

# MERIDIAN FUND, INC.

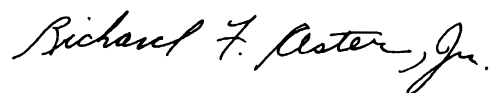
August 5, 2007

To Our Shareholders:

Corporate buyouts and ample liquidity coupled with the prospect of continued economic growth and modestly higher corporate profits led to broad based market gains during the second quarter. The NASDAQ advanced 7.5%, the S&P 500 5.8% and the Russell 2000 4.1%. Energy, heavy construction and metal ores were among the top performing market sectors. The worst performing groups included textiles, residential construction and home furnishings. The yield on the ten-year government bond increased from 4.65% to 5.03% during the quarter. The rise, we believe, was caused by the weak dollar, inflation jitters and higher interest rates internationally.

Economic growth decelerated to 0.7% in the first quarter of 2007 compared with 2.5% in the fourth quarter of 2006. Non-residential construction is strong and job growth and employment remain healthy. Consumer spending, in spite of the weak housing and mortgage market, is posting modest gains. Residential construction and auto sales are weak. Our economic outlook for the balance of 2007 remains unchanged. We believe GDP growth will be in the 2 to 3% range, interest rates will move somewhat higher and inflation will continue in the 2 to 3% range. The risk to our outlook is significantly higher oil prices and/or a substantial deterioration in the sub prime mortgage market. We don't expect either of these events to derail the economy, but it is impossible to predict.

We welcome those new shareholders who joined the Meridian Funds during the year 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, 2007 was \$13.14. This represents an increase of 7.4% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, January 31, 2005, were 36.0% and 13.6%, respectively. The Fund's assets at the close of the year were invested 4.6% in cash and 95.4% in stocks. Total net assets were \$43,188,114 and there were 632 shareholders.

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 portfolio is diversified with 36 positions representing 27 different industry groups. At the end of the year, the portfolio's average holding had a 5-year-average return on equity of 19.8% and an average dividend yield of 2.6%; both measures substantially higher than the average S&P 500 stock. The average position had a market capitalization of \$42.1 billion, a debt ratio of 32.8% and earnings per share that are expected to grow 9.8% during the next several years. We believe these financial characteristics will lead to positive long-term returns for the Fund.

During the quarter we purchased shares of BP plc and Eaton. We sold our positions in ABM Industries and Regions Financial.

United Parcel, a recent purchase, is the world's largest package delivery company and a global leader in supply chain management, operating in over 200 countries. The expected continued globalization of trade, just-in-time inventory management, the outsourcing of supply chain processing functions and online shopping are powerful trends that we expect will benefit United Parcel for years to come. The shares yield 2.20% and sell at 18 times trailing earnings, while the company has a relatively low payout ratio, modest debt and a historical return on equity of 20%. We believe that United Parcel is well-managed and ideally positioned to reward long-term investors.

#### **Meridian Growth Fund® (MERDX)**

The Meridian Growth Fund's net asset value per share at June 30, 2007 was \$42.74. This represents an increase of 8.9% for the calendar year to date. The Fund's total return and average annual compound rate of return since inception, August 1, 1984, were 1,945.4% and 14.1%, respectively. The Fund's assets at the close of the year were invested 4.9% in cash and cash equivalents and 95.1% in stocks. Total net assets were \$2,066,749,916 and there were 75,515 shareholders.

Stocks overall seem to be fairly valued and corporate profits continue to grow while interest rates and inflation remain at reasonable levels. Stock selection, as usual, will be a critical factor in the Fund's performance. We believe our portfolio consists of well-managed small and medium-sized growth companies that, in general, are market leaders, have strong financial characteristics and earnings growth rates in excess of the S&P 500. We believe that the stocks in the portfolio, on average, sell at a reasonable valuation.

During the quarter, we purchased shares of Darden Restaurants, FMC Technologies and Transaction Systems Architects. We sold our positions in Claire's Stores, Hyperion Solutions, United Rentals and Zale.

C.R. Bard, a current holding, is a leading developer, manufacturer and marketer of medical technology products serving the vascular, urology, oncology and surgical specialty markets. Each of these markets is over \$1 billion in size and is expected to grow 4% to 6% annually. The aging population, increased adoption of minimally invasive surgical procedures, new products and

expected expansion into developing countries is anticipated to continue to drive long-term industry growth. The company has a relatively strong market position of between 20% and 40% in each of the markets it serves. We believe that C.R. Bard should be able to grow revenue and profits at a double-digit rate while maintaining a strong balance sheet and generating significant free cash flow. In our view, the stock sells at a reasonable valuation given its market share, earnings growth potential, experienced management team and positive long-term investment outlook.

