

MERIDIAN FUND, INC.

October 3, 2006

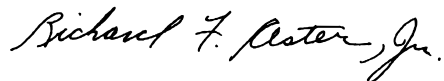
To Our Shareholders:

Stocks posted gains in the September quarter, buoyed by lower interest rates and falling commodity prices. The S&P 500 increased 5.2% and the NASDAQ 4.0%. Small cap stocks, after a strong first half, showed smaller gains. The Russell 2000, for example, advanced 0.1%. Toys, software and automobile shares represented the top performing sectors. The worst performing groups included coal, trucking and gold mining. The yield on the ten-year government bond, reflecting slower economic growth, declined from 5.14% to 4.63%, a meaningful drop.

The economy grew at a respectable 2.6% annual rate during the second quarter, after a rapid 5.6% rate in the first quarter. The housing market and automobile sales are soft at this time while the manufacturing sector is experiencing modest growth. The strongest area continues to be non-residential construction while consumer spending is posting steady gains, primarily due to job growth. The recent decline in interest rates and commodity prices, particularly oil and natural gas, are positive for future economic growth. We don't expect energy prices to surge in the near future. We believe the balance of 2006 and first half of 2007 will continue to show modest growth, stable interest rates and inflation in the area of 2.5%.

We welcome those new shareholders who joined the Meridian Funds during the quarter and appreciate the continued confidence of our existing shareholders.

The prospectus, news articles and information on how to purchase shares of the funds are available on our website at www.meridianfund.com.



Richard F. Aster, Jr.

Meridian Equity Income Fund® (MEIFX)

The Meridian Equity Income Fund's net asset value per share at September 30, 2006 was \$11.77. This represents an increase of 12.4% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, January 31, 2005, were 19.1% and 11.1%, respectively. The Fund's assets at the close of the quarter were invested 4.3% in cash and 95.7% in stocks. Total net assets were \$28,957,028 and there were 483 shareholders.

The Meridian Equity Income Fund continues to focus on companies with above average yields and strong financial returns that, in our opinion, have the ability to grow dividends. The portfolio is diversified with thirty-six positions representing twenty-six different industry groups. At the end of the third quarter, the portfolio's average holding had a return on equity and average dividend yield of 18.1% and 2.85% respectively, both measures substantially higher than the average S&P 500 stock. The average position had a market capitalization of \$22 billion, a debt ratio of 34% and earnings per share that are expected to grow 10.3% during the next several years. We believe these financial characteristics will lead to positive returns for the fund.

During the quarter we purchased shares of Cato Corp, Equity Residential, Johnson & Johnson and Mattel. We sold our shares in Alltel, Delta & Pine Land Co., Hillenbrand Industries and Lubrizol Corp.

Chevron, a current holding, is a fully integrated energy company, operating world wide. Petroleum operations include exploring, developing and producing crude oil and natural gas. The company's refineries then produce finished products which are marketed through an extensive distribution network. Chevron has excellent financial characteristics and valuation parameters. The shares yield 3.27% and sell at 7.7 times earnings. The payout ratio is 26.4%, debt is 13.3% of total capitalization and the return on equity is an above average 22.0%. Chevron and its' shareholders are well positioned to benefit from the expected long-term increase in demand for petroleum based products.

Meridian Growth Fund® (MERDX)

The Meridian Growth Fund's net asset value per share at September 30, 2006 was \$40.35. This represents an increase of 10.3% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,689.2% and 13.9%, respectively. The Fund's assets at the close of the quarter were invested 4.8% in cash and cash equivalents and 95.2% in stocks. Total net assets were \$1,774,507,436 and there were 72,652 shareholders.

We remain positive on stocks, but believe, as always, that stock selection will be critical. The recent decline in interest rates and commodity prices are good for equities, both with respect to earnings growth and valuation and our portfolio should benefit. We continue to focus on small and medium-sized growth stocks that have an important market share, strong balance sheet and are well managed. We hold forty-six positions, representing twenty-five industry groups. Our heaviest areas of concentration remain health care, consumer and technology.

During the quarter we purchased shares of AirTran Holdings and Zebra Technologies. We sold our shares in FileNet Corporation and Symmetry Medical.

Carter's Inc., a recent purchase, is the largest branded marketer of baby and young children's apparel. The company sells to department stores, national retail chains and specialty retailers, in addition to operating its own chain of retail stores. Carter's and Oshkosh are its well recognized and trusted brands. The children's apparel market is benefiting from three long-term trends: First, the number of children in the U.S. aged 0-9 years old is expected to grow 5% over the next 5 years.

