0%					
Citrix Systems, Inc.* . . .	579,050	24,453,281			
TRUCKING - 3.5%					
Con-way, Inc. . . . .	399,500	11,992,990			
Heartland Express, Inc. . . . .	1,102,900	<u>16,014,108</u>			28,007,098
		28,007,098			
UTILITIES - 2.1%					
Hawaiian Electric Industries, Inc. . . . .	739,275	16,840,684			
TOTAL COMMON STOCKS - 94.6%					
(Cost \$691,557,268) . . . . .					<u>759,400,963</u>

The accompanying notes are an integral part of the financial statements.

# Meridian Value Fund

## Schedule of Investments (continued)

June 30, 2010

	<u>Value</u>
U.S. GOVERNMENT OBLIGATIONS - 4.0%	
U.S. Treasury Bill @ .091%** due 09/23/10 (Face Value \$9,000,000) . . . . .	\$ 8,996,850
U.S. Treasury Bill @ .127%** due 09/23/10 (Face Value \$23,000,000) . . . . .	<u>22,991,950</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$31,991,402) . . . . .	<u>31,988,800</u>
 TOTAL INVESTMENTS - 98.6% (Cost \$723,548,670) . . . . .	 791,389,763
 CASH AND OTHER ASSETS, LESS LIABILITIES - 1.4% . . . . .	 <u>11,545,738</u>
 NET ASSETS - 100.0% . . . . .	 <u><u>\$802,935,501</u></u>
 REIT - Real Estate Investment Trust * Non-income producing securities ** Annualized yield at date of purchase	

*The accompanying notes are an integral part of the financial statements.*

# Meridian Fund, Inc.

## Statements of Assets and Liabilities

June 30, 2010

	Equity Income Fund	Growth Fund	Value Fund
<b>ASSETS</b>			
Investments (Cost \$24,806,294, \$1,218,870,746 and \$723,548,670, respectively) . . . . .	\$23,626,798	\$1,412,101,732	\$ 791,389,763
Cash . . . . .	1,306,415	29,271,114	11,404,603
Receivable for:			
Capital shares purchased . . . . .	—	402,633	52,222
Securities sold . . . . .	—	—	2,222,627
Dividends . . . . .	68,024	1,320,946	998,253
Interest . . . . .	59	1,569	457
Prepaid expenses . . . . .	28,732	7,973	5,478
<b>TOTAL ASSETS</b> . . . . .	<u>25,030,028</u>	<u>1,443,105,967</u>	<u>806,073,403</u>
<b>LIABILITIES</b>			
Payable for:			
Capital shares sold . . . . .	10,000	992,723	264,369
Securities purchased . . . . .	40,761	2,647,327	1,961,553
Accrued expenses:			
Investment advisory fees . . . . .	20,893	1,030,893	773,011
Professional fees . . . . .	17,178	44,085	37,456
Directors' fees . . . . .	383	1,356	289
Other payables and accrued expenses . . . . .	3,987	123,977	101,224
<b>TOTAL LIABILITIES</b> . . . . .	<u>93,202</u>	<u>4,840,361</u>	<u>3,137,902</u>
<b>NET ASSETS</b> . . . . .	<u>\$24,936,826</u>	<u>\$1,438,265,606</u>	<u>\$ 802,935,501</u>
Capital shares issued and outstanding, par value \$0.01 (500,000,000, 500,000,000 and 500,000,000 shares authorized, respectively) . . . . .	<u>2,929,369</u>	<u>42,380,810</u>	<u>35,212,138</u>
Net asset value per share (offering and redemption price) . . . . .	<u>\$ 8.51</u>	<u>\$ 33.94</u>	<u>\$ 22.80</u>
Net Assets consist of:			
Paid in capital . . . . .	\$32,673,010	\$1,279,028,669	\$1,075,681,017
Accumulated net realized loss . . . . .	(7,019,030)	(33,994,049)	(343,095,265)
Net unrealized appreciation (depreciation) on investments . . . . .	(1,179,496)	193,230,986	67,841,093
Undistributed net investment income . . . . .	462,342	—	2,508,656
	<u>\$24,936,826</u>	<u>\$1,438,265,606</u>	<u>\$ 802,935,501</u>

