

MERIDIAN FUND, INC.

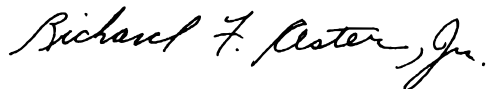
July 3, 2008

To Our Shareholders:

Stocks experienced another difficult period during the quarter ending June 30, 2008. Oil prices increased 38% and the credit markets, while no longer in a state of panic, remain under pressure. The S&P 500 declined 3.2% while the NASDAQ and the Russell 2000 gained 0.6% and 0.2% respectively. Year to date the S&P 500 is down 12.8%, the NASDAQ 13.5% and the Russell 2000 10.0%. The best performing sectors included energy, iron-steel and mining. Mortgage finance, home construction and airlines were among the worst performing groups. The yield on the ten-year treasury bond increased from 3.43% to 3.97%.

The economy continues to struggle. Consumer spending is weak, primarily due to the ever increasing price of energy and lower housing prices. Industrial production is holding up relatively well with growing exports and strength in several large industries such as steel, agriculture, energy and health care. The government sector continues to expand. Interest rates are stable but inflation is becoming an issue. The Federal Reserve is in a difficult position. The Fed would like to pump additional liquidity into the financial markets but is restrained by increasing inflation and a weak dollar. The two most important factors impacting the economy at this point are housing prices and commodity costs. Our outlook is for continued slow or negative growth for the next several quarters.

Long-term investment results, history clearly shows, are improved by buying good companies or mutual funds or adding to existing positions during difficult stock market environments. We welcome those new shareholders who joined the Meridian Funds during the quarter and appreciate the continued confidence of our existing shareholders.



Richard F. Aster, Jr.

Meridian Equity Income Fund® (MEIFX)

The Meridian Equity Income Fund's net asset value per share at June 30, 2008 was \$10.37. This represents a decrease of 9.19% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, January 31, 2005, were 14.5% and 4.1%, respectively. The Fund's assets at the close of the quarter were invested 5.7% in cash and 94.3% in stocks. Total net assets were \$33,518,636 and there were 572 shareholders.

Our basic strategy remains unchanged. The Fund continues to seek to invest in companies with above average yields and strong financial returns that, in our opinion, have the ability to grow dividends. The Fund is diversified with 50 positions representing 50 different industry groups. At the end of the June 2008 quarter, the portfolio's average holding had a 5-year-average return on equity of 19.7% and an average dividend yield of 3.9%; both measures are substantially higher than the return of the average S&P 500 stock. The average position had a market capitalization of \$31.0 billion, a debt ratio of 41.2% and earnings per share that are expected to grow 9.7% during the next several years. We believe these financial characteristics will lead to positive long-term returns for the Fund.

During the quarter we only purchased and sold shares in existing positions.

Waste Management, one of our larger holdings, is the country's largest waste service company, providing collection, transfer, recycling, disposal and waste to energy services. It serves residential, municipal and industrial clients and the business is recession resistant, which is important in today's difficult environment. The waste industry continues to consolidate and the major providers are now focused on return on invested capital as opposed to market share. This has resulted in steady earnings growth and improved financial characteristics which, in our opinion, will continue to result in above average dividend growth. The shares currently yield in excess of 3%.

Meridian Growth Fund® (MERDX)

The Meridian Growth Fund's net asset value per share at June 30, 2008 was \$33.60. This represents a decrease of 10.9% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,663.1% and 12.8%, respectively. The Fund's assets at the close of the quarter were invested 6.0% in cash and cash equivalents and 94.0% in stocks. Total net assets were \$1,516,014,655 and there were 65,592 shareholders.

The investment climate remains difficult. The major market indexes are off approximately 20% from the highs reached last fall. The problem remains investor uncertainty with respect to the credit markets, energy prices, housing prices and the impact these issues will have on economic growth and corporate profits. These problems will be resolved in time, but exactly when is unclear. Valuations are attractive and investors historically benefit by purchasing good companies in difficult times. We continue to hold quality companies which, in our opinion, have excellent long-term prospects and will improve their market position during this tough environment. Many of our companies are benefiting from strong international growth. Our largest areas of concentration are health care, technology and industrial.

We purchased shares of Cooper Industries and Nuance Communications. We sold our positions in American Eagle Outfitters, Laboratory Corp of America, Las Vegas Sands, UCBH Holdings and Winnebago Industries.

FMC Technologies, one of our larger holdings, is a leading provider of energy production and processing systems used by companies involved in land, but primarily deep water exploration and

production. FMC has a dominant 40% share in the important subsea tree market. Subsea trees are placed on the seafloor and used to control the flow of oil and gas from the reservoir to a host processing facility. Industry growth is driven by the on-going increase in exploration and production in deep water. Barriers to entry are high given the technical complexity of the equipment and the requirement for a distributed network of service centers around the world. FMC has an experienced management team and should continue to grow at a solid pace, driven by the acceleration of new deep water projects announced. The shares sell at a reasonable valuation given the company's market share, financial returns and long-term growth prospects.

Meridian Value Fund® (MVALX)

The Meridian Value Fund's net asset value per share at June 30, 2008 was \$29.43. This represents a decrease of 7.8% for the calendar year to date. The Fund's total return and average compounded annual rate of return since June 30, 1995, were 665.0% and 16.9%, respectively. The comparable period returns for the S&P 500 with dividends were 192.8% and 8.6%, respectively. The Fund's assets at the close of the quarter were invested 5.4% in cash and cash equivalents and 94.6% in stocks. Total net assets were \$1,319,185,549 and there were 63,031 shareholders.

Our investment strategy remains unchanged. We continue to seek out-of-favor companies that we believe have defensible positions in their industries, strong or improving balance sheets, reasonable valuations and good prospects for earnings growth. It is our position that over the long term this strategy will produce returns that outperform the market in general. In our opinion the portfolio is well positioned, reasonably valued and diversified. We hold 55 positions, representing 23 industry groups. We continue to invest in companies of all market capitalizations and our largest areas of concentration are healthcare products, technology and industrial products. The outlook for our approach, in our view, is favorable at this time.

During the quarter we purchased shares of Affymetrix, Avista Corporation, Barr Pharmaceuticals, Cephalon, Covidien, Gold Fields Limited, KBR and TETRA Technologies. We sold our positions in ABM Industries, Avid Technology, Chemtura Corporation, Entegris, Federated Investors, Hewitt Associates, Nokia Oyj and Secure Computing Corp.

Verizon Communications, one of our larger holdings, is a leading provider of telecommunications services in North America. Verizon suffered a decline in earnings due to cancellations of basic phone service as customers increasingly switched to mobile phones and cable broadband products for their telecommunications needs. Earnings have recovered due to growth in Verizon's wireless business, which is the leading mobile phone service provider in the US. Verizon's wireless earnings should continue to improve through growth in mobile phone penetration and increasing use of mobile data services. Though demand for basic phone service remains pressured, we expect this headwind to be mitigated by Verizon's roll out of fiber optic broadband services, which provide a compelling alternative to cable TV and cable broadband. In addition, Verizon's purchase of MCI has helped firm pricing and profitability in the long distance and business services segments. We believe that earnings could exceed \$3.50 in 2-3 years. Current valuation is

attractive at less than 10x normalized earnings and the stock has a dividend yield of more than 5%.

Miscellaneous

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

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

The information provided in this report should not be considered investment advice or a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in a particular Fund’s portfolio at the time you receive this report or that securities sold have not been repurchased. Securities discussed are presented as illustrations of companies that fit a particular Fund’s investment strategy and do not represent a Fund’s entire portfolio and in the aggregate may represent only a small percentage of a Fund’s portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that investment decisions Fund management makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Management’s views presented herein and any discussion of a particular Fund’s portfolio holdings or performance are as of June 30, 2008 and are subject to change without notice.

Meridian Equity Income Fund

Summary of Portfolio Holdings

June 30, 2008

Portfolio Holdings by Category (% of total net assets)