Second, parents are choosing to have kids later in life when they are earning higher incomes allowing them to spend more and earlier on their children. Third, the baby boom generation is spending more on their grandchildren than prior generations. The company should grow profits at a double digit rate and use excess cash to pay down debt to further strengthen its balance sheet. The stock sells at a reasonable valuation given its earnings growth potential, experienced management team and positive long-term investment outlook.

Meridian Value Fund® (MVALX)

The Wall Street Journal ranked the Meridian Value Fund the thirteenth best performing stock fund for the ten-year period ending September 30, 2006. This is out of a universe of approximately 2,000 funds.

The Meridian Value Fund's net asset value per share at September 30, 2006 was \$38.01. This represents an increase of 9.8% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 612.2% and 19.1%, respectively. The comparable period returns for the S&P 500 with dividends were 196.0% and 10.1%, respectively. The Fund's assets at the close of the quarter were invested 5.3% in cash and cash equivalents and 94.7% in stocks. Total net assets were \$1,695,939,479 and there were 78,648 shareholders.

Our investment strategy is unchanged. 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. In our opinion the portfolio is well positioned, reasonably valued and diversified. We hold sixty-three positions, representing twenty-six industry groups. We continue to invest in companies of all market capitalizations and our largest areas of concentration are technology, real estate and financials. We currently monitor, but don't yet own, a number of solid companies that sell at reasonable valuations. The outlook for our approach, in our view, is favorable at this time.

During the quarter we purchased shares of Alltel, Annaly Capital Management, Bunge, Dionex, Dynegy, Everest Re Group, Liz Claiborne, Rent-A-Center, Universal Corp. and Zebra. We sold our shares in Conseco, Greater Bay Bancorp, Host Hotels & Resorts, Powerwave, Tellabs, Time Warner and Valassis.

We recently added to our position in Willis Group Holdings, a leader in the insurance brokerage industry. Willis suffered earnings declines in 2005 due to regulatory pressures that eliminated contingent commissions paid to insurance brokers by underwriters, as well as a heavy investment in hiring brokers away from competitors. Over the past year business fundamentals have begun to improve with Willis showing accelerating organic revenue growth and stable margins. Willis, as the third largest broker in a highly fragmented industry, is well positioned to benefit from market share losses by large competitors who were more severely weakened by the regulatory disruptions of the past few years. In addition, recent pricing trends have been positive across the industry for both underwriters and brokers. Willis pays a dividend yield of 2.4% and should earn more than \$3 per share in 2 to 3 years, presenting an attractive valuation at less than 13x normalized earnings.

Meridian Equity Income Fund[®]

Summary of Portfolio Holdings

September 30, 2006 (Unaudited)

Portfolio Holdings by Category (% of total net assets)

| | | |
|---|---------------|---------------------|
| Brokerage & Money Management | 5.7% | \$ 1,644,834 |
| Electrical Equipment | 5.4 | 1,558,273 |
| Industrial Services | 5.4 | 1,554,067 |
| Business Services | 5.3 | 1,544,632 |
| Insurance | 5.3 | 1,536,585 |
| Consumer Products | 5.3 | 1,533,684 |
| Industrial Products | 5.3 | 1,527,163 |
| Banking | 5.2 | 1,500,836 |
| Paper/Forest Products | 5.2 | 1,496,915 |
| Retail | 5.1 | 1,485,639 |
| Insurance Brokers | 2.8 | 815,100 |
| Oil & Gas | 2.8 | 799,400 |
| Business Products | 2.7 | 792,246 |
| Furniture & Fixtures | 2.7 | 790,948 |
| Pharmaceuticals | 2.7 | 789,450 |
| Diversified Operations | 2.7 | 778,617 |
| Office Supplies | 2.7 | 775,591 |
| Telecommunications Services | 2.7 | 769,500 |
| Basic Materials | 2.6 | 766,389 |
| Toys | 2.6 | 765,345 |
| Chemicals | 2.6 | 762,448 |
| Apparel | 2.6 | 755,033 |
| Auto Components | 2.6 | 753,629 |
| Real Estate | 2.6 | 748,584 |
| Restaurants | 2.6 | 741,600 |
| Healthcare Products | 2.5 | 728,951 |
| Cash & Other Assets, Less Liabilities | 4.3 | 1,241,569 |
| | <u>100.0%</u> | <u>\$28,957,028</u> |

