

MERIDIAN FUND, INC.

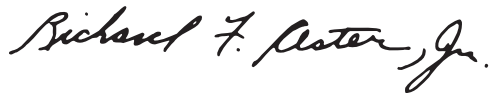
July 5, 2005

To Our Shareholders:

Stocks posted small gains during the second quarter as investors shrugged off higher oil prices and Federal Reserve rate increases. During the second quarter the S&P 500 gained 0.9%, the NASDAQ 2.9% and the Russell 2000 4.0%. The indices still remained down modestly for the six-month period ended June 30, 2005. The best performing sectors during the second quarter included biotechnology, home construction and energy. Computer services, paper and steel stocks were among the worst performing sectors. The yield on the ten-year government bond declined from 4.49% to 3.95%, in spite of Federal Reserve tightening and a slight rise in the rate of inflation.

The economy continues to grow, but at a more measured pace than the revised 3.8% first quarter GDP growth rate. The housing sector continues to boom and consumer confidence is at a high level while retail sales and business investment are increasing. Interest rates remain low and investors do not appear to be concerned with the inflation rate moving substantially higher. Corporate profits are expected to grow ten percent in 2005. The main risks to sustained economic growth, in our opinion, are further increases in the price of oil, or a bust in the housing market. We believe that the price of oil will level off or decline from the current level. Housing prices are at risk, in our opinion, but we believe it will take a meaningful rise in interest rates before prices fall substantially. Our outlook is for continued but more modest GDP growth throughout 2005 and into 2006.

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 FundSM

The Meridian Equity Income Fund's net asset value per share at June 30, 2005 was \$10.10. This represents an increase of 1.0% since the Fund's inception, January 31, 2005, to date. The Fund's assets, at the close of the second quarter, were invested 5.2% in cash and cash equivalents and 94.8% in stocks. Total net assets were \$8,411,844 and there were 304 shareholders.

The Fund currently holds thirty positions. The heaviest areas of concentration include banking, insurance, consumer products and industrial products. The Fund has an average market capitalization of fifteen billion dollars, a yield of 3.10%, a return on equity of 20% and a price earnings ratio of seventeen times. We believe these important benchmarks compare favorably with those of the S&P 500 which currently yields a reported 1.8%.

New positions acquired during the second quarter include Limited Brands, Newell Rubbermaid, Reynolds American and Unitrin. We sold General Mills, Hubbell, IHOP and WD 40.

Newell Rubbermaid is a leading designer, manufacturer and marketer of a wide variety of branded consumer products, including containers, markers, pens, hair-care accessories, cookware and tools. Notable brands include Rubbermaid, Paper Mate, and Sharpie. Products are distributed through department/specialty stores, warehouse clubs, home centers and office super stores. Growth will come through new and improved products and increased distribution points. Newell has a good balance sheet and has averaged 20% return on equity during the past five years. The shares, in our opinion, are attractively valued with a market average price earnings ratio and an above average dividend yield of 3.3%.

Meridian Growth Fund®

The Meridian Growth Fund's net asset value per share at June 30, 2005 was \$35.77. This represents a decrease of 3.9% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,452.5% and 14.0%, respectively. The Fund's assets at the close of the second quarter were invested 5.3% in cash and cash equivalents and 94.7% in stocks. Total net assets were \$1,693,563,778 and there were 77,961 shareholders.

We remain positive on equities based on anticipated stable or lower oil prices and moderate economic growth for the balance of 2005 and well into 2006. Our portfolio consists of small and mid-cap growth stocks that we believe, for the most part, are consistent long-term growers with good financial characteristics, strong market positions and proven management teams. The relative earnings of our companies should improve as the economic cycle matures and the rate of growth in corporate profits slows. The Fund is balanced and we believe it will do well over the long-term.

We purchased shares in Foot Locker and Las Vegas Sands during the second quarter. We sold our positions in Ethan Allen Interiors, Matthews International, Scientific-Atlanta and Tektronix.

Our heaviest areas of focus are technology, health care and retail stocks. Edwards Lifesciences, a current holding, is a leading provider of products and technologies which address cardiovascular disease. Products include heart valves, surgery systems, balloon catheters and other disposable products. Edwards is known for its technical expertise and for high quality. The company holds numerous patents. Products are distributed through a direct sales force and through distributors both in the United States and internationally. International sales represent in excess of fifty percent of revenues and are expected to increase, especially in rapidly developing countries. The

company has excellent financial characteristics and we believe the valuation is attractive considering the company's leading market position and long-term consistent growth prospects.

Meridian Value Fund®

The Meridian Value Fund's net asset value per share at June 30, 2005 was \$38.11. This represents an increase of 0.1% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 20.2% and 530.8%, respectively. The comparable period returns for the S&P 500 with dividends were 10.6% and 172.7%, respectively. The Fund's assets at the close of the second quarter were invested 5.6% in cash and cash equivalents and 94.4% in stocks. Total net assets were \$2,271,477,917 and there were 107,355 shareholders. Lipper recently rated the Meridian Value Fund as the seventh best performing stock fund for the ten-year period ending June 30, 2005, a significant achievement.

Our investment strategy is unchanged, and there have been no major changes in our portfolio holdings. We continue to seek out-of-favor companies that have defensible positions in their industries, strong or improving balance sheets, reasonable valuations and good prospects for earnings growth. We believe that over the long term this strategy will continue to outperform. Economic growth and corporate profits are expected to moderate going forward. This, historically, has resulted in a greater pool of potential investments for the Fund. In our opinion, the Fund is well positioned, reasonably valued and diversified.

New positions acquired during the quarter include Barrick Gold, The DIRECTV Group, Intersil, JPMorgan Chase, Pearson, Tyson Foods and UnumProvident. We sold Automatic Data Processing, Agrium, Fomento Economico Mexicano, MGIC Investment, Newmont Mining, Nationwide Financial Services, Office Depot, Pier 1 Imports, Storage Technology and Tele Norte Leste Participacoes.

We continue to invest in companies of all market capitalizations and our largest areas of concentration are consumer products, energy and industrial products. Baxter International, a current holding, is a leading provider of consumable intravenous medical equipment, and provider of blood collection and renal care services. Baxter suffered earnings declines in 2004 due to over-investment in its plasma collection business and poor financial engineering decisions related to currency hedges. Over the past year, the company has significantly upgraded its management team, is rationalizing poorly performing business lines, and is benefiting from improving plasma collection market conditions. As management shifts its focus from stabilizing the business to leveraging the company's strong market position into growth opportunities, Baxter's earnings should exceed \$2.50 in 2 to 3 years. We believe the shares are reasonably valued at 15 times normalized earnings as Baxter is a market leader with strong cash flow and numerous opportunities to accelerate earnings growth.