| | | |
|--|---------------|---------------------|
| Brewers | 2.5% | \$ 844,832 |
| Oil & Gas-Integrated | 2.2 | 733,562 |
| Environmental Facilities & Services | 2.2 | 727,426 |
| Railroads | 2.2 | 720,705 |
| Pharmaceuticals | 2.1 | 716,426 |
| Restaurants | 2.1 | 702,750 |
| Utilities-Gas | 2.1 | 701,974 |
| Commercial Printing | 2.1 | 698,160 |
| Household-Home Furnishings | 2.1 | 696,374 |
| Paper & Packaging | 2.1 | 693,280 |
| Distributors | 2.0 | 685,869 |
| General Merchandise Stores | 2.0 | 679,954 |
| REITs-Residential | 2.0 | 678,832 |
| Computer Hardware | 2.0 | 675,131 |
| Machinery-Construction Farm & Heavy Trucks | 2.0 | 671,762 |
| Industrial Machinery | 2.0 | 664,465 |
| Data Processing & Outsourced Services | 2.0 | 662,020 |
| Household Products | 2.0 | 660,569 |
| Motorcycle Manufacturers | 2.0 | 659,932 |
| Household Appliances | 1.9 | 652,277 |
| Semiconductors | 1.9 | 651,381 |
| Chemicals-Specialty | 1.9 | 649,415 |
| Insurance-Property & Casualty | 1.9 | 646,838 |
| Food Retail | 1.9 | 645,601 |
| Apparel Accessories & Luxury Goods | 1.9 | 640,620 |
| Tobacco | 1.9 | 639,612 |
| Insurance Brokers | 1.9 | 637,595 |
| Telecommunication Services-Integrated | 1.9 | 629,329 |
| Industrial Conglomerates | 1.9 | 629,094 |
| Construction Materials-Steel | 1.9 | 625,860 |
| Soft Drinks | 1.9 | 623,760 |
| Food & Meats-Packaged | 1.9 | 620,210 |
| Food Distributors | 1.8 | 618,975 |
| Office Services & Supplies | 1.8 | 617,436 |
| Electrical Components & Equipment | 1.8 | 615,992 |
| Hotel Resorts & Cruise Lines | 1.8 | 594,598 |
| Paper & Forest Products | 1.8 | 594,150 |
| Chemicals-Diversified | 1.8 | 593,470 |
| Air Freight & Logistics | 1.8 | 587,346 |
| Leisure Products | 1.7 | 583,792 |
| Media-Broadcasting & Cable TV | 1.7 | 582,751 |
| Construction Materials | 1.7 | 579,866 |
| Insurance-Life & Health | 1.7 | 579,416 |
| Housewares Specialties | 1.7 | 575,897 |
| Personal Products | 1.7 | 562,484 |
| Auto Parts & Equipment | 1.6 | 539,860 |
| Aerospace/Defense | 1.6 | 532,332 |
| Banking-Investment Banking & Brokerage | 1.5 | 501,373 |
| Banking-Diversified Banks | 1.4 | 470,182 |
| Banking-Regional Banks | 1.0 | 325,118 |
| Cash & Other Assets, Less Liabilities | 5.7 | 1,897,983 |
| | <u>100.0%</u> | <u>\$33,518,636</u> |

Meridian Growth Fund

Summary of Portfolio Holdings

June 30, 2008

Portfolio Holdings by Category (% of total net assets)

| | | |
|---|---------------|------------------------|
| Healthcare Products | 10.2% | \$ 154,308,619 |
| Industrial Conglomerates | 9.4 | 142,599,961 |
| Tech-Software | 8.2 | 123,585,083 |
| Technology | 6.2 | 93,645,430 |
| Retail | 6.1 | 93,017,232 |
| Business Services | 5.3 | 79,942,732 |
| Insurance Brokers | 4.8 | 72,493,093 |
| Brokerage & Money Management | 4.1 | 62,619,219 |
| U.S. Government Obligations | 3.6 | 54,882,672 |
| Energy | 3.5 | 52,472,414 |
| Restaurants | 2.9 | 43,377,054 |
| Cellular Communications | 2.8 | 43,128,800 |
| Insurance-Property & Casualty | 2.8 | 42,700,959 |
| Healthcare Information Services | 2.8 | 42,389,231 |
| Banking | 2.7 | 41,523,741 |
| Industrial Services | 2.7 | 40,988,814 |
| Healthcare Services | 2.7 | 40,811,004 |
| Chemicals-Specialty | 2.5 | 38,320,326 |
| Computer Hardware | 2.5 | 38,174,672 |
| Construction | 2.3 | 35,120,794 |
| Consumer Services | 2.3 | 34,675,540 |
| REITs-Diversified | 2.1 | 32,474,358 |
| Leisure & Amusement | 1.8 | 27,232,179 |
| Distributors | 1.6 | 24,866,820 |
| Leisure Products | 1.0 | 14,904,672 |
| Aerospace/Defense | 0.7 | 10,058,951 |
| Cash & Other Assets, Less Liabilities | 2.4 | 35,700,285 |
| | <u>100.0%</u> | <u>\$1,516,014,655</u> |

Meridian Value Fund

Summary of Portfolio Holdings

June 30, 2008

Portfolio Holdings by Category (% of total net assets)

| | | |
|---|---------------|------------------------|
| Healthcare Products | 13.5% | \$ 177,431,516 |
| Energy | 11.6 | 153,593,175 |
| Industrial Products | 11.1 | 146,903,114 |
| Utilities | 8.4 | 110,922,821 |
| Consumer Products | 6.7 | 88,917,503 |
| Pharmaceuticals | 6.3 | 82,582,483 |
| U.S. Government Obligations | 4.5 | 59,809,807 |
| Media | 4.3 | 57,282,446 |
| Technology | 4.1 | 54,194,672 |
| Telecommunications Services | 3.2 | 41,584,380 |
| Information Technology Services | 3.1 | 40,593,413 |
| Apparel | 3.0 | 40,073,873 |
| Semiconductors | 2.6 | 34,294,968 |
| Leisure Products | 2.5 | 32,416,720 |
| Insurance Brokers | 2.5 | 32,333,059 |
| Brewers | 1.9 | 24,885,272 |
| Trucking | 1.6 | 21,663,984 |
| Banking | 1.6 | 21,388,290 |
| Leisure & Amusement | 1.4 | 18,670,510 |
| Aerospace/Defense | 1.4 | 17,858,772 |
| Metals | 1.2 | 15,736,600 |
| Engineering & Construction | 1.1 | 14,306,118 |
| Transportation-Airlines | 0.8 | 10,718,256 |
| Agriculture | 0.7 | 8,755,197 |
| Cash & Other Assets, Less Liabilities | 0.9 | 12,268,600 |
| | <u>100.0%</u> | <u>\$1,319,185,549</u> |

Meridian Fund, Inc.

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period January 1, 2008 to June 30, 2008

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 01/01/08 | Ending Account Value 06/30/08 | Expense Ratio ⁽¹⁾ | Expenses Paid During Period ⁽²⁾ |
|---|--|-------------------------------------|---------------------------------|--|
| Actual Fund Return | | | | |
| (See explanation below) | | | | |
| Meridian Equity Income Fund | \$1,000.00 | \$ 908.10 | 1.25% ⁽⁴⁾ | \$5.93 |
| Meridian Growth Fund | \$1,000.00 | \$ 890.80 | 0.84% | \$3.95 |
| Meridian Value Fund | \$1,000.00 | \$ 922.00 | 1.09% | \$5.21 |
| Hypothetical 5% Return⁽³⁾ | | | | |
| (See explanation below) | | | | |
| Meridian Equity Income Fund | \$1,000.00 | \$1,018.65 | 1.25% ⁽⁴⁾ | \$6.27 |
| Meridian Growth Fund | \$1,000.00 | \$1,020.69 | 0.84% | \$4.22 |
| Meridian Value Fund | \$1,000.00 | \$1,019.44 | 1.09% | \$5.47 |

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

(2) Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 366.

(3) Before expenses.

(4) See note 2 to Financial Statements.

Meridian Fund, Inc.

Disclosure of Fund Expenses (Unaudited) (continued)

For the Six Month Period January 1, 2008 to June 30, 2008

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

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

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

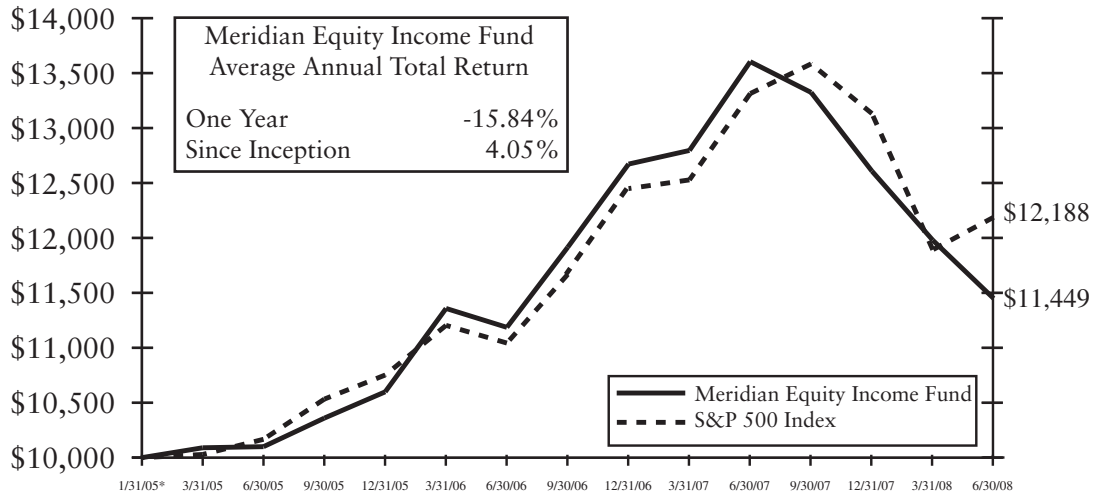
Hypothetical 5% Return: This section is intended to help you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had a return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is **not** the Fund's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

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

Management's Discussion of Meridian Equity Income Fund Performance

During the fiscal year ended June 30, 2008, the Meridian Equity Income Fund lost 15.84% compared to a loss of 13.11% for the S&P 500 with reinvested dividends, a loss of 16.19% for the Russell 2000, and a loss of 11.92% for the NASDAQ. The Equity Income Fund's performance reflected the strength of our holdings in the asset management & custody banks sector, as well as the performance of individual stocks that may be the only issue we own in a particular sector. This was offset, primarily by weakness in our holdings in the chemical, electrical components & equipment, household appliances, industrial conglomerates and pharmaceutical 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.