Meridian Growth Fund®

Summary of Portfolio Holdings

September 30, 2006 (Unaudited)

Portfolio Holdings by Category (% of total net assets)

| | | |
|---|---------------|------------------------|
| Retail | 11.6% | \$ 205,538,797 |
| Industrial Services | 8.2 | 146,051,915 |
| Healthcare Products | 7.6 | 135,485,881 |
| Healthcare Services | 7.3 | 129,920,951 |
| Brokerage & Money Management | 5.0 | 89,365,300 |
| Tech-Software | 5.0 | 87,828,033 |
| Industrial Products | 4.3 | 76,912,427 |
| Banking | 4.1 | 72,752,247 |
| Consumer Services | 4.1 | 72,737,342 |
| Business Services | 4.0 | 70,415,921 |
| Restaurants | 4.0 | 70,239,486 |
| Tech-Hardware | 3.8 | 67,853,773 |
| Cellular Communications | 3.2 | 56,297,600 |
| Insurance Brokers | 2.8 | 49,017,340 |
| Leisure & Amusement | 2.5 | 44,630,142 |
| Business Products | 2.5 | 43,457,087 |
| Insurance | 2.4 | 41,944,064 |
| Hotels & Lodging | 2.3 | 41,351,750 |
| Chemicals | 2.1 | 37,763,704 |
| Construction | 2.0 | 36,309,210 |
| Aerospace/Defense | 2.0 | 34,975,656 |
| Apparel | 1.9 | 34,595,575 |
| U.S. Government Obligations | 1.7 | 29,774,748 |
| Technology | 1.0 | 17,133,970 |
| Real Estate | 0.9 | 15,547,686 |
| Transportation | 0.6 | 10,996,320 |
| Cash & Other Assets, Less Liabilities | 3.1 | 55,610,511 |
| | <u>100.0%</u> | <u>\$1,774,507,436</u> |

Meridian Value Fund®

Summary of Portfolio Holdings

September 30, 2006 (Unaudited)

Portfolio Holdings by Category (% of total net assets)

| | | |
|---|---------------|------------------------|
| Technology | 8.8% | \$ 148,531,925 |
| Banking | 8.6 | 146,601,567 |
| Industrial Services | 7.3 | 124,130,880 |
| Consumer Products | 6.8 | 115,231,401 |
| Real Estate | 6.7 | 113,852,484 |
| Retail | 5.9 | 100,874,251 |
| Industrial Products | 5.0 | 84,632,040 |
| Healthcare Products | 4.7 | 79,017,095 |
| Energy | 4.3 | 72,644,614 |
| Consumer Products/Food & Beverage | 4.2 | 71,799,340 |
| Pharmaceuticals | 3.7 | 62,446,568 |
| Utilities | 3.5 | 60,092,532 |
| Telecommunications Services | 3.3 | 55,149,450 |
| Insurance | 2.6 | 44,087,214 |
| Insurance Brokers | 2.4 | 41,556,800 |
| Telecommunications Equipment | 2.3 | 38,694,788 |
| Aerospace/Defense | 2.0 | 34,309,212 |
| Business Products | 1.8 | 31,228,422 |
| U.S. Government Obligations | 1.8 | 29,774,748 |
| Oil & Gas | 1.7 | 28,459,232 |
| Information Technology Services | 1.7 | 28,138,800 |
| Basic Materials | 1.5 | 25,927,680 |
| Healthcare Services | 1.5 | 25,587,720 |
| Restaurants | 1.3 | 22,146,064 |
| Agriculture | 1.3 | 22,015,205 |
| Apparel | 1.1 | 18,660,573 |
| Publishing | 0.7 | 11,114,320 |
| Cash & Other Assets, Less Liabilities | 3.5 | 59,234,554 |
| | <u>100.0%</u> | <u>\$1,695,939,479</u> |

Meridian Equity Income Fund[®]