Meridian Equity Income Fund

Summary of Portfolio Holdings

June 30, 2005

Portfolio Holdings by Category (% of net asset value)

Banking/Finance	9.6%	\$ 808,260
Insurance	9.5%	801,748
Chemicals	6.5%	544,656
Industrial Products	6.5%	544,265
Retail	6.4%	541,795
Consumer Products	6.4%	535,216
Consumer Products/Food & Beverage	6.2%	520,487
Industrial Services	6.2%	520,218
Paper/Forest Products	6.2%	520,061
Diversified Operations	6.0%	508,298
Telecommunications Services	3.3%	275,278
Energy	3.3%	274,144
Oil & Gas	3.2%	273,249
Insurance Brokers	3.2%	268,587
Brokerage & Money Management	3.1%	265,012
Basic Materials	3.1%	258,885
Office Supplies	3.1%	256,856
Pharmaceuticals	3.0%	254,038
Cash and Other Assets Less Liabilities	5.2%	440,791
Total Net Assets	<u>100.0%</u>	<u>\$8,411,844</u>

Meridian Growth Fund

Summary of Portfolio Holdings

June 30, 2005

Portfolio Holdings by Category (% of net asset value)

Retail	12.4%	\$ 209,707,729
Healthcare Services	10.0%	169,446,112
Industrial Services	7.9%	134,343,665
Healthcare Products	6.7%	114,288,680
Restaurants	6.1%	102,717,553
Tech-Hardware	5.8%	98,460,496
Consumer Services	5.5%	92,762,018
Brokerage & Money Management	5.0%	83,853,225
Insurance	4.4%	74,664,442
Tech-Software	4.3%	72,351,066
Telecommunications Equipment	4.1%	69,396,819
Banking/Finance	3.8%	63,810,832
Industrial Products	3.2%	54,955,262
Apparel	3.1%	51,752,773
Cellular Communications	2.6%	44,329,078
Construction	2.6%	43,224,403
Real Estate	2.3%	39,377,625
Consumer Products	2.1%	35,598,750
U.S. Government Obligations	1.6%	27,956,406
Hotels & Lodging	1.0%	17,160,000
Transportation	1.0%	16,983,903
Business Services	0.8%	13,885,938
Cash and Other Assets Less Liabilities	3.7%	62,537,003
Total Net Assets	<u>100.0%</u>	<u>\$1,693,563,778</u>

Meridian Value Fund

Summary of Portfolio Holdings

June 30, 2005

Portfolio Holdings by Category (% of net asset value)

Energy	7.7%	\$ 174,022,537
Industrial Products	7.5%	170,928,638
Consumer Products	7.0%	159,268,354
Banking/Finance	6.3%	143,342,390
Consumer Products/Food & Beverage	6.0%	137,341,841
Technology	6.0%	135,887,436
Real Estate	5.3%	120,413,250
Media	4.8%	107,885,445
Aerospace/Defense	4.5%	102,588,066
Telecommunications Equipment	4.4%	100,934,526
Retail	4.1%	92,846,263
Industrial Services	3.9%	88,015,444
Insurance	3.8%	86,648,404
Telecommunications Services	3.4%	78,250,100
Healthcare Products	3.1%	69,289,020
Healthcare Services	2.6%	59,726,226
Pharmaceuticals	2.2%	50,767,025
Consumer Services	1.9%	42,925,662
U.S. Government Obligations	1.6%	35,895,268
Furniture & Fixtures	1.4%	31,638,720
Paper/Forest Products	1.4%	30,955,300
Utilities	1.3%	30,594,489
Transportation	1.1%	25,375,542
Information Technology Services	1.1%	24,557,699
Tech-Hardware	1.0%	22,218,357
Publishing	1.0%	21,521,808
Leisure & Amusement	0.9%	21,382,566
Basic Materials	0.7%	15,743,870
Cash and Other Assets Less Liabilities	4.0%	90,513,671
Total Net Assets	<u>100.0%</u>	<u>\$2,271,477,917</u>

Meridian Fund, Inc.

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period (January 01, 2005 to June 30, 2005)

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 01/01/05	Ending Account Value 06/30/05	Expense Ratio ⁽¹⁾	Expenses Paid During Period ⁽²⁾
Actual Fund Return				
(See explanation below)				
Meridian Equity Income Fund	\$1,000.00	\$1,010.00	1.25% ⁽⁴⁾	\$6.23
Meridian Growth Fund	\$1,000.00	\$ 960.50	0.86%	\$4.18
Meridian Value Fund	\$1,000.00	\$1,000.50	1.08%	\$5.36
Hypothetical 5% Return⁽³⁾				
(See explanation below)				
Meridian Equity Income Fund	\$1,000.00	\$1,018.60	1.25% ⁽⁴⁾	\$6.26
Meridian Growth Fund	\$1,000.00	\$1,020.53	0.86%	\$4.31
Meridian Value Fund	\$1,000.00	\$1,019.44	1.08%	\$5.41

- (1) Annualized, based on the Portfolio'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 the number of days in the most recent fiscal half-year, then dividend by 365.
- (3) Before expenses.
- (4) See note 2 to Financial Statements

This table 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.

Meridian Equity Income Fund

Schedule of Investments

June 30, 2005

	Shares	Value		Shares	Value
COMMON STOCK - 94.8%			INDUSTRIAL SERVICES - 6.2%		
BANKING/FINANCE - 9.6%			Genuine Parts Co.*	6,160	\$ 253,114
BancorpSouth, Inc.*	11,755	\$ 277,418	Waste Management, Inc.*	9,425	267,104
Comerica, Inc.*	4,615	266,747			520,218
Regions Financial Corp.*	7,795	264,095	INSURANCE - 9.5%		
		808,260	Jefferson-Pilot Corp.*	5,235	263,949
BASIC MATERIALS - 3.1%			Lincoln National Corp.*	5,785	271,432
PPG Industries, Inc.*	4,125	258,885	Unitrin, Inc.*	5,425	266,367
					801,748
BROKERAGE & MONEY MANAGEMENT - 3.1%			INSURANCE BROKERS - 3.2%		
Waddell & Reed			Arthur J. Gallagher &		
Financial, Inc. Class A*	14,325	265,012	Co.*	9,900	268,587
CHEMICALS - 6.5%			OFFICE SUPPLIES - 3.1%		
Dow Chemical Co.*	6,000	267,180	Avery Dennison Corp.*	4,850	256,856
Lubrizol Corp.*	6,605	277,476			
		544,656	OIL & GAS - 3.2%		
CONSUMER PRODUCTS - 6.4%			MDU Resources Group,		
Newell Rubbermaid, Inc.*	11,460	273,206	Inc.*	9,700	273,249
Reynolds American, Inc.*	3,325	262,010	PAPER/FOREST PRODUCTS - 6.2%		
		535,216	Kimberly-Clark Corp.*	4,200	262,878
CONSUMER PRODUCTS/FOOD & BEVERAGE - 6.2%			Sonoco Products Co.*	9,705	257,183
Coca-Cola Co.*	6,200	258,850			520,061
Kraft Foods, Inc. Class A*	8,225	261,637	PHARMACEUTICALS - 3.0%		
		520,487	Eli Lilly and Co.*	4,560	254,038
DIVERSIFIED OPERATIONS - 6.0%			RETAIL - 6.4%		
E.I. du Pont de			Cato Corp. Class A*	13,245	273,509
Nemours & Co.*	5,775	248,383	Limited Brands, Inc.*	12,525	268,286
Emerson Electric Co.*	4,150	259,915			541,795
		508,298	TELECOMMUNICATIONS SERVICES - 3.3%		
ENERGY - 3.3%			Alltel Corp.*	4,420	275,278
Kinder Morgan, Inc.*	3,295	274,144			
INDUSTRIAL PRODUCTS - 6.5%					
Barnes Group, Inc.*	8,375	277,213			
RPM International, Inc.*	14,625	267,052			
		544,265			

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

Meridian Equity Income Fund

Schedule of Investments (continued)

June 30, 2005

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
TOTAL COMMON STOCK - 94.8%		
(Identified cost \$7,958,176)		<u>\$ 7,971,053</u>
TOTAL INVESTMENTS - 94.8%		
(Identified cost \$7,958,176)		7,971,053
CASH AND OTHER ASSETS LESS		
LIABILITIES - 5.2%		<u>440,791</u>
NET ASSETS - 100%		<u><u>\$ 8,411,844</u></u>