### **Meridian Value Fund® (MVALX)**

The Meridian Value Fund's net asset value per share at June 30, 2007 was \$38.79. This represents an increase of 9.0% for the calendar year to date. 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 Fund's total return and average compounded annual rate of return since June 30, 1995, were 739.0% and 19.4%, respectively. The comparable period returns for the S&P 500 with dividends were 237.9% and 10.7%, respectively. The Fund's assets at the close of the year were invested 5.4% in cash and cash equivalents and 94.6% in stocks. Total net assets were \$1,819,440,225 and there were 74,915 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 Fund's benchmark. In our opinion the portfolio is well-positioned, reasonably valued and diversified. We hold 68 positions, representing 28 industry groups. We continue to invest in companies of all market capitalizations and our largest areas of concentration are technology, industrial products and healthcare products. The outlook for our approach, in our view, is favorable at this time.

During the quarter we purchased shares of Albany International, American Medical Systems Holdings, Briggs & Stratton, BP plc, CACI International, Chemtura, Corinthian Colleges, Electronic Arts, Friedman, Billings, Ramsey Group; Hanesbrands, Hewitt Associates, International Coal Group, Intermec, MGI Pharma and Quiksilver. We sold our positions in Alltel, AMVESCAP, Allied Waste Industries, MedImmune, Newell Rubbermaid, Spartech, Safeway, TECO Energy, Thoratec, Tuesday Morning and Unisys.

Kinder Morgan Management, a current holding, is a leading energy infrastructure company focused on the transport, storage and delivery of petroleum products and natural gas. Most earnings are generated by long-term contracts that do not depend on energy prices. Earnings suffered in recent years due primarily to higher interest expense driven by higher rates and funding for expansion projects. These projects — mainly pipelines and terminals built to support growing energy needs — now appear to be set to come to fruition and generate solid returns. Earnings are expected to grow from estimates of \$1.60 this year to about \$3 over the next 3 to 5 years, with significantly higher expected cash flow per share of \$3.40 this year and over \$4.50

in 3 to 5 years. We believe the stock is attractively valued at less than 12 times normalized cash flow and a current dividend yield of 6.4%.

### **Miscellaneous**

The Meridian Funds are no-load and there are no transaction fees or commissions charged when purchased directly through our transfer agent, PFPC. 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.

# Meridian Equity Income Fund

## Summary of Portfolio Holdings

June 30, 2007

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

Brokerage & Money Management . . . . .	5.4%	\$ 2,339,604
Chemicals . . . . .	5.4	2,331,777
Electrical Equipment . . . . .	5.4	2,330,879
Basic Materials . . . . .	5.4	2,324,120
Industrial Services . . . . .	5.4	2,322,990
Diversified Operations . . . . .	5.4	2,320,276
Oil & Gas . . . . .	5.3	2,307,164
Paper/Forest Products . . . . .	5.1	2,185,574
Insurance . . . . .	5.0	2,156,085
Technology . . . . .	3.0	1,300,266
Business Products . . . . .	2.9	1,235,835
Apparel . . . . .	2.8	1,208,856
Telecommunications Services . . . . .	2.8	1,202,670
Business Services . . . . .	2.7	1,166,721
Insurance Brokers . . . . .	2.7	1,159,879
Retail . . . . .	2.7	1,152,214
Leisure & Amusement . . . . .	2.6	1,143,169
Auto Components . . . . .	2.6	1,141,950
Office Supplies . . . . .	2.6	1,140,464
Transportation . . . . .	2.6	1,136,245
Consumer Products . . . . .	2.6	1,128,286
Industrial Products . . . . .	2.6	1,128,120
Building-Tools & Machinery . . . . .	2.6	1,125,985
Toys . . . . .	2.5	1,089,999
Healthcare Products . . . . .	2.5	1,080,507
Banking . . . . .	2.4	1,037,454
Furniture & Fixtures . . . . .	2.4	1,019,261
Cash & Other Assets, Less Liabilities . . . . .	4.6	1,971,764
	<u>100.0%</u>	<u>\$43,188,114</u>

# Meridian Growth Fund

## Summary of Portfolio Holdings

June 30, 2007

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

Healthcare Products . . . . .	7.7%	\$ 160,173,714
Tech-Software . . . . .	6.5	134,087,951
Healthcare Services . . . . .	6.1	126,631,635
Retail . . . . .	6.1	126,425,383
Banking . . . . .	5.5	114,751,208
Technology . . . . .	5.3	108,632,498
Insurance Brokers . . . . .	4.8	98,705,219
Brokerage & Money Management . . . . .	4.8	98,627,176
Industrial Products . . . . .	4.1	84,059,023
Consumer Services . . . . .	4.0	83,172,151
Business Services . . . . .	3.7	77,338,501
Leisure & Amusement . . . . .	3.7	75,839,992
Restaurants . . . . .	3.6	74,813,471
Industrial Services . . . . .	3.3	67,416,757
Aerospace/Defense . . . . .	2.7	55,172,670
Business Products . . . . .	2.7	54,983,565
Healthcare Information Services . . . . .	2.5	51,877,208
Insurance . . . . .	2.5	51,757,989
Wholesale . . . . .	2.4	50,026,648
Construction . . . . .	2.4	49,777,045
Cellular Communications . . . . .	2.4	49,576,800
Chemicals . . . . .	2.4	48,845,527
Apparel . . . . .	2.3	48,643,596
U.S. Government Obligations . . . . .	2.2	44,758,758
Hotels & Lodging . . . . .	1.7	35,613,018
Transportation . . . . .	1.0	21,214,284
Energy . . . . .	0.9	18,458,260
Cash & Other Assets, Less Liabilities . . . . .	2.7	55,369,869
	<u>100.0%</u>	<u>\$2,066,749,916</u>