Schedule of Investments

September 30, 2006 (Unaudited)

| | <u>Shares</u> | <u>Value**</u> | | <u>Shares</u> | <u>Value**</u> |
|---|---------------|------------------|---|---------------|------------------|
| COMMON STOCK - 95.7% | | | ELECTRICAL EQUIPMENT - 5.4% | | |
| APPAREL - 2.6% | | | Emerson Electric Co. | 9,300 | \$ 779,898 |
| VF Corp. | 10,350 | \$ 755,033 | Hubbell, Inc. Class B | 16,250 | 778,375 |
| | | | | | <u>1,558,273</u> |
| AUTO COMPONENTS - 2.6% | | | FURNITURE & FIXTURES - 2.7% | | |
| Autoliv, Inc. (Sweden) | 13,675 | 753,629 | Leggett & Platt, Inc. | 31,600 | 790,948 |
| BANKING - 5.2% | | | HEALTHCARE PRODUCTS - 2.5% | | |
| Comerica, Inc. | 12,875 | 732,845 | Johnson & Johnson | 11,225 | 728,951 |
| Regions Financial Corp. | 20,875 | 767,991 | | | |
| | | <u>1,500,836</u> | INDUSTRIAL PRODUCTS - 5.3% | | |
| BASIC MATERIALS - 2.6% | | | Bemis Co. | 23,775 | 781,247 |
| PPG Industries, Inc. | 11,425 | 766,389 | Briggs & Stratton Corp. | 27,075 | 745,916 |
| BROKERAGE & MONEY MANAGEMENT - 5.7% | | | | | <u>1,527,163</u> |
| Mellon Financial Corp. | 20,150 | 787,865 | INDUSTRIAL SERVICES - 5.4% | | |
| Waddell & Reed Financial, Inc. Class A | 34,625 | 856,969 | Genuine Parts Co. | 17,875 | 770,949 |
| | | <u>1,644,834</u> | Waste Management, Inc. | 21,350 | 783,118 |
| BUSINESS PRODUCTS - 2.7% | | | | | <u>1,554,067</u> |
| Diebold, Inc. | 18,200 | 792,246 | INSURANCE - 5.3% | | |
| BUSINESS SERVICES - 5.3% | | | Lincoln National Corp. | 12,525 | 777,552 |
| ABM Industries, Inc. | 41,400 | 776,664 | Mercury General Corp. | 15,300 | 759,033 |
| R. R. Donnelley & Sons Co. | 23,300 | 767,968 | | | <u>1,536,585</u> |
| | | <u>1,544,632</u> | INSURANCE BROKERS - 2.8% | | |
| CHEMICALS - 2.6% | | | Willis Group Holdings, Ltd. (United Kingdom) | 21,450 | 815,100 |
| RPM International, Inc. | 40,150 | 762,448 | OFFICE SUPPLIES - 2.7% | | |
| CONSUMER PRODUCTS - 5.3% | | | Avery Dennison Corp. | 12,890 | 775,591 |
| Newell Rubbermaid, Inc. | 27,350 | 774,552 | OIL & GAS - 2.8% | | |
| Reynolds American, Inc. | 12,250 | 759,132 | Chevron Corp. | 12,325 | 799,400 |
| | | <u>1,533,684</u> | PAPER/FOREST PRODUCTS - 5.2% | | |
| DIVERSIFIED OPERATIONS - 2.7% | | | Kimberly-Clark Corp. | 11,335 | 740,856 |
| E.I. du Pont de Nemours & Co. | 18,175 | 778,617 | Sonoco Products Co. | 22,475 | 756,059 |
| | | | | | <u>1,496,915</u> |
| | | | PHARMACEUTICALS - 2.7% | | |
| | | | Eli Lilly & Co. | 13,850 | 789,450 |

Meridian Equity Income Fund[®]

Schedule of Investments (continued)

September 30, 2006 (Unaudited)

| | <u>Shares</u> | <u>Value**</u> |
|--|---------------|---------------------|
| COMMON STOCK (continued) | | |
| REAL ESTATE - 2.6% | | |
| Equity Residential (a) | 14,800 | \$ 748,584 |
| RESTAURANTS - 2.6% | | |
| IHOP Corp. | 16,000 | 741,600 |
| RETAIL - 5.1% | | |
| Cato Corp. (The) Class A | 33,500 | 733,985 |
| Limited Brands, Inc. | 28,375 | 751,654 |
| | | <u>1,485,639</u> |
| TELECOMMUNICATIONS SERVICES - 2.7% | | |
| BellSouth Corp. | 18,000 | 769,500 |
| TOYS - 2.6% | | |
| Mattel, Inc. | 38,850 | 765,345 |
| TOTAL INVESTMENTS - 95.7% | | |
| (Identified cost \$25,372,980) | | 27,715,459 |
| CASH AND OTHER ASSETS, LESS | | |
| LIABILITIES - 4.3% | | <u>1,241,569</u> |
| NET ASSETS - 100.0% | | <u>\$28,957,028</u> |

The aggregate book cost is \$25,372,980.