* income producing

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

Meridian Growth Fund

Schedule of Investments

June 30, 2005

	Shares	Value		Shares	Value
COMMON STOCK - 94.7%			HEALTHCARE PRODUCTS - 6.7%		
APPAREL - 3.1%			C. R. Bard, Inc.*		
Fossil, Inc.	1,043,294	\$ 23,682,774		434,375	\$ 28,890,281
Polo Ralph Lauren Corp.*	651,125	28,069,999	DENTSPLY International		
		51,752,773	Inc.*		
BANKING/FINANCE - 3.8%				515,050	27,812,700
SVB Financial Group	827,400	39,632,460	Edwards Lifesciences		
UCBH Holdings, Inc.*	1,488,816	24,178,372	Corp.		
		63,810,832		668,985	28,779,735
BROKERAGE & MONEY MANAGEMENT - 5.0%				1,117,810	28,805,964
Affiliated Managers			STERIS Corp.*		
Group, Inc.	604,045	41,274,395	114,288,680		
T. Rowe Price Group,			HEALTHCARE SERVICES - 10.0%		
Inc.*	680,173	42,578,830	Apria Healthcare Group		
		83,853,225	Inc.		
BUSINESS SERVICES - 0.8%				1,184,175	41,019,822
Hewitt Associates, Inc. . . .	523,800	13,885,938	DaVita, Inc.		
CELLULAR COMMUNICATIONS - 2.6%				935,000	42,523,800
American Tower Corp.			Laboratory Corp. of		
Class A	2,108,900	44,329,078	America Holdings		
CONSTRUCTION - 2.6%				866,500	43,238,350
Granite Construction,			LifePoint Hospitals, Inc.		
Inc.*	1,538,235	43,224,403		844,500	42,664,140
CONSUMER PRODUCTS - 2.1%					169,446,112
Mohawk Industries, Inc. . . .	431,500	35,598,750	HOTELS & LODGING - 1.0%		
CONSUMER SERVICES - 5.5%			Las Vegas Sands Corp.		
Regis Corp.*	964,600	37,696,568		480,000	17,160,000
Rollins, Inc.*	1,260,487	25,260,159	INDUSTRIAL PRODUCTS - 3.2%		
Weight Watchers			Airgas, Inc.*		
International, Inc.	577,510	29,805,291		1,133,575	27,965,295
		92,762,018	Dionex Corp.		
				618,894	26,989,967
					54,955,262
			INDUSTRIAL SERVICES - 7.9%		
			Allied Waste Industries,		
			Inc.		
				4,561,325	36,171,307
			EGL, Inc.		
				1,172,778	23,830,849
			Republic Services, Inc.* . . .		
				1,048,300	37,749,283
			United Rentals, Inc.		
				1,810,600	36,592,226
					134,343,665
			INSURANCE - 4.4%		
			Mercury General Corp.* . . .		
				677,500	36,937,300
			Willis Group Holdings		
			Limited*		
				1,153,030	37,727,142
					74,664,442
			REAL ESTATE - 2.3%		
			Host Marriott Corp.*		
				2,250,150	39,377,625

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

Meridian Growth Fund

Schedule of Investments (continued)

June 30, 2005

	Shares	Value		Shares	Value
COMMON STOCK (continued)			TRANSPORTATION - 1.0%		
RESTAURANTS - 6.1%			JetBlue Airways Corp.		
Applebee's International, Inc. *	1,416,460	\$ 37,522,025	830,915	\$	16,983,903
CBRL Group, Inc. *	957,888	37,223,528	TOTAL COMMON STOCK - 94.7%		
Ruby Tuesday, Inc. *	1,080,000	27,972,000	(Identified cost \$1,375,415,616)		
		102,717,553	<u>1,603,070,369</u>		
RETAIL - 12.4%			U.S. GOVERNMENT OBLIGATIONS - 1.6%		
Bed Bath & Beyond, Inc.	877,300	36,653,594	U.S. Treasury Bill @ 2.785%		
Claire's Stores, Inc. *	1,832,500	44,071,625	due 07/07/05		
Cost Plus, Inc.	1,001,524	24,978,009	(Face Value \$13,000,000)		
Foot Locker, Inc. *	212,100	5,773,362	U.S. Treasury Bill @ 2.848%		
PETSMART, Inc. *	1,281,000	38,878,350	due 08/04/05		
Ross Stores, Inc. *	1,246,300	36,030,533	(Face Value \$15,000,000)		
Zale Corp.	735,950	23,322,256	<u>14,961,825</u>		
		209,707,729	TOTAL U.S. GOVERNMENT OBLIGATIONS		
TECH-HARDWARE - 5.8%			(Identified cost \$27,954,560)		
American Power Conversion Corp. *	1,506,073	35,528,262	<u>27,956,406</u>		
Molex Inc. Class A *	40,000	939,200	TOTAL INVESTMENTS - 96.3%		
Symbol Technologies, Inc. *	2,621,400	25,873,218	(Identified cost \$1,403,370,176)		
Vishay Intertechnology, Inc.	3,042,950	36,119,816	1,631,026,775		
		98,460,496	CASH AND OTHER ASSETS LESS		
TECH-SOFTWARE - 4.3%			LIABILITIES - 3.7%		
Advent Software, Inc.	1,066,438	21,606,034	<u>62,537,003</u>		
FileNET Corp.	718,800	18,070,632	NET ASSETS - 100%		
Getty Images, Inc.	440,000	32,674,400	<u>\$1,693,563,778</u>		
		72,351,066	* income producing		
TELECOMMUNICATIONS EQUIPMENT - 4.1%					
Andrew Corp.	2,785,425	35,542,023			
Plantronics, Inc. *	931,100	33,854,796			
		69,396,819			