*The accompanying notes are an integral part of the financial statements.*

# Meridian Fund, Inc.

## Statements of Operations

For the Year Ended June 30, 2010

	Equity Income Fund	Growth Fund	Value Fund
INVESTMENT INCOME			
Dividends . . . . .	\$ 886,993	\$ 15,131,465	\$ 12,488,911
Interest . . . . .	630	63,506	39,337
Total investment income . . . . .	<u>887,623</u>	<u>15,194,971</u>	<u>12,528,248</u>
EXPENSES			
Investment advisory fees . . . . .	236,999	10,743,457	9,163,068
Custodian fees . . . . .	5,139	136,605	90,463
Directors' fees and expenses . . . . .	1,095	11,830	—
Pricing fees . . . . .	22,409	142,785	91,307
Professional fees . . . . .	29,772	68,290	42,890
Registration and filing fees . . . . .	20,755	35,288	32,614
Reports to shareholders . . . . .	2,191	172,008	137,608
Transfer agent fees . . . . .	8,486	502,698	448,260
Miscellaneous expenses . . . . .	1,285	26,289	13,374
Total expenses . . . . .	328,131	11,839,250	10,019,584
Expenses waived and reimbursed by Adviser (Note 2) . . . . .	(12,855)	—	—
Net expenses . . . . .	<u>315,276</u>	<u>11,839,250</u>	<u>10,019,584</u>
Net investment income . . . . .	<u>572,347</u>	<u>3,355,721</u>	<u>2,508,664</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS			
Net realized gain on investments . . . . .	134,812	60,595,810	48,310,157
Net change in unrealized appreciation/depreciation on investments . . . . .	<u>4,752,277</u>	<u>200,490,358</u>	<u>59,475,624</u>
Net realized and unrealized gain on investments . . . . .	<u>4,887,089</u>	<u>261,086,168</u>	<u>107,785,781</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .			
	<u>\$5,459,436</u>	<u>\$264,441,889</u>	<u>\$110,294,445</u>

*The accompanying notes are an integral part of the financial statements.*

# Meridian Fund, Inc.

## Statements of Changes in Net Assets

	Equity Income Fund		Growth Fund	
	Year Ended June 30, 2010	Year Ended June 30, 2009	Year Ended June 30, 2010	Year Ended June 30, 2009
OPERATIONS				
Net investment income . . . . .	\$ 572,347	\$ 662,111	\$ 3,355,721	\$ 6,187,874
Net realized gain (loss) on investments . . .	134,812	(7,126,742)	60,595,810	(82,817,643)
Net change in unrealized appreciation/depreciation on investments . . . . .	<u>4,752,277</u>	<u>(1,987,012)</u>	<u>200,490,358</u>	<u>(119,188,019)</u>
Net increase (decrease) in net assets from operations . . . . .	<u>5,459,436</u>	<u>(8,451,643)</u>	<u>264,441,889</u>	<u>(195,817,788)</u>
DISTRIBUTIONS TO SHAREHOLDERS				
Distributions from ordinary income . . . . .	(560,148)	(615,121)	(5,002,954)	(3,609,575)
Distributions from net realized capital gains . . . . .	—	(1,456,326)	—	(44,377,550)
Distributions of Paid-in-Capital . . . . .	<u>—</u>	<u>—</u>	<u>(812,370)</u>	<u>(84,488)</u>
Net distributions . . . . .	<u>(560,148)</u>	<u>(2,071,447)</u>	<u>(5,815,324)</u>	<u>(48,071,613)</u>
CAPITAL SHARE TRANSACTIONS				
Proceeds from sales of shares . . . . .	916,172	2,784,387	231,057,644	243,684,297
Reinvestment of distributions . . . . .	555,528	2,049,936	5,531,275	40,205,037
Redemption fees . . . . .	4	385	33,340	57,659
Less: redemptions of shares . . . . .	<u>(2,153,472)</u>	<u>(7,110,948)</u>	<u>(254,639,438)</u>	<u>(358,416,027)</u>
Decrease resulting from capital share transactions . . . . .	<u>(681,768)</u>	<u>(2,276,240)</u>	<u>(18,017,179)</u>	<u>(74,469,034)</u>
Total increase (decrease) in net assets . . . .	<u>4,217,520</u>	<u>(12,799,330)</u>	<u>240,609,386</u>	<u>(318,358,435)</u>
NET ASSETS				
Beginning of year . . . . .	<u>20,719,306</u>	<u>33,518,636</u>	<u>1,197,656,220</u>	<u>1,516,014,655</u>
End of year . . . . .	<u>\$24,936,826</u>	<u>\$ 20,719,306</u>	<u>\$1,438,265,606</u>	<u>\$1,197,656,220</u>
Undistributed net investment income at end of year . . . . .	<u>\$ 462,342</u>	<u>\$ 450,143</u>	<u>\$ —</u>	<u>\$ —</u>