The aggregate gross unrealized appreciation is \$2,651,883.

The aggregate gross unrealized depreciation is \$(309,404).

The net unrealized appreciation is \$2,342,479.

(a) Real Estate Investment Trust (REIT)

** **Investment Valuation:** 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 of Directors. Short-term securities with original or remaining maturities more than 60 days are valued at the mean of their quoted bid and asked prices. Short-term securities with 60 days or less to maturity are amortized to maturity based on their cost to the Fund if acquired within 60 days of maturity or, if already held by the Fund on the 60th day, based on the value determined on the 61st day.

Meridian Growth Fund®

Schedule of Investments

September 30, 2006 (Unaudited)

| | Shares | Value** | | Shares | Value** |
|-------------------------------------|-----------|-------------------|---|--------|---------|
| COMMON STOCK - 95.2% | | | HEALTHCARE PRODUCTS - 7.6% | | |
| AEROSPACE/DEFENSE - 2.0% | | | C. R. Bard, Inc. 590,975 \$ 44,323,125 | | |
| BE Aerospace, Inc.* . . . | 1,658,400 | \$ 34,975,656 | DENTSPLY | | |
| | | | International, Inc. . . . 1,526,000 45,947,860 | | |
| APPAREL - 1.9% | | | Edwards Lifesciences | | |
| Carter's, Inc.* | 1,310,935 | 34,595,575 | Corp.* 970,485 <u>45,214,896</u> | | |
| | | | 135,485,881 | | |
| BANKING - 4.1% | | | HEALTHCARE SERVICES - 7.3% | | |
| SVB Financial Group* . . | 777,400 | 34,703,136 | Cerner Corp.* 935,230 42,459,442 | | |
| UCBH Holdings, Inc. . . | 2,179,216 | 38,049,111 | DaVita, Inc.* 765,000 44,270,550 | | |
| | | <u>72,752,247</u> | Laboratory Corp. of | | |
| | | | America Holdings* . . 658,700 <u>43,190,959</u> | | |
| BROKERAGE & MONEY MANAGEMENT - 5.0% | | | 129,920,951 | | |
| Affiliated Managers | | | HOTELS & LODGING - 2.3% | | |
| Group, Inc.* | 446,745 | 44,723,642 | Las Vegas Sands | | |
| T. Rowe Price Group, | | | Corp.* 605,000 41,351,750 | | |
| Inc. | 932,950 | 44,641,658 | | | |
| | | <u>89,365,300</u> | | | |
| BUSINESS PRODUCTS - 2.5% | | | INDUSTRIAL PRODUCTS - 4.3% | | |
| Diebold, Inc. | 998,325 | 43,457,087 | Airgas, Inc. 1,133,575 41,001,408 | | |
| | | | Dionex Corp.* 704,967 <u>35,911,019</u> | | |
| | | | 76,912,427 | | |
| BUSINESS SERVICES - 4.0% | | | INDUSTRIAL SERVICES - 8.2% | | |
| CSG Systems | | | Allied Waste Industries, | | |
| International, Inc.* . . | 1,525,630 | 40,322,401 | Inc.* 3,514,725 39,610,951 | | |
| Mercury Interactive | | | EGL, Inc.* 863,318 31,459,308 | | |
| Corp.* | 584,000 | 30,093,520 | Republic Services, Inc. . . 996,100 40,053,181 | | |
| | | <u>70,415,921</u> | United Rentals, Inc.* . . 1,502,300 <u>34,928,475</u> | | |
| | | | 146,051,915 | | |
| CELLULAR COMMUNICATIONS - 3.2% | | | INSURANCE - 2.4% | | |
| American Tower Corp. | | | Mercury General Corp. . . 845,476 41,944,064 | | |
| Class A* | 1,542,400 | 56,297,600 | | | |
| | | | INSURANCE BROKERS - 2.8% | | |
| CHEMICALS - 2.1% | | | Willis Group Holdings, | | |
| RPM International, Inc. . . | 1,988,610 | 37,763,704 | Ltd. (United Kingdom) . . 1,289,930 49,017,340 | | |
| | | | | | |
| CONSTRUCTION - 2.0% | | | LEISURE & AMUSEMENT - 2.5% | | |
| Granite Construction, | | | Royal Caribbean | | |
| Inc. | 680,585 | 36,309,210 | Cruises, Ltd. 1,149,965 44,630,142 | | |
| | | | | | |
| CONSUMER SERVICES - 4.1% | | | REAL ESTATE - 0.9% | | |
| Regis Corp. | 1,057,000 | 37,893,450 | Host Hotels & Resorts, | | |
| Rollins, Inc. | 1,650,587 | 34,843,892 | Inc. (a) 678,050 15,547,686 | | |
| | | <u>72,737,342</u> | | | |