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

Meridian Value Fund

Schedule of Investments

June 30, 2005

	Shares	Value		Shares	Value
COMMON STOCK - 94.4%			ENERGY - 7.7%		
AEROSPACE/DEFENSE - 4.5%			Arch Coal, Inc.*		
BE Aerospace, Inc.	1,121,100	\$ 17,522,793	El Paso Corp.*	630,900	\$ 34,365,123
Empresa Brasileira de			GlobalSanteFe Corp.*	2,838,900	32,704,128
Aeronautica S.A. ADR*	1,033,900	34,191,073	Hanover Compressor Co.	805,000	32,844,000
Northrop Grumman			National-Oilwell, Inc.	1,445,000	16,631,950
Corp.*	920,800	50,874,200	Tidewater, Inc.*	571,800	27,183,372
		<u>102,588,066</u>		794,700	<u>30,293,964</u>
BANKING/FINANCE - 6.3%			FURNITURE & FIXTURES - 1.4%		
Annaly Mortgage			Furniture Brands		
Management, Inc.*	1,321,700	23,698,081	International, Inc.*	1,103,300	23,842,313
Greater Bay Bancorp*	975,385	25,720,903	LA-Z-Boy, Inc.*	535,100	<u>7,796,407</u>
JPMorgan Chase & Co.*	635,000	22,428,200			31,638,720
SunTrust Banks, Inc.*	322,000	23,261,280	HEALTHCARE PRODUCTS - 3.1%		
Washington Mutual, Inc.*	1,185,400	48,233,926	Baxter International Inc.*		
		<u>143,342,390</u>	Thoratec Corp		
BASIC MATERIALS - 0.7%			1,492,800		
Barrick Gold Corp.*	629,000	15,743,870	<u>55,382,880</u>		
CONSUMER PRODUCTS - 7.0%			906,528		
Activision, Inc.			<u>69,289,020</u>		
Eastman Kodak Co.*	2,135,414	35,277,039	HEALTHCARE SERVICES - 2.6%		
Leggett & Platt, Inc.*	1,266,000	33,992,100	AmerisourceBergen Corp.*		
Newell Rubbermaid, Inc.*	1,220,500	32,440,890	Universal Health Services,		
Sensient Technologies			Inc. Class B*		
Corp.*	1,975,100	47,086,384	515,700		
	508,100	10,471,941	<u>32,066,226</u>		
		<u>159,268,354</u>	59,726,226		
CONSUMER PRODUCTS/FOOD & BEVERAGE - 6.0%			INDUSTRIAL PRODUCTS - 7.5%		
Chiquita Brands			ArvinMeritor, Inc.*		
International, Inc.*	1,071,400	29,420,644	Cummins, Inc.*		
Coca-Cola Enterprises,			General Electric Co.*		
Inc.*	1,313,400	28,907,934	Manitowoc Co., Inc.*		
Del Monte Foods Co.	3,395,400	36,568,458	Mettler-Toledo		
Kraft Foods Inc. Class A*	662,500	21,074,125	International, Inc.		
Tyson Foods, Inc.			Packaging Corp. of		
Class A*	1,200,600	21,370,680	America*		
		<u>137,341,841</u>	894,700		
CONSUMER SERVICES - 1.9%			Smurfit-Stone Container		
ServiceMaster Co.*	3,205,800	42,925,662	Corp.		
			2,179,200		
			<u>22,162,464</u>		
			170,928,638		
			INDUSTRIAL SERVICES - 3.9%		
			Allied Waste Industries,		
			Inc.		
			4,845,000		
			38,420,850		
			Tetra Tech, Inc.		
			625,000		
			8,456,250		
			Waste Management, Inc.*		
			1,451,600		
			<u>41,138,344</u>		
			88,015,444		

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

June 30, 2005

	Shares	Value		Shares	Value
COMMON STOCK (continued)			RETAIL - 4.1%		
INFORMATION TECHNOLOGY SERVICES - 1.1%			BJ's Wholesale Club, Inc. 1,143,200 \$ 37,142,568		
BearingPoint, Inc.	3,350,300	\$ 24,557,699	Christopher & Banks Corp. * 616,200 11,251,812		
INSURANCE - 3.8%			Linens 'n Things, Inc. ... 846,400 20,025,824		
Conesco, Inc.	2,826,600	61,676,412	Ross Stores, Inc.* 844,900 24,426,059		
UnumProvident Corp.* ...	1,363,100	24,971,992	<u>92,846,263</u>		
		86,648,404	TECHNOLOGY - 6.0%		
LEISURE & AMUSEMENT - 0.9%			AVX Corp.* 788,800 9,560,256		
Boyd Gaming Corp.*	418,200	21,382,566	Celestica, Inc. 1,865,700 25,000,380		
MEDIA - 4.8%			Coherent, Inc. 749,600 26,993,096		
Lamar Advertising Co.			Credence Systems Corp. 3,128,164 28,309,884		
Class A*	574,500	24,571,365	Foundry Networks, Inc. 1,255,100 10,831,513		
Time Warner, Inc.	3,303,000	55,193,130	Intersil Corp. Class A* ... 1,194,700 22,424,519		
Valassis Communications, Inc.	759,000	28,120,950	Western Digital Corp. ... 951,400 12,767,788		
		<u>107,885,445</u>	<u>135,887,436</u>		
PAPER/FOREST PRODUCTS - 1.4%			TECH - HARDWARE - 1.0%		
Aracruz Celulose S.A.			Symbol Technologies, Inc.* 2,251,100 22,218,357		
ADR*	890,800	30,955,300	TELECOMMUNICATIONS EQUIPMENT - 4.4%		
PUBLISHING - 1.0%			Nokia Oyj ADR* 2,044,200 34,015,488		
Pearson plc ADR*	1,811,600	21,521,808	Powerwave Technologies, Inc. 3,137,400 32,064,228		
PHARMACEUTICALS - 2.2%			Tellabs, Inc. 4,006,300 34,854,810		
Endo Pharmaceutical Holdings, Inc.	1,049,055	27,569,165	<u>100,934,526</u>		
Taro Pharmaceutical Industries Ltd.	798,000	23,197,860	TELECOMMUNICATIONS SERVICES - 3.4%		
		<u>50,767,025</u>	Comcast Corp. Special Class A 1,835,000 54,958,250		
REAL ESTATE - 5.3%			DIRECTV Group, Inc. ... 1,502,700 23,291,850		
Apartment Investment & Management Co.			<u>78,250,100</u>		
Class A*	783,100	32,044,452	TRANSPORTATION - 1.1%		
Equity Residential *	751,400	27,666,548	Burlington Northern Santa Fe Corp.* 429,900 20,239,692		
Host Marriott Corp.*	3,468,700	60,702,250	SkyWest, Inc.* 282,500 5,135,850		
		<u>120,413,250</u>	<u>25,375,542</u>		

The accompanying notes are an integral part of the financial statements

Meridian Value Fund

Schedule of Investments (continued)

June 30, 2005

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (continued)		
UTILITIES - 1.3%		
TECO Energy, Inc.*	1,617,900	\$ 30,594,489
TOTAL COMMON STOCK - 94.4%		
(Identified cost \$1,937,949,486)		<u>2,145,068,978</u>
U.S. GOVERNMENT OBLIGATIONS - 1.6%		
U.S. Treasury Bill @ 2.815%		
due 07/28/05		
(Face Value \$25,000,000)		24,951,643
U.S. Treasury Bill @ 2.977%		
due 09/01/05		
(Face Value \$11,000,000)		<u>10,943,625</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS		
(Identified cost \$35,893,027)		<u>35,895,268</u>
TOTAL INVESTMENTS - 96.0%		
(Identified cost \$1,973,842,513)		2,180,964,246
CASH AND OTHER ASSETS LESS		
LIABILITIES - 4.0%		<u>90,513,671</u>
NET ASSETS - 100%		<u><u>\$2,271,477,917</u></u>

* income producing

ADR - American Depository Receipt

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Assets and Liabilities

June 30, 2005

	Equity Income Fund	Growth Fund	Value Fund
ASSETS			
Investments (Cost \$7,958,176, \$1,403,370,176 and \$1,973,842,513)	\$7,971,053	\$1,631,026,775	\$2,180,964,246
Cash and cash equivalents	435,281	65,745,980	94,850,948
Receivable for:			
Capital shares	—	861,689	772,699
Dividends	22,749	1,068,960	3,374,698
Interest	997	119,508	141,532
Redemption fees	—	—	39
Securities sold	—	7,537,507	11,130,671
Prepaid expenses	—	6,071	10,375
TOTAL ASSETS	<u>\$8,430,080</u>	<u>\$1,706,366,490</u>	<u>\$2,291,245,208</u>
LIABILITIES			
Payable for:			
Capital shares	—	1,843,988	1,701,682
Securities purchased	—	9,665,711	15,833,194
Accrued expenses:			
Investment advisory fees	6,732	1,050,262	1,870,413
Other payables and accrued expenses	11,504	242,751	362,002
TOTAL LIABILITIES	<u>18,236</u>	<u>12,802,712</u>	<u>19,767,291</u>
NET ASSETS	<u>\$8,411,844</u>	<u>\$1,693,563,778</u>	<u>\$2,271,477,917</u>
Capital shares issued and outstanding, par value \$0.01 (500,000,000, 500,000,000 and 500,000,000 shares authorized)	<u>833,246</u>	<u>47,341,119</u>	<u>59,597,542</u>
Net asset value per share (offering and redemption price) ...	<u>\$ 10.10</u>	<u>\$ 35.77</u>	<u>\$ 38.11</u>
Net Assets consist of:			
Paid in capital	\$8,404,979	\$1,437,713,237	\$1,864,307,805
Accumulated net realized gain (loss)	(56,815)	28,193,942	200,048,379
Net unrealized appreciation on investments and foreign currency translations	12,877	227,656,599	207,121,733
Accumulated undistributed net investment income	50,803	—	—
	<u>\$8,411,844</u>	<u>\$1,693,563,778</u>	<u>\$2,271,477,917</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Operations