# Meridian Value Fund

## Summary of Portfolio Holdings

June 30, 2007

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

Industrial Products . . . . .	9.4%	\$ 171,517,554
Healthcare Products . . . . .	9.2	168,119,322
Technology . . . . .	8.7	158,311,309
Consumer Products . . . . .	7.9	143,547,926
Banking . . . . .	6.8	123,451,782
Utilities . . . . .	5.3	97,174,087
Pharmaceuticals . . . . .	4.5	81,102,528
Apparel . . . . .	4.3	78,769,615
Consumer Products/Food & Beverage . . . . .	4.1	75,217,414
Agriculture . . . . .	3.5	63,023,438
Insurance Brokers . . . . .	3.2	58,247,320
Oil & Gas . . . . .	3.0	53,858,471
Energy . . . . .	3.0	53,706,520
Business Products . . . . .	2.8	50,216,400
Industrial Services . . . . .	2.7	49,254,805
Aerospace/Defense . . . . .	2.5	46,363,380
U.S. Government Obligations . . . . .	2.4	44,758,758
Brokerage & Money Management . . . . .	2.0	35,819,385
Telecommunications Equipment . . . . .	1.8	33,220,398
Tech-Software . . . . .	1.7	31,228,224
Retail . . . . .	1.5	26,647,057
Healthcare Services . . . . .	1.3	22,808,856
Education . . . . .	1.2	21,944,259
Leisure & Amusement . . . . .	1.1	20,250,424
Business Services . . . . .	1.1	19,632,000
Information Technology Services . . . . .	1.0	19,085,695
Insurance . . . . .	0.5	9,162,323
Basic Materials . . . . .	0.4	7,363,431
Real Estate . . . . .	0.1	1,810,078
Cash & Other Assets, Less Liabilities . . . . .	3.0	53,827,466
	<u>100.0%</u>	<u>\$1,819,440,225</u>

# Meridian Fund, Inc.

## Disclosure of Fund Expenses (Unaudited)

For the Six Month Period January 1, 2007 to June 30, 2007

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 a 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 01/01/07	Ending Account Value 06/30/07	Expense Ratio <sup>(1)</sup>	Expenses Paid During Period <sup>(2)</sup>
<b>Actual Fund Return</b>				
(See explanation below)				
Meridian Equity Income Fund . . . . .	\$1,000.00	\$1,073.50	1.25% <sup>(4)</sup>	\$6.43
Meridian Growth Fund . . . . .	\$1,000.00	\$1,089.20	0.83%	\$4.30
Meridian Value Fund . . . . .	\$1,000.00	\$1,089.60	1.07%	\$5.54
<b>Hypothetical 5% Return<sup>(3)</sup></b>				
(See explanation below)				
Meridian Equity Income Fund . . . . .	\$1,000.00	\$1,018.60	1.25% <sup>(4)</sup>	\$6.26
Meridian Growth Fund . . . . .	\$1,000.00	\$1,020.68	0.83%	\$4.16
Meridian Value Fund . . . . .	\$1,000.00	\$1,019.49	1.07%	\$5.36

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

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

(3) Before expenses.

(4) See note 2 to Financial Statements.