*The accompanying notes are an integral part of the financial statements.*

# Meridian Fund, Inc.

## Statements of Changes in Net Assets

	Value Fund	
	Year Ended June 30, 2010	Year Ended June 30, 2009
OPERATIONS		
Net investment income . . . . .	\$ 2,508,664	\$ 9,603,671
Net realized gain (loss) on investments . . . . .	48,310,157	(383,285,911)
Net change in unrealized appreciation/depreciation on investments . . . . .	<u>59,475,624</u>	<u>21,473,571</u>
Net increase (decrease) in net assets from operations . . . . .	<u>110,294,445</u>	<u>(352,208,669)</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from ordinary income . . . . .	(9,603,460)	—
Distributions from net realized capital gains . . . . .	<u>—</u>	<u>(57,564,994)</u>
Net distributions . . . . .	<u>(9,603,460)</u>	<u>(57,564,994)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from sales of shares . . . . .	65,052,660	184,378,825
Reinvestment of distributions . . . . .	9,368,134	48,793,417
Redemption fees . . . . .	13,847	81,332
Less: redemptions of shares . . . . .	<u>(203,762,134)</u>	<u>(311,093,451)</u>
Decrease resulting from capital share transactions . . . . .	<u>(129,327,493)</u>	<u>(77,839,877)</u>
Total decrease in net assets . . . . .	<u>(28,636,508)</u>	<u>(487,613,540)</u>
NET ASSETS		
Beginning of year . . . . .	<u>831,572,009</u>	<u>1,319,185,549</u>
End of year . . . . .	<u>\$ 802,935,501</u>	<u>\$ 831,572,009</u>
Undistributed net investment income at end of year . . . . .	<u>\$ 2,508,656</u>	<u>\$ 9,603,452</u>

*The accompanying notes are an integral part of the financial statements.*

# Meridian Equity Income Fund

## Financial Highlights

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

	For the fiscal year ended June 30,					For the fiscal period from January 31, 2005 through June 30, 2005+
	2010	2009	2008	2007	2006	
Net Asset Value - Beginning of Period . . . . .	\$ 6.88	\$ 10.37	\$ 13.14	\$ 11.05	\$ 10.10	\$ 10.00
<u>Income (Loss) from Investment Operations</u>						
Net Investment Income . . . . .	0.19 <sup>1</sup>	0.22 <sup>1</sup>	0.24 <sup>1</sup>	0.18	0.15	0.06
Net Gains (Losses) on Investments (both realized and unrealized) . . . . .	1.63	(2.96)	(2.25)	2.19	0.93	0.04
Total From Investment Operations . . . . .	1.82	(2.74)	(2.01)	2.37	1.08	0.10
<u>Less Distributions</u>						
Distributions from Net Investment Income . .	(0.19)	(0.22)	(0.22)	(0.17)	(0.12)	0.00
Distributions from Net Realized Capital Gains . .	0.00	(0.53)	(0.54)	(0.11)	(0.01)	0.00
Total Distributions . . . . .	(0.19)	(0.75)	(0.76)	(0.28)	(0.13)	0.00
Net Asset Value - End of Period . . . . .	\$ 8.51	\$ 6.88	\$ 10.37	\$ 13.14	\$ 11.05	\$ 10.10
Total Return. . . . .	26.44%	(26.75%)	(15.84%)	21.61%	10.75%	1.00% <sup>2</sup>
<u>Ratios/Supplemental Data</u>						
Net Assets, End of Period (000's) . . . . .	\$ 24,937	\$ 20,719	\$ 33,519	\$ 43,188	\$ 25,451	\$ 8,412
Ratio of Expenses to Average Net Assets						
Before expense reimbursement/recoupment . .	1.30%	1.43%	1.25% <sup>3</sup>	1.29%	1.67%	3.96% <sup>4</sup>
After expense reimbursement/recoupment <sup>5</sup> . .	1.25%	1.25%	1.25%	1.25%	1.25%	1.25% <sup>4</sup>
Ratio of Net Investment Income to Average Net Assets						
After expense reimbursement/recoupment. .	2.27%	2.73%	2.02%	1.64%	1.80%	2.11% <sup>4</sup>
Portfolio Turnover Rate. . . . .	63%	49%	62%	37%	60%	25%

+ The Fund commenced investment operations on January 31, 2005.

<sup>1</sup> Per share net investment income has been calculated using the average daily shares method.

<sup>2</sup> Not Annualized.

<sup>3</sup> The Advisor recouped \$4,849 during the fiscal year ended June 30, 2008, representing previously reimbursed expenses. Had such payment not been made, the expense ratio would have been 1.24%.

<sup>4</sup> Annualized.

<sup>5</sup> See note 2 to Financial Statements.