	Equity Income Fund Period from January 31, 2005 through June 30, 2005	Growth Fund year ended June 30, 2005	Value Fund year ended June 30, 2005
INVESTMENT INCOME			
Dividends (net of foreign taxes withheld of \$0, \$0 and \$568,647, respectively)	\$ 75,776	\$ 7,917,566	\$ 32,768,921
Interest	5,097	1,626,413	2,346,648
Other income	—	94,533	973
	<u>80,873</u>	<u>9,638,512</u>	<u>35,116,542</u>
EXPENSES			
Investment advisory fees	24,056	11,309,819	22,522,560
Transfer agent fees	11,148	547,695	624,073
Custodian fees	9,797	302,466	436,033
Reports to shareholders	2,086	195,957	313,091
Pricing fees	10,009	195,001	286,937
Professional fees	13,857	88,024	88,658
Registration and filing fees	24,244	109,904	86,252
Miscellaneous expenses	—	17,269	28,830
Directors' fees and expenses	149	15,282	24,268
	<u>95,346</u>	<u>12,781,417</u>	<u>24,410,702</u>
Total expenses	95,346	12,781,417	24,410,702
Expenses waived and reimbursed by Advisor (Note 2)	(65,276)	—	—
Net expenses	30,070	12,781,417	24,410,702
Net investment income (loss)	<u>50,803</u>	<u>(3,142,905)</u>	<u>10,705,840</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	(56,815)	28,329,375	246,645,725
Net change in unrealized appreciation (depreciation) on investments and foreign currency translations	<u>12,877</u>	<u>18,946,511</u>	<u>(78,508,153)</u>
Net gain (loss) on investments	<u>(43,938)</u>	<u>47,275,886</u>	<u>168,137,572</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS			
	<u>\$ 6,865</u>	<u>\$44,132,981</u>	<u>\$178,843,412</u>

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Statements of Changes in Net Assets

	Equity	Growth Fund	
	Income Fund	Year Ended	Year Ended
	Period from	June 30, 2005	June 30, 2004
	January 31, 2005		
	through		
	June 30, 2005		
OPERATIONS			
Net investment income (loss)	\$ 50,803	\$ (3,142,905)	\$ (1,648,331)
Net realized gain (loss) on investments	(56,815)	28,329,375	40,400,086
Net increase in unrealized appreciation of investments	12,877	18,946,511	151,831,707
Net increase in net assets from operations	6,865	44,132,981	190,583,462
DISTRIBUTIONS TO SHAREHOLDERS			
Distributions from net realized capital gain	—	(23,729,781)	(19,395,152)
Net distributions	—	(23,729,781)	(19,395,152)
CAPITAL SHARE TRANSACTIONS			
Proceeds from sales of shares	8,419,848	687,734,375	778,885,562
Reinvestment of distribution	—	20,093,262	17,050,957
Less: redemptions	(14,869)	(307,969,106)	(142,215,841)
Increase resulting from capital share transactions	8,404,979	399,858,531	653,720,678
Total increase in net assets	8,411,844	420,261,731	824,908,988
NET ASSETS			
Beginning of year	—	1,273,302,047	448,393,059
End of year	8,411,844	\$1,693,563,778	\$1,273,302,047
Undistributed Net Investment Income included in net assets at end of year	\$ 50,803	—	—

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, 2005	Year Ended June 30, 2004
OPERATIONS		
Net investment income	\$ 10,705,840	\$ 225,268
Net realized gain (loss) on investments	246,645,725	360,394,828
Net increase (decrease) in unrealized appreciation of investments	(78,508,153)	70,984,391
Net increase in net assets from operations	<u>178,843,412</u>	<u>431,604,487</u>
CAPITAL SHARE TRANSACTIONS		
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from ordinary income	(15,996,704)	—
Distributions from net realized capital gain	(288,644,525)	—
Net distributions	<u>(304,641,229)</u>	<u>—</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from sales of shares	510,656,976	696,646,284
Reinvestment of distribution	255,316,413	—
Less: redemptions	(595,287,416)	(358,213,242)
Increase resulting from capital share transactions	<u>170,685,973</u>	<u>338,433,042</u>
Total increase in net assets	<u>44,888,156</u>	<u>770,037,529</u>
NET ASSETS		
Beginning of year	<u>2,226,589,761</u>	<u>1,456,552,232</u>
End of year	<u>2,271,477,917</u>	<u>\$2,226,589,761</u>
Undistributed Net Investment Income included in net assets at end of year	<u>—</u>	<u>\$ 96,963</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 period from January 31, 2005 through June 30, 2005+
Net Asset Value - Beginning of Period	\$10.00
<u>Income from Investment Operations</u>	
Net Investment Income*	0.06
Net Gains on Securities (both realized and unrealized)	0.04
Total From Investment Operations	0.10
Net Asset Value - End of Period	\$10.10
Total Return ¹	1.00%
<u>Ratios/Supplemental Data</u>	
Net Assets, End of Period (000's)	\$8,412
Ratio of Expenses to Average Net Assets ²	
Before expense reimbursement	3.96%
After expense reimbursement ³	1.25%
Ratio of Net Investment Income (Loss) ² to Average Net Assets	
Before expense reimbursement	(0.60%)
After expense reimbursement	2.11%
Portfolio Turnover Rate	25%

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

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

¹ Not Annualized

² Annualized for periods of less than one year.