# Meridian Fund, Inc.

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

For the Six Month Period January 1, 2007 to June 30, 2007

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

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

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

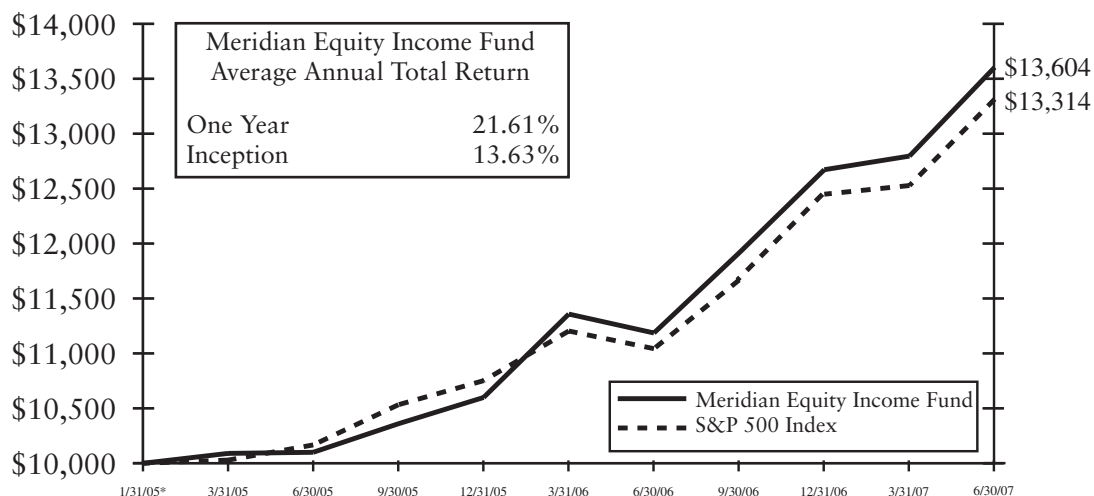
**Hypothetical 5% Return:** This section is intended to help you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had a return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is **not** the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

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

# Management's Discussion of Meridian Equity Income Fund Performance

During the fiscal year ended June 30, 2007, the Meridian Equity Income Fund gained 21.61% compared to a gain of 20.59% for the S&P 500 with reinvested dividends, a gain of 16.43% for the Russell 2000, and a gain of 19.85% for the NASDAQ. The positive performance reflected the strength of our holdings in the banking, basic materials, brokerage and money management, chemicals, diversified operations, electrical equipment, industrial services, insurance, oil and gas, paper/forest products and telecommunications services 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 consumer products, healthcare products, retail 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



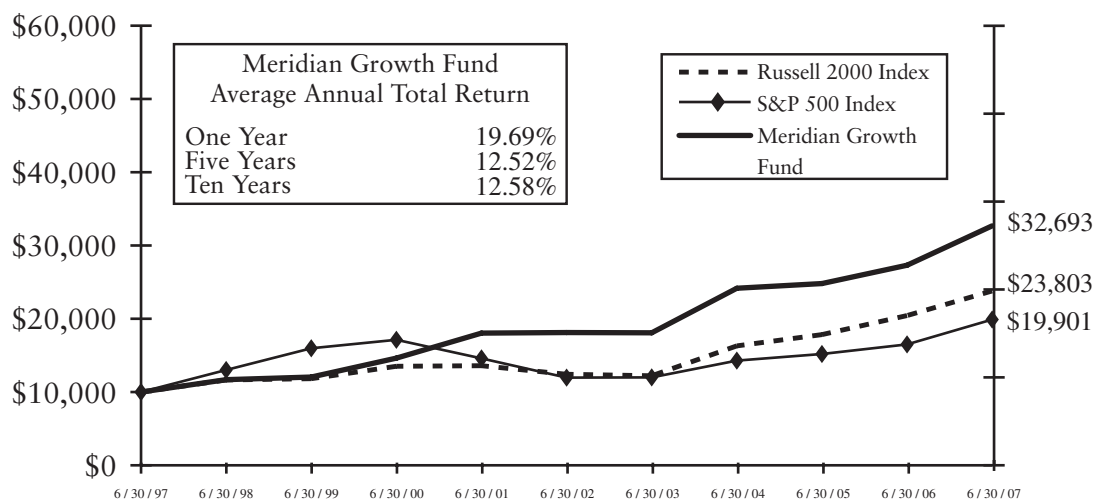
Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may 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, 2007, the Meridian Growth Fund gained 19.69% compared to a gain of 20.59% for the S&P 500 with reinvested dividends, a gain of 16.43% for the Russell 2000, and a gain of 19.85% for the NASDAQ. The positive performance reflected the strength of our holdings in the banking, brokerage and money management, business services, consumer services, healthcare, industrial, insurance, 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. This was offset, primarily by weakness in our holdings in the leisure and amusement sector, as well as the performance of individual stocks that may be the only issue we own in a particular sector. Not being weighted in the best performing sectors during the period materially affected the Fund's performance. The Fund's investments include companies that are relatively small in terms of total assets, revenues and earnings, which the Investment Adviser believes may have prospects for above average growth in revenue and earnings.