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



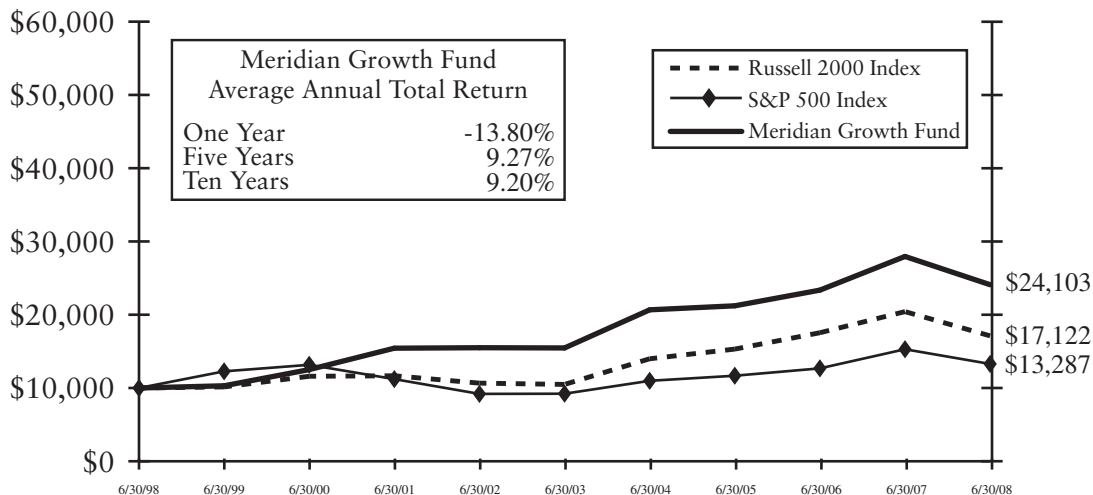
Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares and do not reflect the imposition of a 2% redemption fee on shares held 60 days or less to deter market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

* Inception date.

Management's Discussion of Meridian Growth Fund Performance

During the fiscal year ended June 30, 2008, the Meridian Growth Fund lost 13.80% compared to a loss of 13.11% for the S&P 500 with reinvested dividends, a loss of 16.19% for the Russell 2000, and a loss of 11.92% for the NASDAQ. The Growth Fund's performance reflected the strength of our holdings in the healthcare products, industrial conglomerates and software 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 our holdings in the banking, brokerage & money management, business services, consumer services, industrial services, insurance brokers, leisure, restaurants, retail and technology 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 Russell 2000 Index and the S&P 500 Index



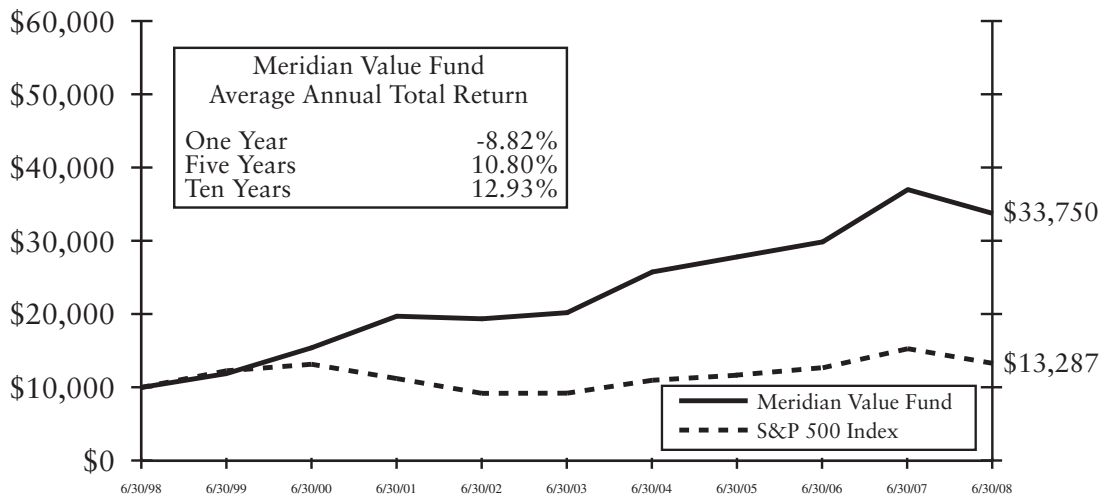
Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares and do not reflect the imposition of a 2% redemption fee on shares held 60 days or less to deter market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

Management's Discussion of Meridian Value Fund Performance

During the fiscal year ended June 30, 2008, the Meridian Value Fund lost 8.82% compared to a loss of 13.11% for the S&P 500 with reinvested dividends, a loss of 16.19% for the Russell 2000, and a loss of 11.92% for the NASDAQ. The Value Fund's performance reflected the strength of our holdings in the agriculture, energy, media, pharmaceutical and software technology 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 our holdings in the apparel, banking, consumer products, industrial products, technology and telecommunications services sectors, as well as the performance of individual stocks that may be the only issue we own in a particular sector.

The Meridian Value Fund's strategy is to invest in stocks, across a range of market capitalizations, which the Investment Adviser believes are undervalued in relation to the issuer's long-term earnings power, asset value and/or the stock market in general. Investments include both smaller company equities and mid-to-large capitalization stocks. Based on this strategy, the Fund's average compounded annual return for the ten-year period from June 30, 1998 to June 30, 2008 was 12.93% compared to 2.86% 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, 2008 was 12.75%, compared to 9.67% for the S&P 500, with reinvested dividends.

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



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

Meridian Equity Income Fund

Schedule of Investments

June 30, 2008

| | Shares | Value | | Shares | Value |
|---|--------|------------|--|--------|------------|
| COMMON STOCKS - 94.3% | | | COMMERCIAL PRINTING - 2.1% | | |
| AEROSPACE/DEFENSE - 1.6% | | | R. R. Donnelley & Sons | | |
| Boeing Co. | 8,100 | \$ 532,332 | Co. | 23,515 | \$ 698,160 |
| AIR FREIGHT & LOGISTICS - 1.8% | | | COMPUTER HARDWARE - 2.0% | | |
| United Parcel Service, Inc. | | | Diebold, Inc. | 18,975 | 675,131 |
| Class B | 9,555 | 587,346 | CONSTRUCTION MATERIALS - 1.7% | | |
| APPAREL ACCESSORIES & LUXURY GOODS - 1.9% | | | Vulcan Materials Co. . . | 9,700 | 579,866 |
| VF Corp. | 9,000 | 640,620 | CONSTRUCTION MATERIALS-STEEL - 1.9% | | |
| AUTO PARTS & EQUIPMENT - 1.6% | | | Timken Co. | 19,000 | 625,860 |
| Autoliv, Inc. (Sweden) . . | 11,580 | 539,860 | DATA PROCESSING & OUTSOURCED | | |
| BANKING-DIVERSIFIED BANKS - 1.4% | | | SERVICES - 2.0% | | |
| Comerica, Inc. | 18,345 | 470,182 | Automatic Data | | |
| BANKING-INVESTMENT BANKING & | | | Processing, Inc. | 15,800 | 662,020 |
| BROKERAGE - 1.5% | | | DISTRIBUTORS - 2.0% | | |
| Morgan Stanley | 13,900 | 501,373 | Genuine Parts Co. | 17,285 | 685,869 |
| BANKING-REGIONAL BANKS - 1.0% | | | ELECTRICAL COMPONENTS & EQUIPMENT - 1.8% | | |
| Regions Financial | | | Hubbell, Inc. Class B . . | 15,450 | 615,992 |
| Corp. | 29,800 | 325,118 | ENVIRONMENTAL FACILITIES & SERVICES - 2.2% | | |
| BREWERS - 2.5% | | | Waste Management, | | |
| Anheuser-Busch Cos., | | | Inc. | 19,290 | 727,426 |
| Inc. | 13,600 | 844,832 | FOOD DISTRIBUTORS - 1.8% | | |
| CHEMICALS-DIVERSIFIED - 1.8% | | | SYSCO Corp. | 22,500 | 618,975 |
| Dow Chemical Co. | | | FOOD & MEATS-PACKAGED - 1.9% | | |
| (The) | 17,000 | 593,470 | Kraft Foods, Inc. | | |
| CHEMICALS-SPECIALTY - 1.9% | | | Class A | 21,800 | 620,210 |
| RPM International, | | | | | |
| Inc. | 31,525 | 649,415 | | | |

The accompanying notes are an integral part of the financial statements

Meridian Equity Income Fund

Schedule of Investments (continued)