³ 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,									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Net Asset Value - Beginning of Year	\$35.38	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21	\$27.29
<u>Income from Investment Operations</u>										
Net Investment Income (Loss)*	(0.07)	(0.04)	(0.08)	(0.12)	2.26	0.11	0.16	0.27	0.40	0.30
Net Gains (Losses) on Securities (both realized and unrealized)	1.02	9.10	(0.11)	(0.24)	3.89	4.99	(0.50)	4.92	3.71	5.47
Total From Investment Operations	0.95	9.06	(0.19)	(0.36)	6.15	5.10	(0.34)	5.19	4.11	5.77
<u>Less Distributions</u>										
Distributions from Net Investment Income ..	0.00	0.00	(0.06)	0.00	(2.44)	(0.15)	(0.14)	(0.32)	(0.36)	(0.31)
Distribution from Net Realized Capital Gains	(0.56)	(0.92)	(0.61)	(2.84)	(1.86)	(1.78)	(6.50)	(4.81)	(2.76)	(0.54)
Total Distributions	(0.56)	(0.92)	(0.67)	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)	(3.12)	(0.85)
Net Asset Value - End of Year	\$35.77	\$35.38	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20	\$32.21
Total Return	2.65%	33.65%	(0.20%)	0.42%	23.34%	21.45%	3.05%	16.92%	13.92%	21.40%
<u>Ratios/Supplemental Data</u>										
Net Assets, End of Year (000's)	\$1,693,564	\$1,273,302	\$448,393	\$310,659	\$182,117	\$140,990	\$185,683	\$296,803	\$353,029	\$384,087
Ratio of Expenses to Average Net Assets ...	0.86%	0.88%	0.95%	1.02%	1.04%	1.09%	1.01%	0.95%	0.96%	0.96%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.21%)	(0.21%)	(0.47%)	(0.62%)	(0.26%)	0.31%	0.49%	0.76%	1.23%	0.99%
Portfolio Turnover Rate	32%	19%	27%	26%	43%	28%	51%	38%	37%	34%

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

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,									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Net Asset Value - Beginning of Year	\$40.35	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32	\$10.27
Income from Investment Operations										
Net Investment Income (Loss)**	0.19	0.00	(0.03)	(0.05)	1.12	0.05	(0.10)	(0.19)	(0.26)	(0.10)
Net Gains (Losses) on Securities (both realized and unrealized)	2.96	8.70	1.34	(0.51)	5.75	5.91	3.56	4.32	3.20	5.15
Total From Investment Operations	3.15	8.70	1.31	(0.56)	6.87	5.96	3.46	4.13	2.94	5.05
Less Distributions										
Distribution from Net Investment Income	(0.28)	0.00	0.00	(0.04)	(1.09)	0.00	0.00	0.00	0.00	0.00
Distribution from Net Realized Capital Gains	(5.11)	0.00	0.00	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)	(0.86)	0.00
Total Distributions	(5.39)	0.00	0.00	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)	(0.86)	0.00
Net Asset Value - End of Year	\$38.11	\$40.35	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40	\$15.32
Total Return	8.00%	27.49%	4.32%	(1.78%)	27.95%	29.63%	18.92%	26.05%	20.55%+	49.17%+
Ratios/Supplemental Data										
Net Assets, End of Year (000's)	\$2,271,478	\$2,226,590	\$1,456,552	\$1,297,207	\$768,559	\$87,930	\$24,912	\$12,196	\$7,340	\$3,472
Ratio of Expenses to Average Net Assets	1.08%	1.09%	1.11%	1.12%	1.10%	1.41%	1.63%	2.16%	2.51%*	2.55%*
Ratio of Net Investment Income (Loss) to Average Net Assets	0.48%	0.01%	(0.12%)	(0.22%)	0.60%	0.39%	(0.65%)	(1.35%)	(1.96%)*	(1.36%)*
Portfolio Turnover Rate	59%	81%	60%	54%	76%	86%	124%	133%	144%	125%

+ The total returns would have been lower had certain expenses not been reduced during the periods shown.

* Not representative of expenses incurred by the Fund as the Adviser waived its fee and/or paid certain expenses of the Fund. As indicated in Note 2, the Investment Manager may reduce a portion of its fee and absorb certain expenses of the Fund. Had these fees and expenses not been reduced and absorbed, the ratio of expenses to average net assets would have been 2.80% and 6.47%, and the ratio of net investment income to average net assets would have been a loss of 2.25% and 5.28% , for the periods ended June 30, 1997 and June 30, 1996, respectively.

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

The accompanying notes are an integral part of the financial statements

Meridian Fund, Inc.

Notes to Financial Statements

For the Year Ended June 30, 2005

1. **Organization and Significant Accounting Policies:** Meridian Fund, Inc., (the “Company”), 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. Originally named Meridian Fund, the name was changed effective April 20, 2001 to Meridian Growth Fund, to more closely reflect the investment style. There was no change in how the Fund is managed.

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 the Adviser under the guidelines established by, and under the general supervision and responsibility of, the Funds’ Board.
- 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 (the “Code”), applicable to regulated investment companies and to distribute all of its taxable income to its 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 the Fund are charged directly to the 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, 2005

- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities 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-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 generally accepted accounting principles. 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.

Permanent book-tax differences, if any, are not included in ending undistributed net investment income (loss) for the purposes of calculating net investment income (loss) per share in the Financial Highlights.

- 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.
2. **Related Parties:** The Funds have entered into a management agreement with Aster Investment Management Company, Inc. (the “Investment Adviser”). Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Investment Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of June 30, 2005 were as follows:

Equity Income Fund	38.35%
Growth Fund	0.97%
Value Fund	0.57%

The Investment 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 and calculated based on that month’s daily average net assets. The Investment 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

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2005

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 and calculated based on that month's daily average net assets. The Investment 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 and calculated based on that month's daily average net assets. The Investment Adviser has voluntarily agreed to limit the operating expenses of the Equity Income Fund to 1.25% of Fund assets and the Growth and Value Funds to 2.50%. With respect to this limit, the Investment Adviser did reimburse the Equity Income Fund \$65,276, but did not reimburse the Growth and Value Funds, during 2005. Subject to the approval of the Board of Directors of the Fund, the Fund will repay the Investment Adviser the amount of its reimbursement for 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 Investment Adviser can modify or terminate this arrangement at any time.

3. **Capital Shares Transactions:** The Equity Income Fund, Growth Fund and Value Fund have each authorized 500,000,000 common shares at a par value of \$.01 per share. Transactions in capital shares for the year ended June 30, 2004 and the year ended June 30, 2005 were as follows:

	Equity Income Fund	
	2005	2004
Shares sold	834,727	—
Shares issued on reinvestment of distributions	—	—
	834,727	—
Shares redeemed	(1,481)	—
Net increase	833,246	—
	Growth Fund	
	2005	2004
Shares sold	19,610,076	23,312,706
Shares issued on reinvestment of distributions	548,115	533,742
	20,158,191	23,846,448
Shares redeemed	(8,805,258)	(4,317,352)
Net increase	11,352,933	19,529,096

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2005

	Value Fund	
	2005	2004
Shares sold	13,372,342	18,921,842
Shares issued on reinvestment of distributions.....	6,795,760	—
	20,168,102	18,921,842
Shares redeemed	(15,746,779)	(9,759,558)
Net increase	4,421,323	9,162,284

4. **Compensation of Directors and Officers:** Directors and Officers of the Funds who are Directors and/or Officers of the Investment 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 \$3,000 per annum and a \$2,000 purchase of Equity Income Fund, Growth Fund or Value Fund shares, plus expenses and a \$1,000 purchase in one of the funds for each additional Board of Directors meeting attended other than the annual meeting.
5. **Cost of Investments:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term obligations, for the year ended June 30, 2005, were as follows:

	Purchases	Proceeds from Sales
Equity Income Fund.....	\$ 9,294,539	\$ 1,279,548
Growth Fund.....	809,528,634	453,776,300
Value Fund	1,246,928,450	1,381,074,111

The cost of purchases and redemptions at maturity of U.S. Government securities were as follows:

	Purchases	Redeemed at Maturity
Equity Income Fund	\$ —	\$ —
Growth Fund	118,402,746	100,020,000
Value Fund	216,974,824	182,000,000

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2005

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles accepted in the United States. The tax character of distributions made during the fiscal years ended June 30, 2005 and June 30, 2004 were as follows:

2005 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Equity Income Fund	\$ —	\$ —	\$ —
Growth Fund	10,056,382	13,674,732	23,731,114
Value Fund	15,996,704	288,644,525	304,641,229