*The accompanying notes are an integral part of the financial statements.*

# Meridian Growth Fund

## Financial Highlights

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

	For the fiscal year ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Net Asset Value - Beginning of Year . . . . .	\$27.89	\$33.60	\$42.74	\$38.54	\$35.77	\$35.38	\$27.24	\$28.10	\$31.30	\$29.45
<u>Income (Loss) from Investment Operations</u>										
Net Investment Income (Loss) . . .	0.08 <sup>1</sup>	0.15 <sup>1</sup>	0.05 <sup>1</sup>	0.04	(0.01)	(0.07)	(0.04)	(0.08)	(0.12)	2.26
Net Gains (Losses) on Investments (both realized and unrealized) . . . . .	6.11	(4.68)	(5.56)	7.29	3.58	1.02	9.10	(0.11)	(0.24)	3.89
Total From Investment Operations . . . . .	6.19	(4.53)	(5.51)	7.33	3.57	0.95	9.06	(0.19)	(0.36)	6.15
<u>Less Distributions</u>										
Distributions from Net Investment Income . . . . .	(0.12)	(0.09)	(0.05)	(0.01)	0.00	0.00	0.00	(0.06)	0.00	(2.44)
Distributions from Net Realized Capital Gains . . . . .	0.00	(1.09)	(3.58)	(3.12)	(0.80)	(0.56)	(0.92)	(0.61)	(2.84)	(1.86)
Distributions from Paid in Capital . . . . .	(0.02)	(0.00) <sup>2</sup>	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total Distributions . . . . .	(0.14)	(1.18)	(3.63)	(3.13)	(0.80)	(0.56)	(0.92)	(0.67)	(2.84)	(4.30)
Net Asset Value - End of Year . . .	\$33.94	\$27.89	\$33.60	\$42.74	\$38.54	\$35.77	\$35.38	\$27.24	\$28.10	\$31.30
Total Return . . . . .	22.18%	(13.01%)	(13.80%)	19.69%	10.08%	2.65%	33.65%	(0.20%)	0.42%	23.34%
<u>Ratios/Supplemental Data</u>										
Net Assets, End of Year (000's) . .	\$1,438,266	\$1,197,656	\$1,516,015	\$2,066,750	\$1,689,374	\$1,693,564	\$1,273,302	\$448,393	\$310,659	\$182,117
Ratio of Expenses to Average Net Assets . . . . .	0.84%	0.86%	0.84%	0.84%	0.85%	0.86%	0.88%	0.95%	1.02%	1.04%
Ratio of Net Investment Income (Loss) to Average Net Assets . .	0.24%	0.52%	0.13%	0.11%	(0.03%)	(0.21%)	(0.21%)	(0.47%)	(0.62%)	(0.26%)
Portfolio Turnover Rate . . . . .	37%	35%	39%	40%	29%	32%	19%	27%	26%	43%

<sup>1</sup> Per share net investment income (loss) has been calculated using the average daily shares method.

<sup>2</sup> Distribution rounds to less than \$.01 per share.

*The accompanying notes are an integral part of the financial statements.*

# Meridian Value Fund

## Financial Highlights

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

	For the fiscal year ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Net Asset Value - Beginning of Year . . . . .	\$20.53	\$29.43	\$38.79	\$36.14	\$38.11	\$40.35	\$31.65	\$30.34	\$30.98	\$25.88
<u>Income (Loss) from Investment Operations</u>										
Net Investment Income (Loss) . . . . .	0.07 <sup>1</sup>	0.22 <sup>1</sup>	0.15 <sup>1</sup>	0.41	0.18	0.19	0.00	(0.03)	(0.05)	1.12
Net Gains (Losses) on Investments (both realized and unrealized) . . . . .	2.45	(7.80)	(3.12)	7.74	2.45	2.96	8.70	1.34	(0.51)	5.75
Total From Investment Operations . . . . .	2.52	(7.58)	(2.97)	8.15	2.63	3.15	8.70	1.31	(0.56)	6.87
<u>Less Distributions</u>										
Distributions from Net Investment Income . . . . .	(0.25)	0.00	(0.35)	(0.41)	(0.32)	(0.28)	0.00	0.00	(0.04)	(1.09)
Distributions from Net Realized Capital Gains . . . . .	0.00	(1.32)	(6.04)	(5.09)	(4.28)	(5.11)	0.00	0.00	(0.04)	(0.68)
Total Distributions . . . . .	(0.25)	(1.32)	(6.39)	(5.50)	(4.60)	(5.39)	0.00	0.00	(0.08)	(1.77)
Net Asset Value - End of Year . . . . .	\$22.80	\$20.53	\$29.43	\$38.79	\$36.14	\$38.11	\$40.35	\$31.65	\$30.34	\$30.98
Total Return . . . . .	12.20%	(25.72%)	(8.82%)	23.90%	7.35%	8.00%	27.49%	4.32%	(1.78%)	27.95%
<u>Ratios/Supplemental Data</u>										
Net Assets, End of Year (000's) . . . . .	\$802,936	\$831,572	\$1,319,186	\$1,819,440	\$1,686,874	\$2,271,478	\$2,226,590	\$1,456,552	\$1,297,207	\$768,559
Ratio of Expenses to Average Net Assets . . . . .	1.09%	1.12%	1.09%	1.08%	1.09%	1.08%	1.09%	1.11%	1.12%	1.10%
Ratio of Net Investment Income (Loss) to Average Net Assets . . . . .	0.27%	0.97%	0.44%	0.59%	0.49%	0.48%	0.01%	(0.12%)	(0.22%)	0.60%
Portfolio Turnover Rate . . . . .	45%	87%	61%	75%	58%	59%	81%	60%	54%	76%

<sup>1</sup> Per share net investment income (loss) has been calculated using the average daily shares method.