June 30, 2008

| | Shares | Value | | Shares | Value |
|-------------------------------------|--------|------------|--------------------------------------|--------|------------|
| COMMON STOCK (continued) | | | INSURANCE-LIFE & HEALTH - 1.7% | | |
| FOOD RETAIL - 1.9% | | | Lincoln National | | |
| SUPERVALU, Inc. | 20,900 | \$ 645,601 | Corp. | 12,785 | \$ 579,416 |
| GENERAL MERCHANDISE STORES - 2.0% | | | INSURANCE-PROPERTY & CASUALTY - 1.9% | | |
| Family Dollar Stores, | | | Mercury General | | |
| Inc. | 34,100 | 679,954 | Corp. | 13,845 | 646,838 |
| HOTEL RESORTS & CRUISE LINES - 1.8% | | | LEISURE PRODUCTS - 1.7% | | |
| Carnival Corp. | 18,040 | 594,598 | Mattel, Inc. | 34,100 | 583,792 |
| HOUSEHOLD APPLIANCES - 1.9% | | | MACHINERY-CONSTRUCTION, FARM & HEAVY | | |
| Stanley Works (The) . . . | 14,550 | 652,277 | TRUCKS - 2.0% | | |
| HOUSEHOLD-HOME FURNISHINGS - 2.1% | | | Caterpillar, Inc. | 9,100 | 671,762 |
| Leggett & Platt, Inc. . . | 41,525 | 696,374 | MEDIA-BROADCASTING & CABLE TV - 1.7% | | |
| HOUSEHOLD PRODUCTS - 2.0% | | | CBS Corp. Class B | 29,900 | 582,751 |
| Kimberly-Clark Corp. . . | 11,050 | 660,569 | MOTORCYCLE MANUFACTURERS - 2.0% | | |
| HOUSEWARES SPECIALTIES - 1.7% | | | Harley-Davidson, | | |
| Newell Rubbermaid, | | | Inc. | 18,200 | 659,932 |
| Inc. | 34,300 | 575,897 | OFFICE SERVICES & SUPPLIES - 1.8% | | |
| INDUSTRIAL CONGLOMERATES - 1.9% | | | Avery Dennison | | |
| 3M Co. | 9,040 | 629,094 | Corp. | 14,055 | 617,436 |
| INDUSTRIAL MACHINERY - 2.0% | | | OIL & GAS-INTEGRATED - 2.2% | | |
| Eaton Corp. | 7,820 | 664,465 | Chevron Corp. | 7,400 | 733,562 |
| INSURANCE BROKERS - 1.9% | | | PAPER & FOREST PRODUCTS - 1.8% | | |
| Willis Group Holdings, | | | International Paper Co. . . | 25,500 | 594,150 |
| Ltd. (United | | | PAPER & PACKAGING - 2.1% | | |
| Kingdom) | 20,325 | 637,595 | Sonoco Products Co. . . | 22,400 | 693,280 |

The accompanying notes are an integral part of the financial statements

Meridian Equity Income Fund

Schedule of Investments (continued)

June 30, 2008

| | <u>Shares</u> | <u>Value</u> | | <u>Shares</u> | <u>Value</u> |
|---------------------------|---------------|--------------|-------------------------------|---------------|-----------------------------|
| COMMON STOCK (continued) | | | | | |
| PERSONAL PRODUCTS - 1.7% | | | SOFT DRINKS - 1.9% | | |
| Nu Skin Enterprises, Inc. | | | Coca-Cola Co. (The) . . . | 12,000 | \$ 623,760 |
| Class A | 37,700 | \$ 562,484 | | | |
| PHARMACEUTICALS - 2.1% | | | TELECOMMUNICATION | | |
| Johnson & Johnson . . . | 11,135 | 716,426 | SERVICES-INTEGRATED - 1.9% | | |
| | | | AT&T, Inc. | 18,680 | 629,329 |
| RAILROADS - 2.2% | | | TOBACCO - 1.9% | | |
| Norfolk Southern | | | Reynolds American, | | |
| Corp. | 11,500 | 720,705 | Inc. | 13,705 | 639,612 |
| REITs-RESIDENTIAL - 2.0% | | | UTILITIES-GAS - 2.1% | | |
| Mid-America Apartment | | | AGL Resources, Inc. . . | 20,300 | 701,974 |
| Communities, Inc. | | | | | |
| REIT | 13,300 | 678,832 | TOTAL INVESTMENTS - 94.3% | | |
| RESTAURANTS - 2.1% | | | (Cost \$35,565,414) | | 31,620,653 |
| McDonald's Corp. | 12,500 | 702,750 | CASH AND OTHER ASSETS, LESS | | |
| SEMICONDUCTORS - 1.9% | | | LIABILITIES - 5.7% | | <u>1,897,983</u> |
| Intel Corp. | 30,325 | 651,381 | NET ASSETS - 100.0% | | <u><u>\$ 33,518,636</u></u> |

REIT - Real Estate Investment Trust

The accompanying notes are an integral part of the financial statements

Meridian Growth Fund Schedule of Investments

June 30, 2008

| | Shares | Value | | Shares | Value |
|---|-----------|-------------------|--|--------|------------|
| COMMON STOCKS - 94.0% | | | ENERGY - 3.5% | | |
| AEROSPACE/DEFENSE - 0.7% | | | FMC Technologies, Inc.* | | |
| BE Aerospace, Inc.* . . . | 431,900 | \$ 10,058,951 | 682,080 | \$ | 52,472,414 |
| BANKING - 2.7% | | | HEALTHCARE INFORMATION SERVICES - 2.8% | | |
| SVB Financial Group* . . . | 863,100 | 41,523,741 | Cerner Corp.* | | |
| BROKERAGE & MONEY MANAGEMENT - 4.1% | | | HEALTHCARE PRODUCTS - 10.2% | | |
| Affiliated Managers Group, Inc.* | 301,000 | 27,108,060 | C. R. Bard, Inc. | | |
| T. Rowe Price Group, Inc. | 628,850 | <u>35,511,159</u> | DENTSPLY International, Inc. | | |
| | | 62,619,219 | Edwards Lifesciences Corp.* | | |
| BUSINESS SERVICES - 5.3% | | | HEALTHCARE SERVICES - 2.7% | | |
| Dun & Bradstreet Corp. | 386,300 | 33,855,332 | Millipore Corp.* | | |
| Global Payments, Inc. | 989,000 | <u>46,087,400</u> | INDUSTRIAL CONGLOMERATES - 9.4% | | |
| | | 79,942,732 | Airgas, Inc. | | |
| CELLULAR COMMUNICATIONS - 2.8% | | | Cooper Industries, Ltd. Class A | | |
| American Tower Corp. Class A* | 1,020,800 | 43,128,800 | Dionex Corp.* | | |
| CHEMICALS-SPECIALTY - 2.5% | | | Pall Corp. | | |
| RPM International, Inc. | 1,860,210 | 38,320,326 | <u>40,957,696</u> | | |
| COMPUTER HARDWARE - 2.5% | | | 142,599,961 | | |
| Diebold, Inc. | 1,072,925 | 38,174,672 | INDUSTRIAL SERVICES - 2.7% | | |
| CONSTRUCTION - 2.3% | | | Allied Waste Industries, Inc.* | | |
| Granite Construction, Inc. | 1,113,885 | 35,120,794 | 3,247,925 | | |
| CONSUMER SERVICES - 2.3% | | | INSURANCE BROKERS - 4.8% | | |
| Rollins, Inc. | 2,339,780 | 34,675,540 | Brown & Brown, Inc. | | |
| DISTRIBUTORS - 1.6% | | | Willis Group Holdings, Ltd. (United Kingdom) | | |
| Watsco, Inc. | 594,900 | 24,866,820 | 1,166,530 | | |
| | | | <u>36,594,046</u> | | |
| | | | 72,493,093 | | |
| | | | INSURANCE-PROPERTY & CASUALTY - 2.8% | | |
| | | | Mercury General Corp. | | |
| | | | 913,976 | | |
| | | | 42,700,959 | | |
| | | | LEISURE & AMUSEMENT - 1.8% | | |
| | | | Royal Caribbean Cruises, Ltd. | | |
| | | | 1,211,935 | | |
| | | | 27,232,179 | | |

The accompanying notes are an integral part of the financial statements

Meridian Growth Fund

Schedule of Investments (continued)

June 30, 2008

| | <u>Shares</u> | <u>Value</u> | | <u>Value</u> |
|--|---------------|-------------------|---|------------------------|
| COMMON STOCK (continued) | | | TOTAL COMMON STOCKS - 94.0% | |
| LEISURE PRODUCTS - 1.0% | | | (Cost \$1,313,509,202) | <u>\$1,425,431,698</u> |
| Mattel, Inc. | 870,600 | \$ 14,904,672 | | |
| REITS-DIVERSIFIED - 2.1% | | | U.S. GOVERNMENT OBLIGATIONS - 3.6% | |
| Digital Realty Trust, Inc. REIT | 793,800 | 32,474,358 | U.S. Treasury Bill @ 1.435% ** due 07/31/08 (Face Value \$20,000,000) | 19,976,500 |
| RESTAURANTS - 2.9% | | | U.S. Treasury Bill @ 1.263% ** due 08/21/08 (Face Value \$20,000,000) | 19,964,867 |
| CBRL Group, Inc. | 606,388 | 14,862,570 | U.S. Treasury Bill @ 2.008% ** due 09/18/08 (Face Value \$15,000,000) | <u>14,941,305</u> |
| Jack in the Box, Inc.* | 1,272,400 | <u>28,514,484</u> | | |
| | | 43,377,054 | TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$54,876,521) | <u>54,882,672</u> |
| RETAIL - 6.1% | | | | |
| Bed Bath & Beyond, Inc.* | 476,700 | 13,395,270 | | |
| PetSmart, Inc. | 1,750,200 | 34,916,490 | TOTAL INVESTMENTS - 97.6% | |
| Ross Stores, Inc. | 1,258,600 | <u>44,705,472</u> | (Cost \$1,368,385,723) | 1,480,314,370 |
| | | 93,017,232 | CASH AND OTHER ASSETS, LESS LIABILITIES - 2.4% | <u>35,700,285</u> |
| TECHNOLOGY - 6.2% | | | | |
| NetApp, Inc.* | 1,036,700 | 22,454,922 | NET ASSETS - 100.0% | <u>\$1,516,014,655</u> |
| Trimble Navigation, Ltd.* | 856,200 | 30,566,340 | | |
| Zebra Technologies Corp. Class A* | 1,244,613 | <u>40,624,168</u> | REIT - Real Estate Investment Trust * Non-income producing securities ** Annualized yield at date of purchase | |
| | | 93,645,430 | | |
| TECH-SOFTWARE - 8.2% | | | | |
| Advent Software, Inc.* | 961,338 | 34,685,075 | | |
| Blackbaud, Inc. | 728,100 | 15,581,340 | | |
| MICROS Systems, Inc.* | 1,131,400 | 34,496,386 | | |
| Nuance Communications, Inc.* | 448,200 | 7,023,294 | | |
| Teradata Corp.* | 1,374,200 | <u>31,798,988</u> | | |
| | | 123,585,083 | | |