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



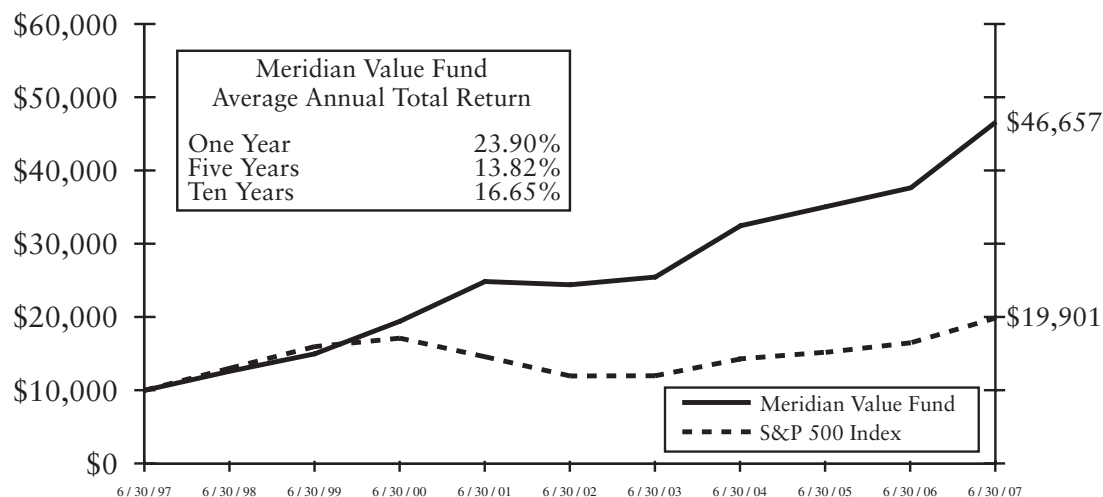
Past performance is not predictive of future performance. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Net asset value, investment return and principal value will fluctuate, so shares, when redeemed, may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

# Management's Discussion of Meridian Value Fund Performance

During the fiscal year ended June 30, 2007, the Meridian Value Fund gained 23.90% compared to a gain of 20.59% for the S&P 500 with reinvested dividends, a gain of 16.43% for the Russell 2000, and a gain of 19.85% for the NASDAQ. The positive performance reflected the strength of our holdings in the agriculture, brokerage and money management, consumer products, healthcare, industrial, insurance, oil and gas, pharmaceutical, real estate, retail, technology, telecommunications and utilities 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, energy, information technology services, and media 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, 1997 to June 30, 2007 was 16.65% compared to 7.11% for the S&P 500, with reinvested dividends. The Meridian Value Fund's average compounded annual return from inception to June 30, 2007 was 17.46%, compared to 11.60% 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. 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, 2007

	Shares	Value		Shares	Value
COMMON STOCKS - 95.4%			CONSUMER PRODUCTS - 2.6%		
APPAREL - 2.8%			Reynolds American,		
VF Corp. . . . .	13,200	\$ 1,208,856	Inc. . . . .	17,305	\$ 1,128,286
AUTO COMPONENTS - 2.6%			DIVERSIFIED OPERATIONS - 5.4%		
Autoliv, Inc. (Sweden) . .	20,080	1,141,950	3M Co. . . . .	13,640	1,183,816
BANKING - 2.4%			Eaton Corp. . . . .	12,220	1,136,460
Comerica, Inc. . . . .	17,445	1,037,454			2,320,276
BASIC MATERIALS - 5.4%			ELECTRICAL EQUIPMENT - 5.4%		
PPG Industries, Inc. . . .	15,090	1,148,500	Emerson Electric Co. . . .	24,375	1,140,750
Rohm & Haas Co. . . .	21,500	1,175,620	Hubbell, Inc. Class B . . .	21,950	1,190,129
		2,324,120			2,330,879
BROKERAGE & MONEY MANAGEMENT - 5.4%			FURNITURE & FIXTURES - 2.4%		
Federated Investors, Inc.			Leggett & Platt, Inc. . . .	46,225	1,019,261
Class B . . . . .	30,655	1,175,006	HEALTHCARE PRODUCTS - 2.5%		
Waddell & Reed			Johnson & Johnson . . . .	17,535	1,080,507
Financial, Inc.			INDUSTRIAL PRODUCTS - 2.6%		
Class A . . . . .	44,775	1,164,598	Bemis Co., Inc. . . . .	34,000	1,128,120
		2,339,604	INDUSTRIAL SERVICES - 5.4%		
BUILDING-TOOLS & MACHINERY - 2.6%			Genuine Parts Co. . . . .	21,885	1,085,496
Stanley Works (The) . . . .	18,550	1,125,985	Waste Management,		
BUSINESS PRODUCTS - 2.9%			Inc. . . . .	31,690	1,237,494
Diebold, Inc. . . . .	23,675	1,235,835			2,322,990
BUSINESS SERVICES - 2.7%			INSURANCE - 5.0%		
R. R. Donnelley & Sons			Lincoln National		
Co. . . . .	26,815	1,166,721	Corp. . . . .	15,285	1,084,471
CHEMICALS - 5.4%			Mercury General		
E.I. du Pont de			Corp. . . . .	19,445	1,071,614
Nemours & Co. . . . .	22,580	1,147,967			2,156,085
RPM International,			INSURANCE BROKERS - 2.7%		
Inc. . . . .	51,225	1,183,810	Willis Group Holdings,		
		2,331,777	Ltd. (United		
			Kingdom) . . . . .	26,325	1,159,879