Meridian Growth Fund®

Schedule of Investments (continued)

September 30, 2006 (Unaudited)

| | <u>Shares</u> | <u>Value**</u> | | <u>Value**</u> |
|---|---------------|----------------------|---|------------------------|
| COMMON STOCK (continued) | | | U.S. GOVERNMENT OBLIGATIONS - 1.7% | |
| RESTAURANTS - 4.0% | | | U.S. Treasury Bill @ 5.057% | |
| CBRL Group, Inc. | 879,688 | \$ 35,565,786 | due 11/09/06 | |
| Ruby Tuesday, Inc. | 1,230,000 | 34,673,700 | (Face Value \$15,000,000) | \$ 14,917,833 |
| | | <u>70,239,486</u> | U.S. Treasury Bill @ 4.912% | |
| | | | due 12/14/06 | |
| | | | (Face Value \$15,000,000) | <u>14,856,915</u> |
| RETAIL - 11.6% | | | TOTAL U.S. GOVERNMENT OBLIGATIONS | |
| Bed Bath & Beyond, | | | (Identified cost \$29,768,146) | <u>29,774,748</u> |
| Inc.* | 1,078,900 | 41,278,714 | | |
| Claire's Stores, Inc. | 1,202,740 | 35,071,898 | TOTAL INVESTMENTS - 96.9% | |
| Foot Locker, Inc. | 1,462,825 | 36,936,331 | (Identified cost \$1,378,406,446) | 1,718,896,925 |
| PetSmart, Inc. | 1,281,000 | 35,547,750 | | |
| Ross Stores, Inc. | 1,206,300 | 30,652,083 | CASH AND OTHER ASSETS, LESS | |
| Zale Corp.* | 939,150 | 26,052,021 | LIABILITIES - 3.1% | <u>55,610,511</u> |
| | | <u>205,538,797</u> | | |
| TECHNOLOGY - 1.0% | | | NET ASSETS - 100.0% | <u>\$1,774,507,436</u> |
| Zebra Technologies | | | | |
| Corp. Class A* | 479,406 | 17,133,970 | The aggregate book cost is \$1,378,406,446. | |
| TECH-HARDWARE - 3.8% | | | The aggregate gross unrealized appreciation is \$349,269,713. | |
| American Power | | | The aggregate gross unrealized depreciation is \$(8,779,234). | |
| Conversion Corp. | 1,556,573 | 34,182,343 | The net unrealized appreciation is \$340,490,479. | |
| Vishay Intertechnology, | | | (a) Real Estate Investment Trust (REIT) | |
| Inc.* | 2,398,250 | 33,671,430 | * Non-income producing securities. | |
| | | <u>67,853,773</u> | ** Investment Valuation: Marketable securities are valued at | |
| TECH-SOFTWARE - 5.0% | | | the closing price or last sales price on the principal exchange | |
| Advent Software, Inc.* | 1,066,438 | 38,615,720 | or market on which they are traded; or, if there were no | |
| Cognos, Inc. | | | sales that day, at the last reported bid price. Securities and | |
| (Canada)* | 929,065 | 33,910,873 | other assets for which reliable market quotations are not | |
| Getty Images, Inc.* | 308,000 | 15,301,440 | readily available or for which a significant event has | |
| | | <u>87,828,033</u> | occurred since the time of the most recent market quotation, | |
| TRANSPORTATION - 0.6% | | | will be valued at their fair value as determined by the | |
| AirTran Holdings, Inc.* | 1,108,500 | 10,996,320 | Adviser under the guidelines established by, and under the | |
| TOTAL COMMON STOCK - 95.2% | | | general supervision and responsibility of, the Funds' Board | |
| (Identified cost \$1,348,638,300) | | <u>1,689,122,177</u> | of Directors. Short-term securities with original or remain- | |