The accompanying notes are an integral part of the financial statements

Meridian Value Fund Schedule of Investments

June 30, 2008

| | Shares | Value | | Shares | Value |
|--|-----------|--------------------|--|-----------|--------------------|
| COMMON STOCKS - 94.6% | | | HEALTHCARE PRODUCTS - 13.5% | | |
| AEROSPACE/DEFENSE - 1.4% | | | Abbott Laboratories . . . | 684,300 | \$ 36,247,371 |
| BE Aerospace, Inc.* . . . | 766,800 | \$ 17,858,772 | Affymetrix, Inc.* | 144,500 | 1,486,905 |
| AGRICULTURE - 0.7% | | | American Medical Systems Holdings, Inc.* | 1,872,700 | 27,996,865 |
| Bunge, Ltd. | 81,300 | 8,755,197 | Baxter International, Inc. | 350,700 | 22,423,758 |
| APPAREL - 3.0% | | | Beckman Coulter, Inc. | 521,800 | 35,237,154 |
| Hanesbrands, Inc.* | 674,900 | 18,316,786 | Covidien, Ltd. | 477,900 | 22,886,631 |
| Liz Claiborne, Inc. | 449,700 | 6,363,255 | STERIS Corp. | 1,083,200 | 31,152,832 |
| Quiksilver, Inc.* | 1,567,600 | 15,393,832 | | | <u>177,431,516</u> |
| | | <u>40,073,873</u> | | | |
| BANKING - 1.6% | | | INDUSTRIAL PRODUCTS - 11.1% | | |
| Annaly Capital Management, Inc. REIT | 1,379,000 | 21,388,290 | Albany International Corp. Class A | 945,000 | 27,405,000 |
| BREWERS - 1.9% | | | Cabot Corp. | 966,000 | 23,483,460 |
| Anheuser-Busch Cos., Inc. | 400,600 | 24,885,272 | Franklin Electric Co., Inc. | 632,800 | 24,539,984 |
| CONSUMER PRODUCTS - 6.7% | | | Mine Safety Appliances Co. | 701,950 | 28,070,980 |
| Avon Products, Inc. | 937,100 | 33,754,342 | Schnitzer Steel Industries, Inc. Class A | 119,800 | 13,729,080 |
| Briggs & Stratton Corp. | 857,000 | 10,866,760 | Sealed Air Corp. | 1,561,000 | 29,674,610 |
| Electronic Arts, Inc.* . . . | 453,700 | 20,157,891 | | | <u>146,903,114</u> |
| Pactiv Corp.* | 1,137,000 | 24,138,510 | | | |
| | | <u>88,917,503</u> | INFORMATION TECHNOLOGY SERVICES - 3.1% | | |
| ENERGY - 11.6% | | | CACI International, Inc. Class A* | 886,900 | 40,593,413 |
| BP plc ADR (United Kingdom) | 352,000 | 24,488,640 | INSURANCE BROKERS - 2.5% | | |
| Exterran Holdings, Inc.* | 263,550 | 18,841,190 | Willis Group Holdings, Ltd. (United Kingdom) | 1,030,700 | 32,333,059 |
| International Coal Group, Inc.* | 1,884,000 | 24,586,200 | LEISURE & AMUSEMENT - 1.4% | | |
| Kinder Morgan Management, LLC* | 851,677 | 45,862,812 | Polaris Industries, Inc. | 315,100 | 12,723,738 |
| TETRA Technologies, Inc.* | 611,000 | 14,486,810 | Shuffle Master, Inc.* | 1,203,800 | 5,946,772 |
| Transocean, Inc.* | 166,202 | 25,327,523 | | | <u>18,670,510</u> |
| | | <u>153,593,175</u> | LEISURE PRODUCTS - 2.5% | | |
| ENGINEERING & CONSTRUCTION - 1.1% | | | Mattel, Inc. | 1,893,500 | 32,416,720 |
| KBR, Inc. | 409,800 | 14,306,118 | | | |

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

Meridian Value Fund

Schedule of Investments (continued)

June 30, 2008

| | Shares | Value | | Shares | Value |
|------------------------------------|-----------|-------------------|---|-----------|------------------------|
| COMMON STOCK (continued) | | | TRUCKING - 1.6% | | |
| MEDIA - 4.3% | | | Con-way, Inc. | 458,400 | \$ 21,663,984 |
| Arbitron, Inc. | 160,200 | \$ 7,609,500 | UTILITIES - 8.4% | | |
| Grupo Televisa SA ADR | | | Avista Corp | 942,700 | 20,230,342 |
| (Mexico) | 1,009,400 | 23,842,028 | Dynegy, Inc. Class A* . . | 3,420,700 | 29,246,985 |
| Marvel Entertainment, | | | Hawaiian Electric | | |
| Inc.* | 803,700 | 25,830,918 | Industries, Inc. | 1,419,875 | 35,113,509 |
| | | <u>57,282,446</u> | Progress Energy, Inc. . . | 629,500 | 26,331,985 |
| | | | | | <u>110,922,821</u> |
| METALS - 1.2% | | | TOTAL COMMON STOCKS - 94.6% | | |
| Gold Fields, Ltd. | | | (Cost \$1,260,229,841) | | <u>1,247,107,142</u> |
| ADR | 1,244,000 | 15,736,600 | U.S. GOVERNMENT OBLIGATIONS - 4.5% | | |
| PHARMACEUTICALS - 6.3% | | | U.S. Treasury Bill @ 1.263%** | | |
| Barr Pharmaceuticals, | | | due 08/21/08 | | |
| Inc.* | 388,500 | 17,513,580 | (Face Value \$15,000,000) | | 14,973,652 |
| Cephalon, Inc.* | 342,900 | 22,868,001 | U.S. Treasury Bill @ 1.833%** | | |
| Charles River | | | due 09/04/08 | | |
| Laboratories | | | (Face Value \$15,000,000) | | 14,953,545 |
| International, Inc.* . . | 311,000 | 19,879,120 | U.S. Treasury Bill @ 2.008%** | | |
| ImClone Systems, | | | due 09/18/08 | | |
| Inc.* | 551,700 | 22,321,782 | (Face Value \$30,000,000) | | <u>29,882,610</u> |
| | | <u>82,582,483</u> | TOTAL U.S. GOVERNMENT | | |
| SEMICONDUCTORS - 2.6% | | | OBLIGATIONS | | |
| Intel Corp. | 1,596,600 | 34,294,968 | (Cost \$59,795,210) | | <u>59,809,807</u> |
| TECHNOLOGY - 4.1% | | | TOTAL INVESTMENTS - 99.1% | | |
| Intermec, Inc.* | 969,700 | 20,441,276 | (Cost \$1,320,025,051) | | 1,306,916,949 |
| Western Digital | | | CASH AND OTHER ASSETS, LESS | | |
| Corp.* | 416,400 | 14,378,292 | LIABILITIES - 0.9% | | <u>12,268,600</u> |
| Zebra Technologies | | | NET ASSETS - 100.0% | | <u>\$1,319,185,549</u> |
| Corp. Class A* | 593,600 | 19,375,104 | | | |
| | | <u>54,194,672</u> | ADR - American Depository Receipt | | |
| TELECOMMUNICATIONS SERVICES - 3.2% | | | REIT - Real Estate Investment Trust | | |
| Verizon | | | * Non-income producing securities | | |
| Communications, | | | ** Annualized yield at date of purchase | | |
| Inc. | 1,174,700 | 41,584,380 | | | |
| TRANSPORTATION-AIRLINES - 0.8% | | | | | |
| GOL Linhas Aereas | | | | | |
| Inteligentes SA ADR | | | | | |
| (Brazil) | 950,200 | 10,718,256 | | | |

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

Meridian Fund, Inc.