*The accompanying notes are an integral part of the financial statements.*

# Meridian Fund, Inc.

## Notes to Financial Statements

For the Year Ended June 30, 2010

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1. **Organization and Significant Accounting Policies:** Meridian Fund, Inc. (the “Meridian Funds”) is comprised of the Meridian Equity Income Fund (the “Equity Income Fund”), the Meridian Growth Fund (the “Growth Fund”) and the Meridian Value Fund (the “Value Fund”). The Equity Income Fund, the Growth Fund and the Value Fund (each a “Fund” and collectively, the “Funds”) are registered under the Investment Company Act of 1940, as no-load, diversified, open-end management investment companies. The Equity Income Fund began operations and was registered on January 31, 2005. The Growth Fund began operations and was registered on August 1, 1984. The Value Fund began operations on February 10, 1994 and was registered on February 7, 1994.

The primary investment objective of the Equity Income Fund is to seek long-term growth of capital along with income as a component of total return.

The primary investment objective of the Growth Fund is to seek long-term growth of capital.

The primary investment objective of the Value Fund is to seek long-term growth of capital.

The following is a summary of significant accounting policies for all of the Funds:

- a. **Investment Valuations:** Marketable securities are valued at the closing price or last sales price on the principal exchange or market on which they are traded; or, if there were no sales that day, at the last reported bid price. Securities and other assets for which reliable market quotations are not readily available or for which a significant event has occurred since the time of the most recent market quotation, will be valued at their fair value as determined by Aster Investment Management Company, Inc. (the “Adviser”) under the guidelines established by, and under the general supervision and responsibility of, the Funds’ Board of Directors (the “Board”). Short-term debt securities with original or remaining maturities in excess of 60 days are valued at the mean of their quoted bid and asked prices. Short-term debt securities with 60 days or less to maturity are valued at amortized cost which approximates fair market value.
- b. **Federal Income Taxes:** It is the Funds’ policy to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute all of their taxable income to their shareholders; therefore, no federal income tax provision is required.
- c. **Security Transactions:** Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses on security transactions are determined on the basis of specific identification for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily.
- d. **Cash and Cash Equivalents:** All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Available funds are automatically swept into a Cash Reserve account, which preserves capital with a consistently competitive rate of return. Interest accrues daily and is credited by the third business day of the following month.
- e. **Expenses:** Expenses arising in connection with a Fund are charged directly to that Fund. Expenses common to the Funds are generally allocated to each Fund in proportion to their relative net assets.

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

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- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the U.S. (“GAAP”) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and revenue and expenses at the date of the financial statements. Actual amounts could differ from those estimates.
- g. **Distributions to Shareholders:** The Funds record distributions to shareholders on the ex-dividend date. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

Distributions which exceed net investment income and net realized capital gains are reported as distributions in excess of net investment income or distributions in excess of net realized capital gains for financial reporting purposes but not for tax purposes. To the extent they exceed net investment income and net realized capital gains for tax purposes, they are reported as distributions of paid-in-capital.

- h. **Guarantees and Indemnification:** Under the Funds’ organizational documents, its Officers and Directors are indemnified against certain liability arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
- i. **Fair Value Measurements:** As described in Note 1.a. above, the Funds utilize various methods to determine and measure the fair value of investment securities on a recurring basis. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices in active markets for identical securities;

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 – significant unobservable inputs (including the Fund’s determinations as to the fair value of investments).

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used to value the Funds' securities as of June 30, 2010 is as follows:

<u>Valuation Inputs</u>	<u>Equity Income Fund</u>	<u>Growth Fund</u>	<u>Value Fund</u>
Level 1 – Quoted Prices* . . . . .	\$23,626,798	\$1,360,119,932	\$759,400,963
Level 2 – Other Significant Observable Inputs** . . . . .	—	51,981,800	31,988,800
Level 3 – Significant Unobservable Inputs . . . . .	—	—	—
<b>Total Market Value of Investments . .</b>	<u><b>\$23,626,798</b></u>	<u><b>\$1,412,101,732</b></u>	<u><b>\$791,389,763</b></u>

\* *Level 1 investments are comprised of common stock with industry classifications as defined on the Schedule of Investments.*

\*\* *Level 2 investments are limited to U.S. Treasury Securities.*

During the year ended June 30, 2010 there were no reportable transfers between levels requiring disclosure in conformity with Financial Accounting Standards Board Accounting Standards Update No. 2010-06 “Improving Disclosures about Fair Value Measurements.”

2. **Related Parties:** The Funds have entered into management agreements with the Adviser. Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of June 30, 2010 were as follows:

Equity Income Fund . . . . .	76.11%
Growth Fund . . . . .	1.33%
Value Fund . . . . .	2.11%

The Adviser receives from the Equity Income Fund, as compensation for its services, an annual fee of 1% of the first \$10,000,000 of the Equity Income Fund's net assets, 0.90% of the next \$20,000,000 of the Equity Income Fund's net assets, 0.80% of the next \$20,000,000 of the Equity Income Fund's net assets and 0.70% of the Equity Income Fund's net assets in excess of \$50,000,000. The fee is paid monthly in arrears and calculated based on that month's daily average net assets.