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

# Meridian Equity Income Fund

## Schedule of Investments (continued)

June 30, 2007

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCK (continued)			TOTAL INVESTMENTS - 95.4%	
LEISURE & AMUSEMENT - 2.6%			(Cost \$35,221,977) . . . . .	\$41,216,350
Carnival Corp. . . . .	23,440	\$ 1,143,169		
OFFICE SUPPLIES - 2.6%			CASH AND OTHER ASSETS, LESS	
Avery Dennison			LIABILITIES - 4.6% . . . . .	<u>1,971,764</u>
Corp. . . . .	17,155	1,140,464	NET ASSETS - 100.0% . . . . .	<u><u>\$43,188,114</u></u>
OIL & GAS - 5.3%				
BP plc ADR (United			ADR - American Depository Receipt	
Kingdom) . . . . .	15,400	1,110,956		
Chevron Corp. . . . .	14,200	<u>1,196,208</u>		
		2,307,164		
PAPER/FOREST PRODUCTS - 5.1%				
Kimberly-Clark Corp. . .	15,650	1,046,828		
Sonoco Products Co. . .	26,600	<u>1,138,746</u>		
		2,185,574		
RETAIL - 2.7%				
Limited Brands, Inc. . . .	41,975	1,152,214		
TECHNOLOGY - 3.0%				
Intel Corp. . . . .	54,725	1,300,266		
TELECOMMUNICATIONS SERVICES - 2.8%				
AT&T, Inc. . . . .	28,980	1,202,670		
TOYS - 2.5%				
Mattel, Inc. . . . .	43,100	1,089,999		
TRANSPORTATION - 2.6%				
United Parcel Service,				
Inc. Class B . . . . .	15,565	1,136,245		

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

# Meridian Growth Fund

## Schedule of Investments

June 30, 2007

	Shares	Value		Shares	Value
COMMON STOCKS - 95.1%			CONSTRUCTION - 2.4%		
AEROSPACE/DEFENSE - 2.7%			Granite Construction,		
BE Aerospace, Inc.* . . .	1,335,900	\$ 55,172,670	Inc. . . . .	775,585	\$ 49,777,045
APPAREL - 2.3%			CONSUMER SERVICES - 4.0%		
Carter's, Inc.* . . . . .	1,875,235	48,643,596	Regis Corp. . . . .	1,059,100	40,510,575
BANKING - 5.5%			Rollins, Inc. . . . .	1,873,587	42,661,576
Annaly Capital					83,172,151
Management, Inc.			ENERGY - 0.9%		
REIT. . . . .	1,484,400	21,405,048	FMC Technologies,		
SVB Financial Group* . .	872,200	46,322,542	Inc.* . . . . .	233,000	18,458,260
UCBH Holdings, Inc. . .	2,573,816	47,023,618	HEALTHCARE INFORMATION SERVICES - 2.5%		
		114,751,208	Cerner Corp.* . . . . .	935,230	51,877,208
BROKERAGE & MONEY MANAGEMENT - 4.8%			HEALTHCARE PRODUCTS - 7.7%		
Affiliated Managers			C. R. Bard, Inc. . . . .	649,975	53,707,434
Group, Inc.* . . . . .	390,000	50,216,400	DENTSPLY		
T. Rowe Price Group,			International, Inc. . . .	1,546,000	59,149,960
Inc. . . . .	932,950	48,410,776	Edwards Lifesciences		
		98,627,176	Corp.* . . . . .	958,985	47,316,320
BUSINESS PRODUCTS - 2.7%					160,173,714
Diebold, Inc. . . . .	1,053,325	54,983,565	HEALTHCARE SERVICES - 6.1%		
BUSINESS SERVICES - 3.7%			Apria Healthcare		
CSG Systems			Group, Inc.* . . . . .	1,327,700	38,197,929
International, Inc.* . .	1,780,630	47,204,501	DaVita, Inc.* . . . . .	839,100	45,210,708
Global Payments,			Laboratory Corp. of		
Inc. . . . .	760,000	30,134,000	America Holdings* . .	552,300	43,222,998
		77,338,501			126,631,635
CELLULAR COMMUNICATIONS - 2.4%			HOTELS & LODGING - 1.7%		
American Tower Corp.			Las Vegas Sands		
Class A* . . . . .	1,180,400	49,576,800	Corp.* . . . . .	466,200	35,613,018
CHEMICALS - 2.4%			INDUSTRIAL PRODUCTS - 4.1%		
RPM International,			Airgas, Inc. . . . .	675,067	32,335,709
Inc. . . . .	2,113,610	48,845,527	Dionex Corp.* . . . . .	728,600	51,723,314
					84,059,023