Statements of Assets and Liabilities

June 30, 2008

| | Equity Income Fund | Growth Fund | Value Fund |
|--|-----------------------|------------------------|------------------------|
| ASSETS | | | |
| Investments (Cost \$35,565,414, \$1,368,385,723 and \$1,320,025,051, respectively) | \$31,620,653 | \$1,480,314,370 | \$1,306,916,949 |
| Cash | 1,942,773 | 25,398,218 | 14,805,135 |
| Receivable for: | | | |
| Capital shares purchased | 250 | 556,297 | 79,006 |
| Securities sold | — | 18,670,942 | 14,547,237 |
| Dividends | 102,108 | 663,681 | 1,284,328 |
| Interest | 2,198 | 27,269 | 26,124 |
| Prepaid expenses | 12,647 | 7,206 | 6,193 |
| TOTAL ASSETS | <u>33,680,629</u> | <u>1,525,637,983</u> | <u>1,337,664,972</u> |
| LIABILITIES | | | |
| Payable for: | | | |
| Capital shares sold | — | 2,176,991 | 2,533,602 |
| Securities purchased | 93,770 | 6,136,502 | 14,531,660 |
| Accrued expenses: | | | |
| Investment advisory fees | 26,482 | 1,036,774 | 1,180,372 |
| Professional fees | 31,152 | 59,474 | 55,377 |
| Directors' fees | 193 | 9,049 | 18,305 |
| Other payables and accrued expenses | 10,396 | 204,538 | 160,107 |
| TOTAL LIABILITIES | <u>161,993</u> | <u>9,623,328</u> | <u>18,479,423</u> |
| NET ASSETS | <u>\$33,518,636</u> | <u>\$1,516,014,655</u> | <u>\$1,319,185,549</u> |
| Capital shares issued and outstanding, par value \$0.01 (500,000,000, 500,000,000 and 500,000,000 shares authorized, respectively) | <u>3,233,136</u> | <u>45,114,050</u> | <u>44,821,179</u> |
| Net asset value per share (offering and redemption price) | <u>\$ 10.37</u> | <u>\$ 33.60</u> | <u>\$ 29.43</u> |
| Net Assets consist of: | | | |
| Paid in capital | \$35,631,018 | \$1,374,392,925 | \$1,282,848,387 |
| Accumulated net realized gain | 1,429,232 | 29,693,083 | 49,445,264 |
| Net unrealized appreciation (depreciation) on investments | (3,944,761) | 111,928,647 | (13,108,102) |
| Accumulated undistributed net investment income | 403,147 | — | — |
| | <u>\$33,518,636</u> | <u>\$1,516,014,655</u> | <u>\$1,319,185,549</u> |

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

Meridian Fund, Inc.

Statements of Operations

For the Year Ended June 30, 2008

| | Equity Income Fund | Growth Fund | Value Fund |
|---|-----------------------------|-------------------------------|-------------------------------|
| INVESTMENT INCOME | | | |
| Dividends (net of foreign taxes withheld of \$0, \$0 and \$67,038, respectively) | \$ 1,226,888 | \$ 14,710,349 | \$ 21,069,211 |
| Interest | 62,013 | 2,977,751 | 2,741,388 |
| Other income | 9,330 | 74,527 | 86,308 |
| Total investment income | <u>1,298,231</u> | <u>17,762,627</u> | <u>23,896,907</u> |
| EXPENSES | | | |
| Investment advisory fees | 357,412 | 13,833,867 | 15,670,528 |
| Custodian fees | 9,841 | 317,140 | 275,365 |
| Directors' fees and expenses | 1,098 | 11,712 | 11,712 |
| Post waived expense reimbursed to advisor (Note 2) | 4,849 | — | — |
| Pricing fees | 39,072 | 228,840 | 209,270 |
| Professional fees | 29,280 | 116,148 | 103,758 |
| Registration and filing fees | 21,056 | 33,422 | 31,698 |
| Reports to shareholders | 2,044 | 201,902 | 189,858 |
| Transfer agent fees | 30,810 | 557,422 | 518,306 |
| Miscellaneous expenses | 1,842 | 26,307 | 23,349 |
| Total expenses | <u>497,304</u> | <u>15,326,760</u> | <u>17,033,844</u> |
| Net investment income | <u>800,927</u> | <u>2,435,867</u> | <u>6,863,063</u> |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS | | | |
| Net realized gain on investments | 2,413,261 | 63,427,693 | 125,270,783 |
| Net change in unrealized appreciation/depreciation on investments | <u>(9,939,134)</u> | <u>(328,651,194)</u> | <u>(274,445,682)</u> |
| Net loss on investments | <u>(7,525,873)</u> | <u>(265,223,501)</u> | <u>(149,174,899)</u> |
| NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS | | | |
| | <u><u>\$(6,724,946)</u></u> | <u><u>\$(262,787,634)</u></u> | <u><u>\$(142,311,836)</u></u> |

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

Meridian Fund, Inc.

Statements of Changes in Net Assets

| | Equity Income Fund | | Growth Fund | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year Ended June 30, 2008 | Year Ended June 30, 2007 | Year Ended June 30, 2008 | Year Ended June 30, 2007 |
| OPERATIONS | | | | |
| Net investment income | \$ 800,927 | \$ 565,035 | \$ 2,435,867 | \$ 1,991,252 |
| Net realized gain on investments | 2,413,261 | 1,156,674 | 63,427,693 | 206,433,053 |
| Net change in unrealized appreciation/depreciation on investments | (9,939,134) | 4,745,850 | (328,651,194) | 126,767,717 |
| Net increase (decrease) in net assets from operations | (6,724,946) | 6,467,559 | (262,787,634) | 335,192,022 |
| DISTRIBUTIONS TO SHAREHOLDERS | | | | |
| Distributions from ordinary income | (736,172) | (437,139) | (2,535,381) | (480,611) |
| Distributions from net realized capital gains | (1,774,107) | (298,676) | (165,398,885) | (138,884,318) |
| Net distributions | (2,510,279) | (735,815) | (167,934,266) | (139,364,929) |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Proceeds from sales of shares | 4,585,753 | 12,291,605 | 207,068,646 | 360,777,435 |
| Reinvestment of distributions | 2,484,529 | 677,132 | 141,086,090 | 117,740,707 |
| Redemption fees | 452 | 392 | 20,125 | 19,004 |
| Less: redemptions of shares | (7,504,987) | (963,461) | (468,188,222) | (296,988,641) |
| Increase (decrease) resulting from capital share transactions | (434,253) | 12,005,668 | (120,013,361) | 181,548,505 |
| Total increase (decrease) in net assets | (9,669,478) | 17,737,412 | (550,735,261) | 377,375,598 |
| NET ASSETS | | | | |
| Beginning of year | 43,188,114 | 25,450,702 | 2,066,749,916 | 1,689,374,318 |
| End of year | <u>\$33,518,636</u> | <u>\$43,188,114</u> | <u>\$1,516,014,655</u> | <u>\$2,066,749,916</u> |
| Undistributed Net Investment Income at end of year | <u>\$ 403,147</u> | <u>\$ 338,392</u> | <u>\$ —</u> | <u>\$ 1,510,641</u> |

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

Meridian Fund, Inc.

Statements of Changes in Net Assets

| | Value Fund | |
|--|-----------------------------|-----------------------------|
| | Year Ended June 30, 2008 | Year Ended June 30, 2007 |
| OPERATIONS | | |
| Net investment income | \$ 6,863,063 | \$ 10,373,965 |
| Net realized gain on investments | 125,270,783 | 272,172,155 |
| Net change in unrealized appreciation/depreciation on investments | <u>(274,445,682)</u> | <u>92,047,871</u> |
| Net increase (decrease) in net assets from operations | <u>(142,311,836)</u> | <u>374,593,991</u> |
| DISTRIBUTIONS TO SHAREHOLDERS | | |
| Distributions from ordinary income | (14,912,462) | (17,859,640) |
| Distributions from net realized capital gains | <u>(259,213,429)</u> | <u>(223,659,270)</u> |
| Net distributions | <u>(274,125,891)</u> | <u>(241,518,910)</u> |
| CAPITAL SHARE TRANSACTIONS | | |
| Proceeds from sales of shares | 117,427,701 | 173,402,041 |
| Reinvestment of distributions | 235,997,091 | 205,961,289 |
| Redemption fees | 69,733 | 30,190 |
| Less: redemptions of shares | <u>(437,311,474)</u> | <u>(379,902,431)</u> |
| Decrease resulting from capital share transactions | <u>(83,816,949)</u> | <u>(508,911)</u> |
| Total increase (decrease) in net assets | <u>(500,254,676)</u> | <u>132,566,170</u> |
| NET ASSETS | | |
| Beginning of year | <u>1,819,440,225</u> | <u>1,686,874,055</u> |
| End of year | <u>\$1,319,185,549</u> | <u>\$1,819,440,225</u> |
| Undistributed Net Investment Income at end of year | <u>\$ —</u> | <u>\$ —</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 year ended June 30, 2008 | For the year ended June 30, 2007 | For the year ended June 30, 2006 | For the fiscal period from January 31, 2005 through June 30, 2005+ |
|---|--|--|--|--|
| Net Asset Value - Beginning of Period | \$ 13.14 | \$ 11.05 | \$ 10.10 | \$ 10.00 |
| <u>Income from Investment Operations</u> | | | | |
| Net Investment Income* | 0.24 ¹ | 0.18 | 0.15 | 0.06 |
| Net Gains (Losses) on Investments (both realized and unrealized) | (2.25) | 2.19 | 0.93 | 0.04 |
| Total From Investment Operations | (2.01) | 2.37 | 1.08 | 0.10 |
| <u>Less Distributions</u> | | | | |
| Distributions from Net Investment Income | (0.22) | (0.17) | (0.12) | 0.00 |
| Distributions from Net Realized Capital Gains | (0.54) | (0.11) | (0.01) | 0.00 |
| Total Distributions | (0.76) | (0.28) | (0.13) | 0.00 |
| Net Asset Value - End of Period | \$ 10.37 | \$ 13.14 | \$ 11.05 | \$ 10.10 |
| Total Return | (15.84%) | 21.61% | 10.75% | 1.00% ² |
| <u>Ratios/Supplemental Data</u> | | | | |
| Net Assets, End of Period (000's) | \$ 33,519 | \$ 43,188 | \$ 25,451 | \$ 8,412 |
| Ratio of Expenses to Average Net Assets | | | | |
| Before expense reimbursement ³ | 1.25% | 1.29% | 1.67% | 3.96% ⁴ |
| After expense reimbursement/recoupment ⁵ | 1.25% | 1.25% | 1.25% | 1.25% ⁴ |
| Ratio of Net Investment Income to Average Net Assets | | | | |
| After expense reimbursement/recoupment | 2.02% | 1.64% | 1.80% | 2.11% ⁴ |
| Portfolio Turnover Rate | 62% | 37% | 60% | 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 Per share net investment income (loss) has been calculated using the average daily shares method.