The Adviser receives from the Growth Fund, as compensation for its services, an annual fee of 1% of the first \$50,000,000 of the Growth Fund's net assets and 0.75% of the Growth Fund's net assets in excess of \$50,000,000. The fee is paid monthly in arrears and calculated based on that month's daily average net assets.

The Adviser receives from the Value Fund, as compensation for its services, an annual fee of 1% of the Value Fund's net assets. The fee is paid monthly in arrears and calculated based on that month's daily average net assets.

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

The Adviser voluntarily agreed to waive its fee and reimburse expenses, to the extent that total annual operating expenses for the Equity Income Fund exceeds 1.25%. The Investment Adviser has voluntarily agreed to limit the operating expenses of the Growth and Value Funds to 2.50%. With respect to these limits, the Adviser reimbursed the Equity Income Fund \$12,855 but did not reimburse the Growth and Value Funds, during the year ended June 30, 2010.

The Equity Income Fund will carry forward, for a period not to exceed three years from the date on which a waiver or reimbursement of expenses in excess of the expense limitation, is made by the Adviser, and repay the Adviser such amounts; provided the Fund is able to effect such reimbursement and maintain the expense limitation.

At June 30, 2010, the balance of recoupable expenses along with the year of expiration for the Equity Income Fund is:

<u>Amount</u>	<u>Expiration</u>
\$44,638 .....	2012
12,855 .....	2013

Subject to the approval of the Board, the Fund will repay the Adviser the amount of its reimbursement for the Equity Income Fund for up to three years following the reimbursement to the extent the Equity Income Fund's expenses drop below 1.25%, after giving effect to repayment by the Fund. Either the Fund or the Adviser can modify or terminate this arrangement at any time.

3. **Capital Shares Transactions:** Transactions in capital shares for the year ended June 30, 2010 and the year ended June 30, 2009 were as follows:

	<u>Equity Income Fund</u>	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Decrease in Fund shares:		
Shares sold .....	102,162	384,261
Shares issued from reinvestment of distributions .....	<u>64,075</u>	<u>283,925</u>
	166,237	668,186
Shares redeemed .....	<u>(250,390)</u>	<u>(887,800)</u>
Net decrease .....	<u>(84,153)</u>	<u>(219,614)</u>

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

	Growth Fund	
	June 30, 2010	June 30, 2009
Decrease in Fund shares:		
Shares sold . . . . .	6,935,285	9,262,413
Shares issued from reinvestment of distributions . . . . .	<u>162,637</u>	<u>1,630,375</u>
	7,097,922	10,892,788
Shares redeemed . . . . .	<u>(7,666,732)</u>	<u>(13,057,218)</u>
Net decrease . . . . .	<u>(568,810)</u>	<u>(2,164,430)</u>

	Value Fund	
	June 30, 2010	June 30, 2009
Decrease in Fund shares:		
Shares sold . . . . .	2,717,508	8,035,231
Shares issued from reinvestment of distributions . . . . .	<u>382,841</u>	<u>2,401,251</u>
	3,100,349	10,436,482
Shares redeemed . . . . .	<u>(8,391,590)</u>	<u>(14,754,282)</u>
Net decrease . . . . .	<u>(5,291,241)</u>	<u>(4,317,800)</u>

4. **Compensation of Directors and Officers:** Directors and Officers of the Funds who are Directors and/or Officers of the Adviser receive no compensation from the Funds. Directors of the Funds who are not interested persons, as defined in the Investment Company Act of 1940, receive compensation in the amount of a minimum of \$6,000 per annum. Compensation will be paid at each director's election in either cash or Fund shares. The difference between an average of the share prices of the three series Funds taken at the beginning and the end of the Funds' fiscal year will be used to calculate an adjustment to the prior year's director's fee compensation in each successive year. Compensation will not adjust below \$6,000. An additional \$1,000 will be paid to each unaffiliated director for each Board of Directors meeting attended other than the annual meeting.
5. **Investment Transactions:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term securities and U.S. government obligations, for the year ended June 30, 2010, were as follows:

	<u>Purchases</u>	<u>Proceeds from Sales</u>
Equity Income Fund . . . . .	\$ 14,860,139	\$ 15,533,279
Growth Fund . . . . .	497,112,161	534,174,682
Value Fund . . . . .	381,245,858	514,244,527

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. The tax character of distributions made during the fiscal years ended June 30, 2010 and June 30, 2009 were as follows:

### 2010 Taxable Distributions

	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Distributions of Paid-in-Capital</u>	<u>Total Distributions</u>
Equity Income Fund . . . . .	\$ 560,148	\$—	\$ —	\$ 560,148
Growth Fund . . . . .	5,002,954	—	812,370	5,815,324
Value Fund . . . . .	9,603,460	—	—	9,603,460