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

# Meridian Growth Fund

## Schedule of Investments (continued)

June 30, 2007

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
COMMON STOCKS (continued)			TECHNOLOGY - 5.3%		
INDUSTRIAL SERVICES - 3.3%			International Rectifier		
Allied Waste Industries,			Corp.* . . . . .	1,325,500	\$ 49,388,130
Inc.* . . . . .	3,043,025	\$ 40,959,117	Transaction Systems		
Republic Services,			Architects, Inc.* . . . .	545,040	18,346,046
Inc. . . . .	863,500	<u>26,457,640</u>	Zebra Technologies		
		67,416,757	Corp. Class A* . . . . .	1,055,713	<u>40,898,322</u>
					108,632,498
INSURANCE - 2.5%			TECH-SOFTWARE - 6.5%		
Mercury General			Advent Software,		
Corp. . . . .	939,176	51,757,989	Inc.* . . . . .	1,066,438	34,712,557
			BEA Systems, Inc.* . . . .	3,725,000	50,995,250
INSURANCE BROKERS - 4.8%			Cognos, Inc.		
Brown & Brown, Inc. . . .	1,777,850	44,695,149	(Canada)* . . . . .	1,219,565	<u>48,380,144</u>
Willis Group Holdings,					134,087,951
Ltd. (United			TRANSPORTATION - 1.0%		
Kingdom) . . . . .	1,225,830	<u>54,010,070</u>	AirTran Holdings,		
		98,705,219	Inc.* . . . . .	1,942,700	21,214,284
LEISURE & AMUSEMENT - 3.7%			WHOLESALE - 2.4%		
Royal Caribbean			United Stationers, Inc.* . .	750,700	50,026,648
Cruises, Ltd. . . . .	1,149,965	49,425,496			
Winnebago Industries,			TOTAL COMMON STOCKS - 95.1%		
Inc. . . . .	894,800	<u>26,414,496</u>	(Cost \$1,526,044,643) . . . . .		<u>1,966,621,289</u>
		75,839,992			
RESTAURANTS - 3.6%			U.S. GOVERNMENT OBLIGATIONS - 2.2%		
CBRL Group, Inc. . . . .	731,088	31,056,618	U.S. Treasury Bill @ 4.963%**		
Darden Restaurants,			due 07/19/07		
Inc. . . . .	994,700	<u>43,756,853</u>	(Face Value \$15,000,000) . . . . .		14,963,738
		74,813,471	U.S. Treasury Bill @ 4.843%**		
RETAIL - 6.1%			due 08/09/07		
Bed Bath & Beyond,			(Face Value \$15,000,000) . . . . .		14,923,300
Inc.* . . . . .	1,032,700	37,166,873	U.S. Treasury Bill @ 4.716%		
PetSmart, Inc. . . . .	1,471,000	47,733,950	due 09/06/07		
Ross Stores, Inc. . . . .	1,348,200	<u>41,524,560</u>	(Face Value \$15,000,000) . . . . .		<u>14,871,720</u>
		126,425,383	TOTAL U.S. GOVERNMENT		
			OBLIGATIONS		
			(Cost \$44,755,563) . . . . .		<u>44,758,758</u>

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

# Meridian Growth Fund

## Schedule of Investments (continued)

June 30, 2007

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	<u>Value</u>
TOTAL INVESTMENTS - 97.3%	
(Cost \$1,570,800,206) . . . . .	\$2,011,380,047
CASH AND OTHER ASSETS, LESS	
LIABILITIES - 2.7% . . . . .	<u>55,369,869</u>
NET ASSETS - 100.0% . . . . .	<u><u>\$2,066,749,916</u></u>