² Not Annualized.

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

⁴ Annualized.

⁵ 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, | | | | | | | | | |
|--|------------------------------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| Net Asset Value - Beginning of Year | \$42.74 | \$38.54 | \$35.77 | \$35.38 | \$27.24 | \$28.10 | \$31.30 | \$29.45 | \$26.28 | \$33.26 |
| <u>Income from Investment Operations</u> | | | | | | | | | | |
| Net Investment Income (Loss)* | 0.05 ¹ | 0.04 | (0.01) | (0.07) | (0.04) | (0.08) | (0.12) | 2.26 | 0.11 | 0.16 |
| Net Gains (Losses) on Investments (both realized and unrealized) | (5.56) | 7.29 | 3.58 | 1.02 | 9.10 | (0.11) | (0.24) | 3.89 | 4.99 | (0.50) |
| Total From Investment Operations | (5.51) | 7.33 | 3.57 | 0.95 | 9.06 | (0.19) | (0.36) | 6.15 | 5.10 | (0.34) |
| <u>Less Distributions</u> | | | | | | | | | | |
| Distributions from Net Investment Income | (0.05) | (0.01) | 0.00 | 0.00 | 0.00 | (0.06) | 0.00 | (2.44) | (0.15) | (0.14) |
| Distributions from Net Realized Capital Gains | (3.58) | (3.12) | (0.80) | (0.56) | (0.92) | (0.61) | (2.84) | (1.86) | (1.78) | (6.50) |
| Total Distributions | (3.63) | (3.13) | (0.80) | (0.56) | (0.92) | (0.67) | (2.84) | (4.30) | (1.93) | (6.64) |
| Net Asset Value - End of Year | \$33.60 | \$42.74 | \$38.54 | \$35.77 | \$35.38 | \$27.24 | \$28.10 | \$31.30 | \$29.45 | \$26.28 |
| Total Return | (13.80%) | 19.69% | 10.08% | 2.65% | 33.65% | (0.20%) | 0.42% | 23.34% | 21.45% | 3.05% |
| <u>Ratios/Supplemental Data</u> | | | | | | | | | | |
| Net Assets, End of Year (000's) | \$1,516,015 | \$2,066,750 | \$1,689,374 | \$1,693,564 | \$1,273,302 | \$448,393 | \$310,659 | \$182,117 | \$140,990 | \$185,683 |
| Ratio of Expenses to Average Net Assets | 0.84% | 0.84% | 0.85% | 0.86% | 0.88% | 0.95% | 1.02% | 1.04% | 1.09% | 1.01% |
| Ratio of Net Investment Income (Loss) to Average Net Assets | 0.13% | 0.11% | (0.03%) | (0.21%) | (0.21%) | (0.47%) | (0.62%) | (0.26%) | 0.31% | 0.49% |
| Portfolio Turnover Rate | 39% | 40% | 29% | 32% | 19% | 27% | 26% | 43% | 28% | 51% |

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

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

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

Meridian Value Fund

Financial Highlights

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

| | For the fiscal year ended June 30, | | | | | | | | | |
|--|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|----------|----------|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| Net Asset Value - Beginning of Year | \$38.79 | \$36.14 | \$38.11 | \$40.35 | \$31.65 | \$30.34 | \$30.98 | \$25.88 | \$22.29 | \$19.30 |
| <u>Income from Investment Operations</u> | | | | | | | | | | |
| Net Investment Income (Loss)* | 0.15 ¹ | 0.41 | 0.18 | 0.19 | 0.00 | (0.03) | (0.05) | 1.12 | 0.05 | (0.10) |
| Net Gains (Losses) on Investments (both realized and unrealized) | (3.12) | 7.74 | 2.45 | 2.96 | 8.70 | 1.34 | (0.51) | 5.75 | 5.91 | 3.56 |
| Total From Investment Operations | (2.97) | 8.15 | 2.63 | 3.15 | 8.70 | 1.31 | (0.56) | 6.87 | 5.96 | 3.46 |
| <u>Less Distributions</u> | | | | | | | | | | |
| Distributions from Net Investment Income | (0.35) | (0.41) | (0.32) | (0.28) | 0.00 | 0.00 | (0.04) | (1.09) | 0.00 | 0.00 |
| Distributions from Net Realized Capital Gains | (6.04) | (5.09) | (4.28) | (5.11) | 0.00 | 0.00 | (0.04) | (0.68) | (2.37) | (0.47) |
| Total Distributions | (6.39) | (5.50) | (4.60) | (5.39) | 0.00 | 0.00 | (0.08) | (1.77) | (2.37) | (0.47) |
| Net Asset Value - End of Year | \$29.43 | \$38.79 | \$36.14 | \$38.11 | \$40.35 | \$31.65 | \$30.34 | \$30.98 | \$25.88 | \$22.29 |
| Total Return | (8.82%) | 23.90% | 7.35% | 8.00% | 27.49% | 4.32% | (1.78%) | 27.95% | 29.63% | 18.92% |
| <u>Ratios/Supplemental Data</u> | | | | | | | | | | |
| Net Assets, End of Year (000's) | \$1,319,186 | \$1,819,440 | \$1,686,874 | \$2,271,478 | \$2,226,590 | \$1,456,552 | \$1,297,207 | \$768,559 | \$87,930 | \$24,912 |
| Ratio of Expenses to Average Net Assets | 1.09% | 1.08% | 1.09% | 1.08% | 1.09% | 1.11% | 1.12% | 1.10% | 1.41% | 1.63% |
| Ratio of Net Investment Income (Loss) to Average Net Assets | 0.44% | 0.59% | 0.49% | 0.48% | 0.01% | (0.12%) | (0.22%) | 0.60% | 0.39% | (0.65%) |
| Portfolio Turnover Rate | 61% | 75% | 58% | 59% | 81% | 60% | 54% | 76% | 86% | 124% |

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

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

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

Meridian Fund, Inc.

Notes to Financial Statements

For the Year Ended June 30, 2008

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

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

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

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

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

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

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2008

- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the U.S. (“GAAP”) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and revenue and expenses at the date of the financial statements. Actual amounts could differ from those estimates.

- g. **Distributions to Shareholders:** The Funds record distributions to shareholders on the ex-dividend date. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

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.

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

- h. **Guarantees and Indemnification:** Under the Funds’ organizational documents, its Officers and Directors are indemnified against certain liability arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

- i. **Recent Accounting Pronouncements:** In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157, Fair Value Measurements (“SFAS No. 157”). This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current GAAP from the application of this SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of June 30, 2008, the Funds do not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures will be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period.

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2008

2. **Related Parties:** The Funds have entered into a management agreement with the Adviser. Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of June 30, 2008 was as follows:

| | |
|------------------------------|--------|
| Equity Income Fund | 52.59% |
| Growth Fund | 1.20% |
| Value Fund. | 1.47% |

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

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

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

The Adviser has contractually agreed to waive its fee and reimburse expenses, at least until January 31, 2009, to the extent that total annual operating expenses for the Equity Income Fund exceeds 1.25%. The Investment Adviser has voluntarily agreed to limit the operating expenses of the Growth and Value Funds to 2.50%. With respect to these limits, the Adviser did not reimburse the Funds during the year ended June 30, 2008.