### 2009 Taxable Distributions

	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Distributions of Paid-in-Capital</u>	<u>Total Distributions</u>
Equity Income Fund . . . . .	\$ 826,043	\$ 1,245,404	\$ —	\$ 2,071,447
Growth Fund . . . . .	6,521,826	41,465,299	84,488	48,071,613
Value Fund . . . . .	19,439,113	38,125,881	—	57,564,994

7. **Federal Income Taxes Information:** Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (tax years ended June 30, 2007-2010), and has concluded that no provision for federal income tax is required in the Funds' financial statements. The Funds' federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Permanent differences, incurred during the year ended June 30, 2010, resulting from differences in book and tax accounting have been reclassified at year end to undistributed net investment income and accumulated realized gain/(loss) as follows:

	<u>Increase/(Decrease) Paid-in-Capital</u>	<u>Increase/(Decrease) Undistributed Net Investment Income/(Loss)</u>	<u>Increase/(Decrease) Accumulated Realized Gain/(Loss)</u>
Equity Income Fund . . . . .	\$ —	\$ —	\$—
Growth Fund . . . . .	(1,647,233)	1,647,233	—
Value Fund . . . . .	—	—	—

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2010

The aggregate cost of investments, unrealized appreciation and depreciation, for federal income tax purposes at June 30, 2010 is as follows:

	<u>Aggregate Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation/ (Depreciation)</u>
Equity Income Fund . . . . .	\$ 24,827,591	\$ 980,992	\$ (2,181,785)	\$ (1,200,793)
Growth Fund . . . . .	1,221,399,643	244,017,940	(53,315,851)	190,702,089
Value Fund . . . . .	726,082,044	104,501,123	(39,193,404)	65,307,719

### Components of Accumulated Earnings (Losses) on a Tax Basis

	<u>Equity Income Fund</u>	<u>Growth Fund</u>	<u>Value Fund</u>
Undistributed ordinary income . . . . .	\$ 462,342	\$ —	\$ 2,508,656
Capital loss carry forward . . . . .	(6,997,733)	(31,465,152)	(340,561,891)
Post-October losses deferred . . . . .	—	—	—
Unrealized appreciation/(depreciation) . . . . .	<u>(1,200,793)</u>	<u>190,702,089</u>	<u>65,307,719</u>
Total Accumulated Losses . . . . .	<u><u>\$(7,736,184)</u></u>	<u><u>\$159,236,937</u></u>	<u><u>\$(272,745,516)</u></u>

Post-October losses represent losses realized on investment transactions from November 1, 2009 through June 30, 2010 that, in accordance with federal income tax regulations, the Funds have elected to defer and treat as having arisen in the following fiscal year. The differences between book and tax-basis unrealized appreciations are attributable primarily to the tax deferral of losses on wash sales.

As of June 30, 2010 the Funds had capital loss carry forwards available to offset future realized capital gains through the indicated expiration dates:

	<u>Amount</u>	<u>Expires</u>
Equity Income Fund . . . . .	\$ 182,963	2017
Equity Income Fund . . . . .	6,814,770	2018
Growth Fund . . . . .	31,465,152	2018
Value Fund . . . . .	54,088,431	2017
Value Fund . . . . .	286,473,460	2018

8. **Subsequent Events:** Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were available to be issued, and has noted no additional events that require recognition or disclosure in the financial statements.

# Report of Independent Registered Public Accounting Firm

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To the Board of Directors and Shareholders  
of Meridian Fund, Inc.

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Meridian Equity Income Fund, Meridian Growth Fund and Meridian Value Fund (constituting Meridian Fund, Inc. hereafter referred to as the “Funds”) at June 30, 2010, the results of each of their operations for the year then ended, the changes in each of their net assets for the two years then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2010 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
San Francisco, California  
August 13, 2010

# Meridian Fund, Inc.

## Additional Information (unaudited)

For the Year Ended June 30, 2010

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1. **Proxy Voting Record and Proxy Voting Policies and Procedures:** A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to portfolio securities along with information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30 is available (i) without charge, upon request, by calling (800) 446-6662; (ii) on our website at <http://www.meridianfund.com>; and (iii) on the Securities and Exchange Commission (“SEC”) website at <http://www.sec.gov>.
2. **Information on Form N-Q:** The Company files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q within sixty days after the end of the period. The Company’s Form N-Q is available on the SEC’s website at <http://www.sec.gov>, and may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) 732-0330.

# Information About the Directors and Officers of Meridian Fund, Inc.

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The individuals listed below serve as directors or officers of Meridian Fund, Inc. (the “Meridian Funds”). Each director of the Meridian Funds serves until a successor is elected and qualified or until resignation. Each officer of the Meridian Funds is elected annually by the Board of Directors. The address of all officers and directors is 60 East Sir Francis Drake Blvd., Suite 306, Larkspur, CA 94939. The Meridian Funds’ Statement of Additional Information (SAI) includes more information about the Directors. To request a free copy, call Meridian at 1-800-446-6662.