Meridian Value Fund®

Schedule of Investments

September 30, 2006 (Unaudited)

| | Shares | Value** | | Shares | Value** |
|--|-----------|---------------|--|---------------|----------------------------|
| COMMON STOCK - 94.7% | | | ENERGY - 4.3% | | |
| AEROSPACE/DEFENSE - 2.0% | | | El Paso Corp. | | |
| BE Aerospace, Inc.* . . . | 1,626,800 | \$ 34,309,212 | 1,174,300 | \$ 16,017,452 | GlobalSanteFe Corp. . . |
| AGRICULTURE - 1.3% | | | 348,900 | 17,441,511 | Hanover Compressor |
| Bunge, Ltd. | 379,900 | 22,015,205 | | | Co.* |
| APPAREL - 1.1% | | | 1,424,300 | 25,950,746 | Tidewater, Inc. |
| Liz Claiborne, Inc. | 472,300 | 18,660,573 | 299,500 | 13,234,905 | |
| BANKING - 8.6% | | | | 72,644,614 | HEALTHCARE PRODUCTS - 4.7% |
| AMVESCAP PLC ADR | | | Baxter International, | | |
| (United Kingdom) . . . | 926,900 | 20,317,648 | | | Inc. |
| Annaly Capital | | | 1,050,200 | 47,742,092 | Beckman Coulter, |
| Management, | | | | | Inc. |
| Inc.(a) | 1,329,800 | 17,473,572 | 376,100 | 21,648,316 | Thoratec Corp.* |
| Federated Investors, Inc. | | | 616,700 | 9,626,687 | |
| Class B | 785,700 | 26,564,517 | | 79,017,095 | HEALTHCARE SERVICES - 1.5% |
| JPMorgan Chase & | | | AmerisourceBergen | | |
| Co. | 1,080,000 | 50,716,800 | | | Corp. |
| Regions Financial | | | | | |
| Corp. | 857,000 | 31,529,030 | INDUSTRIAL PRODUCTS - 5.0% | | |
| | | 146,601,567 | Cabot Corp. | | |
| BASIC MATERIALS - 1.5% | | | 492,900 | | |
| Barrick Gold Corp. | | | 126,705 | | |
| (Canada) | 844,000 | 25,927,680 | 6,454,353 | | |
| BUSINESS PRODUCTS - 1.8% | | | 241,400 | | |
| Diebold, Inc. | | | 8,521,420 | | |
| | 717,400 | 31,228,422 | Manitowoc Co., Inc. | | |
| CONSUMER PRODUCTS - 6.8% | | | (The) | | |
| Newell Rubbermaid, | | | 374,300 | | |
| Inc. | 1,798,500 | 50,933,520 | 16,764,897 | | |
| Pactiv Corp.* | | | 22,053,900 | | |
| | 1,621,792 | 46,091,329 | 12,501,590 | | |
| Universal Corp. | | | 84,632,040 | | |
| | 498,400 | 18,206,552 | INDUSTRIAL SERVICES - 7.3% | | |
| | | 115,231,401 | Allied Waste Industries, | | |
| CONSUMER PRODUCTS/FOOD & BEVERAGE - 4.2% | | | Inc.* | | |
| Anheuser-Busch Cos., | | | 3,810,600 | | |
| Inc. | 794,600 | 37,751,446 | 42,945,462 | | |
| International Flavors & | | | 1,010,200 | | |
| Fragrances, Inc. | 861,100 | 34,047,894 | 33,791,190 | | |
| | | 71,799,340 | 47,394,228 | | |
| | | | 124,130,880 | | |
| | | | INFORMATION TECHNOLOGY SERVICES - 1.7% | | |
| | | | BearingPoint, Inc.* | | |
| | | | 3,580,000 | | |
| | | | 28,138,800 | | |
| | | | INSURANCE - 2.6% | | |
| | | | Everest Re Group, Ltd. | | |
| | | | (Barbados) | | |
| | | | 173,800 | | |
| | | | 16,950,714 | | |
| | | | XL Capital, Ltd. Class A | | |
| | | | (Bermuda) | | |
| | | | 395,000 | | |
| | | | 27,136,500 | | |
| | | | 44,087,214 | | |

Meridian Value Fund®

Schedule of Investments (continued)