2004 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Equity Income Fund	\$ —	\$ —	\$ —
Growth Fund	—	19,395,152	19,395,152
Value Fund	—	—	—

7. **Federal Income Taxes:** Permanent differences, incurred during the year ended June 30, 2005, 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>Fund</u>	<u>Increase/Decrease Undistributed Net Investment Income</u>	<u>Increase/Decrease Accumulated Realized Gain/(Loss)</u>
Equity Income Fund	\$ —	\$ —
Growth Fund	3,142,905	(1,333)
Value Fund	5,193,901	(5,193,901)

The aggregate cost of investments for federal income tax purposes were as follows:

	<u>Aggregate Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Equity Income Fund	\$ 7,965,411	\$ 248,013	\$ (242,371)	\$ 5,642
Growth Fund	1,403,436,573	266,605,094	(39,014,892)	227,590,202
Value Fund	1,974,109,590	293,582,657	(86,728,001)	206,854,656

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2005

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	\$ 50,803	\$ —	\$ 19,691,688
Undistributed long-term capital gains	—	28,260,339	180,623,768
Post October losses deferred	(49,580)	—	—
Unrealized appreciation	<u>5,642</u>	<u>227,590,202</u>	<u>206,854,656</u>
Total Accumulated Earnings	<u>\$ 6,865</u>	<u>\$255,850,541</u>	<u>\$407,170,112</u>

Post October losses represent losses realized on investment transactions from November 1, 2004 through June 30, 2005 that, in accordance with Federal income tax regulations, the Funds have elected to defer and treat as having arisen in the following fiscal year. As of June 30, 2005, the Equity Income Fund had Post October losses of \$49,580.

8. **Proxy Voting Policies and Procedures:** A statement that information regarding how the fund voted proxies relating to portfolio securities during the most recent 12 month period ended June 30, 2005 is available (i) without charge, upon request, by calling (800) 446-6662; or on our website at <http://www.meridianfund.com>; and (ii) on the Securities and Exchange Commission (“SEC”) website at <http://www.sec.gov>.

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statement of assets and liabilities, including the schedule 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, 2005, the results of each of their operations for the period then ended and the changes in each of their net assets 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 audit 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, 2005 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
August 22, 2005

Disclosure Regarding Approval of Investment Advisory Agreements (unaudited)

The Directors of the Funds unanimously approved the continuance of the Investment Advisory Agreement between the Meridian Growth Fund and the Meridian Value Fund and the Adviser at a meeting held on October 6, 2004. Additionally, at a meeting held December 8, 2004 the Directors approved a separate Investment Advisory Agreement between the Meridian Equity Income Fund and the Adviser.

In preparation for the meetings, the Directors received and evaluated information supplied by the Adviser in response to a letter prepared by counsel, at the Board of Director's request, which identified items that should be reviewed in order for the Directors to gain reasonable assurance that they have sufficiently considered all relevant and required information related to approval of the Advisory Agreements. The Directors examined and considered, among other items, performance and expense information of other investment companies with similar objectives, derived from data compiled by an independent third-party provider. The Independent Directors of the Funds also met in a private session at which no representatives of the Adviser were present prior to voting to approve the Advisory Agreements with respect to each of the Funds. In reaching their conclusions, the Directors considered factors they believed materially related to the selection of the Adviser, the approval of the fee structures and any other amounts paid under the Advisory Agreements. The Directors based their decisions on the evaluation of all factors taken as a whole and did not consider any one factor as all-important or controlling. Some of the factors considered are discussed in more detail below.

The Directors considered the nature, extent and quality of the investment research and portfolio management functions of the Adviser and the resources the Adviser has dedicated to performing services for the Funds. The Directors also considered the respective investment strategies of the Funds and noted favorably the Adviser's demonstrated ability, over time, to achieve a highly competitive rate of return for long-term investors. The quality of other services, including the Adviser's assistance in the coordination of the activities of the Funds relating to other service providers, also was considered. The Directors noted that the Adviser's and the Funds' Chief Compliance Officer administers and coordinates conjoined compliance programs recently refined in light of new regulatory requirements. The Directors considered the consistency of the Funds' service quality when forming a basis for their confidence in the Adviser's integrity and competence, in light of their on-going experience as Directors of the Funds. The Directors concluded that, in all material respects, they were satisfied with the nature, extent and quality of services provided (and expected to be provided) to the Funds under the Advisory Agreements.

At their meetings, the Directors reviewed the current and long-term performance of the Funds. The Directors noted that both the Meridian Growth Fund and the Meridian Value Fund had recently been recognized by independent rating agencies as being among the top performing funds in their categories over a ten and five year period, respectively. In addition to the information reviewed by the Directors during the meetings, the Directors receive detailed monthly performance reports for the Funds throughout the year. These reports present the Funds' performance in comparison to both broad market and peer group indices. Based upon their review, the Directors concluded that the Adviser's management of the Funds' investment portfolios has resulted in consistently competitive performance overall and, in particular, returns for long-term investors that are well above average.

Disclosure Regarding Approval of Investment Advisory Agreements (unaudited) (continued)

The Directors considered the direct and indirect costs incurred by the Adviser in providing investment management services for the Funds. In light of the changes in assets under management for each Fund during relevant time periods, the Directors concluded that economies of scale currently being realized do not necessarily warrant the implementation of additional breakpoints for any of the Funds. While intending to monitor future growth in Fund assets, and to the extent that economies of scale are realized, the Directors believe that current advisory fee levels reflect an equitable sharing of benefits with shareholders. The Directors concluded that profits being realized by the Adviser from its relationship with the Funds are reasonable and appropriate, based on the business judgment of the Directors, with consideration duly given to, among other things, the nature and quality of services provided, the outstanding long-term performance of the Funds, investment industry practices and comparable funds' average fee expense, determined using independent third party data. The Directors recognized that it is difficult to make comparisons of profitability from investment advisory contracts. This is because comparative information is not generally publicly available and is affected by numerous factors, including the structure of the particular adviser, the type of clients it advises, its business mix, and numerous assumptions regarding allocations and the adviser's capital and management structure.

The Directors additionally considered certain benefits the Adviser realizes due to its relationship with the Funds. In particular, the Adviser has arrangements under which certain brokers may provide industry research to the Adviser's portfolio managers through the use of a portion of the brokerage commissions generated from the Adviser's trading activities on behalf of the Funds. The Directors acknowledge that the Funds' shareholders benefit as well from these research products paid for through broker commissions and soft dollar arrangements.

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

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 *

Richard F. Aster, Jr. (65)

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.; President, Aster Capital Management, Inc.

Number of Portfolios Overseen: 3

Other Directorships: N/A

Michael Stolper (60)

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: N/A

* 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)

Independent Directors

Ralph Cechetti (65)

Positions(s) Held with Fund: Director

Length of Service (Beginning Date): October 6, 2004

Principal Occupation(s) During Past 5 Years: Owner and Portfolio Manager, CIM Portfolio Advisers; Managing Partner, Pivotal Asset Management, LLC

Number of Portfolios Overseen: 3

Other Directorships: Guide Dogs for the Blind, Inc.

Michael S. Erickson (53)

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: AeroAstro, Inc., Decimal, Inc.

James Bernard Glavin (70)

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, The Immune Response Corp.