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

At June 30, 2008, the balance of recoupable expenses along with the year of expiration for the Equity Income Fund is:

| <u>Amount</u> | <u>Expiration</u> |
|--------------------|-------------------|
| \$74,072 | 2009 |
| 12,964 | 2010 |

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

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2008

3. **Capital Shares Transactions:** Transactions in capital shares for the year ended June 30, 2008 and the year ended June 30, 2007 were as follows:

| | Equity Income Fund | |
|--|---------------------|---------------------|
| | June 30, 2008 | June 30, 2007 |
| Increase in Fund shares: | | |
| Shares sold | 386,851 | 1,004,352 |
| Shares issued from reinvestment of distributions | <u>217,941</u> | <u>55,411</u> |
| | 604,792 | 1,059,763 |
| Shares redeemed | <u>(657,483)</u> | <u>(77,844)</u> |
| Net increase (decrease) | <u>(52,691)</u> | <u>981,919</u> |
| | | |
| | Growth Fund | |
| | June 30, 2008 | June 30, 2007 |
| Increase in Fund shares: | | |
| Shares sold | 5,358,419 | 8,819,099 |
| Shares issued from reinvestment of distributions | <u>3,743,363</u> | <u>2,980,023</u> |
| | 9,101,782 | 11,799,122 |
| Shares redeemed | <u>(12,341,026)</u> | <u>(7,277,834)</u> |
| Net increase (decrease) | <u>(3,239,244)</u> | <u>4,521,288</u> |
| | | |
| | Value Fund | |
| | June 30, 2008 | June 30, 2007 |
| Increase in Fund shares: | | |
| Shares sold | 3,553,317 | 4,662,351 |
| Shares issued from reinvestment of distributions | <u>7,458,786</u> | <u>5,777,315</u> |
| | 11,012,103 | 10,439,666 |
| Shares redeemed | <u>(13,093,574)</u> | <u>(10,210,105)</u> |
| Net increase (decrease) | <u>(2,081,471)</u> | <u>229,561</u> |

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2008

4. **Compensation of Directors and Officers:** Directors and Officers of the Funds who are Directors and/or Officers of the Adviser receive no compensation from the Funds. Directors of the Funds who are not interested persons, as defined in the Investment Company Act of 1940, receive compensation in the amount of \$3,000 per annum and a \$2,000 investment in the Equity Income Fund, Growth Fund or Value Fund shares, plus out of pocket expenses and a \$1,000 investment in one of the Funds for each additional Board meeting attended other than the annual meeting.
5. **Investment Transactions:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term securities and U.S. government obligations, for the year ended June 30, 2008, were as follows:

| | <u>Purchases</u> | <u>Proceeds from Sales</u> |
|------------------------------|------------------|----------------------------|
| Equity Income Fund | \$ 23,601,573 | \$ 25,666,742 |
| Growth Fund | 671,738,828 | 947,688,634 |
| Value Fund | 902,004,444 | 1,219,140,075 |

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. The tax character of distributions made during the fiscal years ended June 30, 2008 and June 30, 2007 was as follows:

2008 Taxable Distributions

| <u>Fund</u> | <u>Ordinary Income</u> | <u>Net Long-Term Capital Gains</u> | <u>Total Distributions</u> |
|------------------------------|------------------------|------------------------------------|----------------------------|
| Equity Income Fund | \$ 1,266,083 | \$ 1,244,196 | \$ 2,510,279 |
| Growth Fund | 19,825,049 | 148,109,217 | 167,934,266 |
| Value Fund | 63,165,479 | 210,960,412 | 274,125,891 |

2007 Taxable Distributions

| <u>Fund</u> | <u>Ordinary Income</u> | <u>Net Long-Term Capital Gains</u> | <u>Total Distributions</u> |
|------------------------------|------------------------|------------------------------------|----------------------------|
| Equity Income Fund | \$ 618,838 | \$ 116,977 | \$ 735,815 |
| Growth Fund | 15,241,733 | 124,123,196 | 139,364,929 |
| Value Fund | 17,859,640 | 223,659,270 | 241,518,910 |

7. **Federal Income Taxes Information:** In June 2006, the FASB issued Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." FIN 48 establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax-return positions in financial statements, effective for the Funds' current fiscal year. Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (tax years ended June 30, 2004-2007) for purposes of implementing FIN 48, and has concluded that no provision for income tax is required in the Funds' financial statements.

Meridian Fund, Inc.

Notes to Financial Statements (continued)

For the Year Ended June 30, 2008

Permanent differences, incurred during the year ended June 30, 2008, 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:

| | Increase/(Decrease) Undistributed Net Investment Income/(Loss) | Increase/(Decrease) Accumulated Realized Gain |
|-----------------------|---|---|
| Growth Fund | \$(1,411,126) | \$ 1,411,126 |
| Value Fund | 8,049,411 | (8,049,411) |

The aggregate cost of investments, unrealized appreciation and depreciation, for federal income tax purposes at June 30, 2008 is as follows:

| | Aggregate Cost | Aggregate Gross Unrealized Appreciation | Aggregate Gross Unrealized Depreciation | Net Unrealized Appreciation/ (Depreciation) |
|------------------------------|----------------|--|--|---|
| Equity Income Fund | \$ 35,592,514 | \$ 997,435 | \$ (4,969,296) | \$ (3,971,861) |
| Growth Fund | 1,369,978,748 | 232,379,532 | (122,043,910) | 110,335,622 |
| Value Fund | 1,328,144,562 | 111,501,179 | (132,728,792) | (21,227,613) |

Components of Accumulated Earnings (Losses) on a Tax Basis

| | Equity Income Fund | Growth Fund | Value Fund |
|--|-----------------------|-----------------------|----------------------|
| Undistributed ordinary income | \$ 614,075 | \$ — | \$ 19,438,894 |
| Undistributed long-term capital gains | 1,245,404 | 31,286,108 | 38,125,881 |
| Unrealized appreciation/(depreciation) | <u>(3,971,861)</u> | <u>110,335,622</u> | <u>(21,227,613)</u> |
| Total Accumulated Earnings/(losses) | <u>\$ (2,112,382)</u> | <u>\$ 141,621,730</u> | <u>\$ 36,337,162</u> |

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Meridian Equity Income Fund, Meridian Growth Fund and Meridian Value Fund (constituting Meridian Fund, Inc., hereafter referred to as the “Funds”) at June 30, 2008, the results of each of their operations for the year then ended, the changes in each of their net assets for the two years then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2008 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
August 20, 2008

Meridian Fund, Inc.

Additional Information

For the Year Ended June 30, 2008

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

Disclosure Regarding Approval of Investment Advisory Agreements (unaudited)

The Directors of the Funds unanimously approved the continuance of the Investment Advisory Agreements between the Meridian Growth Fund, the Meridian Value Fund and the Meridian Equity Income Fund and the Adviser at a meeting held on October 3, 2007.

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, fund administration and compliance programs also was considered. 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.

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

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

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. (68)

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

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

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

Number of Portfolios Overseen: 3

Other Directorships: N/A

Michael Stolper (63)

Positions(s) Held with Fund: Director

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

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

Number of Portfolios Overseen: 3

Other Directorships: Window Pane Funds

* 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

Ronald Rotter (65)

Positions(s) Held with Fund: Director

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

Principal Occupation(s) During Past 5 Years: Co-founder and Managing Partner, RBR Capital Management; Founder and Portfolio Manager, RLR Capital

Number of Portfolios Overseen: 3

Other Directorships: N/A

Michael S. Erickson (56)

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

James Bernard Glavin (73)

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

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

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

Number of Portfolios Overseen: 3

Other Directorships: N/A

Herbert Charles Kay (71)

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 (53)

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

Length of Service (Beginning Date): April 1999

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

2008 TAX NOTICE TO SHAREHOLDERS (Unaudited)

The information set forth below is for each Fund's fiscal year as required by federal laws. Shareholders, however, must report distributions on a calendar year basis for income tax purposes, which may include distributions for portions of two fiscal years of a Fund. Accordingly, the information needed by shareholders for income tax purposes will be sent to them in early 2009. Please consult your tax advisor for proper treatment of this information.

Pursuant to Internal Revenue Code Section 852(b)(3), the Funds listed below designate the amounts listed below as a long-term capital gain distribution of the year ended June 30, 2008:

| | |
|------------------------------|---------------|
| Equity Income Fund | \$ 1,244,196 |
| Growth Fund | \$148,109,217 |
| Value Fund | \$210,960,412 |

Pursuant to Internal Revenue Code Section 854(b)(2), the Funds listed below designate a percentage of their ordinary income dividends distributed during the year ended June 30, 2008 as qualifying for the corporate dividends-received deduction:

| | |
|------------------------------|--------|
| Equity Income Fund | 93.90% |
| Growth Fund | 38.58% |
| Value Fund | 38.73% |

Pursuant to Section I (h)(11) of the Internal Revenue Code, the Funds listed below designate the following amounts of their income dividends paid during the year ended June 30, 2008 as qualified dividend income (QDI):

| | |
|------------------------------|--------|
| Equity Income Fund | 90.41% |
| Growth Fund | 43.93% |
| Value Fund | 39.09% |

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

U.S. Government interest:

| | |
|------------------------------|-------|
| Equity Income Fund | 0.00% |
| Growth Fund | 2.37% |
| Value Fund | 3.51% |

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

MICHAEL S. ERICKSON

JAMES B. GLAVIN

HERBERT C. KAY

RONALD ROTTER

MICHAEL STOLPER
Directors

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

Custodian

PFPC TRUST COMPANY
Philadelphia, Pennsylvania

Transfer Agent and Disbursing Agent

PNC GLOBAL INVESTMENT SERVICING (U.S.) INC.
King of Prussia, Pennsylvania
(800) 446-6662

Counsel

MORRISON & FOERSTER LLP
Washington, D.C.

Auditors

PRICEWATERHOUSECOOPERS LLP
San Francisco, California

MERIDIAN EQUITY INCOME FUND®
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, 2008