## Interested Directors \*

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Richard F. Aster, Jr. (70)

Positions(s) Held with Fund: President, Chairman of the Board, Portfolio Manager

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: President, Aster Investment Management, Inc.

Number of Portfolios Overseen: 3

Other Directorships: N/A

Michael Stolper (65)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Investment Adviser and Broker/Dealer, Stolper & Company, Inc.

Number of Portfolios Overseen: 3

Other Directorships: Window Pane Funds

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\* Aster Investment Management, Inc. is investment adviser to the Meridian Funds.

Mr. Stolper is a minority owner of Aster Investment Management, Inc.

# Information About the Directors and Officers of Meridian Fund, Inc. (continued)

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## Independent Directors

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Ronald Rotter (67)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 2, 2007

Principal Occupation(s) During Past 5 Years: Co-founder and Managing Partner, RBR Capital Management; Private Investor

Number of Portfolios Overseen: 3

Other Directorships: N/A

Michael S. Erickson (58)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Private Investor; Chairman & CFO, AeroAstro; Trustee, The Marin School

Number of Portfolios Overseen: 3

Other Directorships: N/A

James Bernard Glavin (75)

Positions(s) Held with Fund: Vice Chairman of the Board

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Chairman of the Board, Orchestra Therapeutics, Inc.

Number of Portfolios Overseen: 3

Other Directorships: N/A

Herbert Charles Kay (73)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): May 3, 1985

Principal Occupation(s) During Past 5 Years: Private Investor

Number of Portfolios Overseen: 3

Other Directorships: N/A

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## Officers

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Gregg B. Keeling, CPA (55)

Positions(s) Held with Fund: Chief Financial Officer, Treasurer, Secretary and Chief Compliance Officer

Length of Service: (Beginning Date) April 1999

Principal Occupation(s) During Past 5 Years: Aster Investment Management, Inc., Vice President of Operations and Chief Compliance Officer

## 2010 TAX NOTICE TO SHAREHOLDERS (Unaudited)

The information set forth below is for each Fund's fiscal year as required by federal laws. Shareholders, however, must report distributions on a calendar year basis for income tax purposes, which may include distributions for portions of two fiscal years of a Fund. Accordingly, the information needed by shareholders for income tax purposes will be sent to them in early 2011. Please consult your tax advisor for proper treatment of this information.

For the period July 1, 2009 to June 30, 2010 the Funds designated the following items with regard to distributions paid during the period. All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of each Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

Pursuant to Internal Revenue Code Section 854(b)(2), the Funds listed below designate a percentage of their ordinary income dividends distributed during the year ended June 30, 2010 as qualifying for the corporate dividends-received deduction:

Equity Income Fund . . . . .	100.00%
Growth Fund . . . . .	100.00%
Value Fund . . . . .	100.00%

Pursuant to Section I (h)(11) of the Internal Revenue Code, the Funds listed below designate the following amounts of their income dividends paid during the year ended June 30, 2010 as qualified dividend income (QDI):

Equity Income Fund . . . . .	100.00%
Growth Fund . . . . .	100.00%
Value Fund . . . . .	100.00%

U.S. Government interest represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of total ordinary income distributions (the total of short-term capital gain and net investment income distributions). Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for residents of California, Connecticut and New York, the statutory threshold requirements were not satisfied to permit exception of these amounts from state income for the Funds.

### **U.S. Government interest:**

Equity Income Fund . . . . .	0.00%
Growth Fund . . . . .	0.34%
Value Fund . . . . .	2.10%

# MERIDIAN FUND, INC.

This report is submitted for the information of shareholders of Meridian Fund, Inc. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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## *Officers and Directors*

RICHARD F. ASTER, JR.  
President and Director

MICHAEL S. ERICKSON

JAMES B. GLAVIN

HERBERT C. KAY

RONALD ROTTER

MICHAEL STOLPER  
Directors

GREGG B. KEELING  
Chief Financial Officer  
Treasurer and Secretary  
Chief Compliance Officer

## *Custodian*

PFPC TRUST COMPANY  
Philadelphia, Pennsylvania

## *Transfer Agent and Disbursing Agent*

BNY MELLON INVESTMENT SERVICING (US) INC.  
King of Prussia, Pennsylvania  
(800) 446-6662

## *Counsel*

GOODWIN PROCTER LLP  
Washington, D.C.

## *Independent Registered Public*

*Accounting Firm*  
PRICEWATERHOUSECOOPERS LLP  
San Francisco, California

## MERIDIAN EQUITY INCOME FUND® MERIDIAN GROWTH FUND® MERIDIAN VALUE FUND®

## ANNUAL REPORT



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June 30, 2010