Number of Portfolios Overseen: 3

Other Directorships: N/A

Herbert Charles Kay (68)

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

Officers

Gregg B. Keeling, CPA (50)

Positions(s) Held with Fund: Treasurer, Secretary, Principal Financial and Accounting Officer, 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; Aster Capital Management, Inc., Vice President of Operations

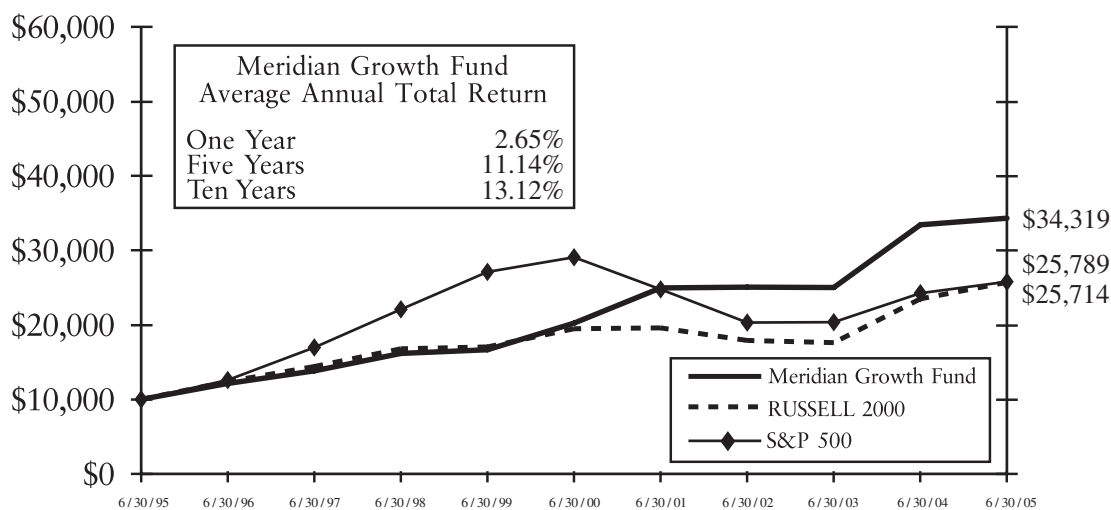
Management's Discussion of Meridian Equity Income FundSM Performance

The Meridian Equity Income Fund gained 1.00% from its inception, January 31, 2005 to June 30, 2005. The S&P 500 gained 1.66% during the same period. Overall positive performance reflected the strength in the banking & finance, consumer products, industrial products, insurance and retail sectors, 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 the chemical, food & beverage, diversified operations, industrial services and paper products sectors, as well as the performance of individual stocks that may be the only issue we own in a particular sector. Not being weighted in the best performing sectors during the period materially affected the Fund's performance. 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.

Management's Discussion of Meridian Growth Fund® Performance

During the fiscal year ended June 30, 2005, the Meridian Growth Fund gained 2.65% compared to a gain of 6.24% for the S&P 500 with reinvested dividends, a gain of 9.45% for the Russell 2000 with reinvested dividends, and a gain of 0.45% for the NASDAQ. Overall positive performance reflected the strength in the brokerage & money management, cellular communication, consumer services, healthcare and restaurant sectors, 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 the industrial products and services, technology and telecommunication equipment sectors, as well as the performance of individual stocks that may be the only issue we own in a particular sector. Not being weighted in the best performing sectors during the period materially affected the Fund's performance. 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 S&P 500 and the Russell 2000

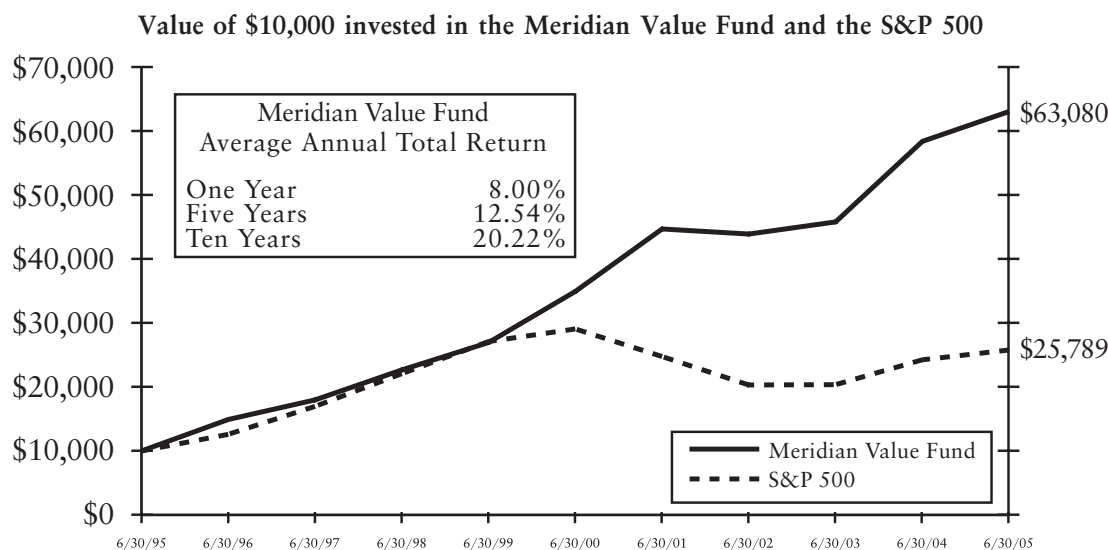


Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

Management's Discussion of Meridian Value Fund® Performance

During the fiscal year ended June 30, 2005, the Meridian Value Fund gained 8.00% compared to a gain of 6.24% for the S&P 500 with reinvested dividends, a gain of 9.45% for the Russell 2000 with reinvested dividends, and a gain of 0.45% for the NASDAQ. During the fiscal year ended June 30, 2005, the Fund's strongest performing investments were in the leisure, healthcare products, energy and real estate sectors. The worst performing investments were in the industrial services and consumer durables sectors.

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, 1995 to June 30, 2005 was 20.22% compared to 10.55% for the S&P 500, with reinvested dividends. The Fund did not approach full investment status until June 30, 1995, with cash comprising approximately 45-50% of the Fund's total portfolio from inception until June 30, 1995. The Meridian Value Fund's average compounded annual return from inception to June 30, 2005 was 17.84%, compared to 11.11% for the S&P 500, with reinvested dividends.



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. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost.

2005 TAX NOTICE TO SHAREHOLDERS (Unaudited)

The information set forth below is for the 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 2006. Please consult your tax advisor for proper treatment of this information.

Pursuant to Internal Revenue Code Section 852(b)(3), the amounts of long-term capital gains designated for the fiscal year ended June 30, 2005 were as follows:

Growth Fund	\$ —
Value Fund	\$ —
Equity Income Fund	\$ —

(This page intentionally left blank)

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.

Officers and Directors

RICHARD F. ASTER, JR.
President and Director

RALPH CECHETTINI

MICHAEL S. ERICKSON

HERBERT C. KAY

JAMES B. GLAVIN

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
PFPC, INC.
King of Prussia, Pennsylvania
(800) 446-6662

Counsel
MORRISON & FOERSTER LLP
Washington, D.C.

Auditors
PRICEWATERHOUSECOOPERS LLP
San Francisco, California

MERIDIAN EQUITY INCOME FUNDSM MERIDIAN GROWTH FUND[®] MERIDIAN VALUE FUND[®]

ANNUAL REPORT



60 E. Sir Francis Drake Blvd.
Wood Island, Suite 306
Larkspur, CA 94939

www.meridianfund.com

Telephone (800) 446-6662

June 30, 2005