September 30, 2006 (Unaudited)

| | Shares | Value** | | Shares | Value** |
|--|-----------|---------------|---|---|---------------|
| COMMON STOCK (continued) | | | TECHNOLOGY - 8.8% | | |
| INSURANCE BROKERS - 2.4% | | | Analog Devices, Inc. | | |
| Willis Group Holdings, Ltd. (United Kingdom) | 1,093,600 | \$ 41,556,800 | | 905,000 | \$ 26,597,950 |
| | | | | 2,448,700 | 26,715,317 |
| | | | | 467,300 | 11,472,215 |
| | | | | 2,004,800 | 29,791,328 |
| | | | | 297,900 | 8,618,247 |
| | | | | 927,300 | 16,784,130 |
| | | | | 540,300 | 11,859,585 |
| | | | | 467,072 | 16,693,153 |
| | | | | | 148,531,925 |
| OIL & GAS - 1.7% | | | TELECOMMUNICATIONS EQUIPMENT - 2.3% | | |
| Kinder Morgan Management, LLC.* | 674,070 | 28,459,232 | | Nokia Oyj ADR (Finland) | |
| | | | | 1,965,200 | 38,694,788 |
| PHARMACEUTICALS - 3.7% | | | TELECOMMUNICATIONS SERVICES - 3.3% | | |
| MedImmune, Inc.* | 885,200 | 25,856,692 | | Alltel Corp. | |
| Schering-Plough Corp. | 1,656,400 | 36,589,876 | | 651,500 | 36,158,250 |
| | | 62,446,568 | | DIRECTV Group, Inc. (The)* | |
| | | | | 965,000 | 18,991,200 |
| PUBLISHING - 0.7% | | | | | 55,149,450 |
| Pearson PLC ADR (United Kingdom) | 780,500 | 11,114,320 | UTILITIES - 3.5% | | |
| | | | Dynegy, Inc. Class A* | | |
| REAL ESTATE - 6.7% | | | | 3,235,300 | 17,923,562 |
| Apartment Investment & Management Co. Class A(a) | 800,900 | 43,576,969 | Hawaiian Electric Industries, Inc. | | |
| Equity Residential(a) | 862,300 | 43,615,134 | | 601,075 | 16,265,090 |
| Healthcare Realty Trust, Inc.(a) | 694,100 | 26,660,381 | | 1,655,200 | 25,903,880 |
| | | 113,852,484 | TECO Energy, Inc. | | |
| | | | | | 60,092,532 |
| RESTAURANTS - 1.3% | | | TOTAL COMMON STOCK - 94.7% | | |
| Ruby Tuesday, Inc. | 785,600 | 22,146,064 | (Identified cost \$1,412,751,031) | | |
| | | | | | 1,606,930,177 |
| RETAIL - 5.9% | | | | | |
| HOT Topic, Inc.* | 1,217,300 | 13,560,722 | | | |
| Jean Coutu Group, Inc. Class A (Canada) | 782,300 | 8,321,670 | | | |
| Rent-A-Center, Inc.* | 349,500 | 10,236,855 | | | |
| Ross Stores, Inc. | 1,073,900 | 27,287,799 | | | |
| Safeway, Inc. | 1,366,300 | 41,467,205 | | | |
| | | 100,874,251 | | | |

Meridian Value Fund®

Schedule of Investments (continued)

September 30, 2006 (Unaudited)

| | <u>Value**</u> |
|--|------------------------|
| U.S. GOVERNMENT OBLIGATIONS - 1.8% | |
| U.S. Treasury Bill @ 5.057% due 11/09/06 (Face Value \$15,000,000) . . . \$ | 14,917,833 |
| U.S. Treasury Bill @ 4.912% due 12/14/06 (Face Value \$15,000,000) . . . | <u>14,856,915</u> |
| TOTAL U.S. GOVERNMENT OBLIGATIONS (Identified cost \$29,768,146) | <u>29,774,748</u> |
| TOTAL INVESTMENTS - 96.5% (Identified cost \$1,442,519,177) | 1,636,704,925 |
| CASH AND OTHER ASSETS, LESS LIABILITIES - 3.5% | <u>59,234,554</u> |
| NET ASSETS - 100.0% | <u>\$1,695,939,479</u> |

** **Investment Valuation:** 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 of Directors. Short-term securities with original or remaining maturities more than 60 days are valued at the mean of their quoted bid and asked prices. Short-term securities with 60 days or less to maturity are amortized to maturity based on their cost to the Fund if acquired within 60 days of maturity or, if already held by the Fund on the 60th day, based on the value determined on the 61st day.

The aggregate book cost is \$1,442,519,177.

The aggregate gross unrealized appreciation is \$213,678,179.

The aggregate gross unrealized depreciation is \$(19,492,431).

The net unrealized appreciation is \$194,185,748.

(a) Real Estate Investment Trust (REIT)

ADR - American Depository Receipt.

* Non-income producing securities.

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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MERIDIAN EQUITY INCOME FUND®

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FIRST QUARTER REPORT



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September 30, 2006