REIT - Real Estate Investment Trust

\* Non-income producing securities

\*\* Annualized yield at date of purchase

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

# Meridian Value Fund

## Schedule of Investments

June 30, 2007

	Shares	Value		Shares	Value
COMMON STOCKS - 94.6%			BUSINESS PRODUCTS - 2.8%		
AEROSPACE/DEFENSE - 2.5%			Diebold, Inc. . . . .	962,000	\$ 50,216,400
BE Aerospace, Inc.* . . .	1,122,600	\$ 46,363,380			
AGRICULTURE - 3.5%			BUSINESS SERVICES - 1.1%		
Bunge, Ltd. . . . .	341,100	28,822,950	Hewitt Associates, Inc.		
Universal Corp. . . . .	561,400	34,200,488	Class A* . . . . .	613,500	19,632,000
		63,023,438			
APPAREL - 4.3%			CONSUMER PRODUCTS - 7.9%		
Hanesbrands, Inc.* . . . .	728,500	19,691,355	Avon Products, Inc. . . .	1,289,200	47,378,100
Liz Claiborne, Inc. . . . .	796,300	29,701,990	Blount International,		
Quiksilver, Inc.* . . . . .	2,079,000	29,376,270	Inc.* . . . . .	677,800	8,865,624
		78,769,615	Briggs & Stratton		
BANKING - 6.8%			Corp. . . . .	564,300	17,809,308
Annaly Capital			Electronic Arts, Inc.* . .	572,000	27,067,040
Management, Inc.			Helen of Troy, Ltd.*		
REIT . . . . .	1,590,800	22,939,336	(Bermuda) . . . . .	371,275	10,024,425
Friedman, Billings,			Pactiv Corp.* . . . . .	1,016,100	32,403,429
Ramsey Group, Inc.					143,547,926
Class A . . . . .	3,306,400	18,052,944	CONSUMER PRODUCTS/FOOD & BEVERAGE - 4.1%		
JPMorgan Chase &			Anheuser-Busch Cos.,		
Co. . . . .	850,000	41,182,500	Inc. . . . .	794,600	41,446,336
Regions Financial			International Flavors &		
Corp. . . . .	1,008,300	33,374,730	Fragrances, Inc. . . . .	647,700	33,771,078
Stewart Information					75,217,414
Services Corp. . . . .	198,400	7,902,272	EDUCATION - 1.2%		
		123,451,782	Corinthian Colleges,		
BASIC MATERIALS - 0.4%			Inc.* . . . . .	1,347,100	21,944,259
Barrick Gold Corp.			ENERGY - 3.0%		
(Canada) . . . . .	253,300	7,363,431	GlobalSanteFe Corp. . .	286,400	20,692,400
BROKERAGE & MONEY MANAGEMENT - 2.0%			Hanover Compressor		
Federated Investors, Inc.			Co.* . . . . .	1,046,000	24,947,100
Class B . . . . .	934,500	35,819,385	International Coal		
			Group, Inc.* . . . . .	1,349,000	8,067,020
					53,706,520

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

# Meridian Value Fund

## Schedule of Investments (continued)

June 30, 2007

	Shares	Value		Shares	Value
COMMON STOCKS (continued)			INSURANCE - 0.5%		
HEALTHCARE PRODUCTS - 9.2%			XL Capital, Ltd. Class A (Bermuda) . . . . .		
American Medical Systems Holdings, Inc.* . . . . .	1,540,600	\$ 27,792,424	108,700	\$	9,162,323
Baxter International, Inc. . . . .	847,300	47,736,882	INSURANCE BROKERS - 3.2%		
Beckman Coulter, Inc. . . . .	712,600	46,090,968	Willis Group Holdings, Ltd. (United Kingdom) . . . . .		
Cooper Cos, Inc. (The) . . . . .	475,400	25,348,328	1,322,000		58,247,320
STERIS Corp. . . . .	691,200	21,150,720	LEISURE & AMUSEMENT - 1.1%		
		168,119,322	Polaris Industries, Inc. . . . .		
HEALTHCARE SERVICES - 1.3%			373,900		20,250,424
Apria Healthcare Group, Inc.* . . . . .	792,800	22,808,856	OIL & GAS - 3.0%		
INDUSTRIAL PRODUCTS - 9.4%			BP plc ADR (United Kingdom) . . . . .		
Albany International Corp. Class A . . . . .	492,600	19,920,744	226,500		16,339,710
Cabot Corp. . . . .	681,100	32,474,848	Kinder Morgan Management, LLC* . . . . .		
Chemtura Corp. . . . .	1,653,100	18,365,941	722,905		37,518,761
Dionex Corp.* . . . . .	326,587	23,184,411			53,858,471
Mine Safety Appliances Co. . . . .	453,350	19,838,596	PHARMACEUTICALS - 4.5%		
Schnitzer Steel Industries, Inc. Class A . . . . .	466,500	22,364,010	Charles River Laboratories International, Inc.* . . . . .		
Sealed Air Corp. . . . .	1,140,200	35,369,004	519,900		26,837,238
		171,517,554	1,022,600		22,875,562
INDUSTRIAL SERVICES - 2.7%			Schering-Plough Corp. . . . .		
ABM Industries, Inc. . . . .	420,400	10,850,524	1,031,200		31,389,728
SYSCO Corp. . . . .	221,900	7,320,481			81,102,528
Waste Management, Inc. . . . .	796,000	31,083,800	REAL ESTATE - 0.1%		
		49,254,805	Apartment Investment & Management Co. Class A REIT . . . . .		
INFORMATION TECHNOLOGY SERVICES - 1.0%			35,900		1,810,078
CACI International, Inc. Class A* . . . . .	390,700	19,085,695	RETAIL - 1.5%		
			Rent-A-Center, Inc.* . . . . .		
			1,015,900		26,647,057

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

# Meridian Value Fund

## Schedule of Investments (continued)

June 30, 2007

	<u>Shares</u>	<u>Value</u>		<u>Value</u>
COMMON STOCKS (continued)			U.S. GOVERNMENT OBLIGATIONS - 2.4%	
TECHNOLOGY - 8.7%			U.S. Treasury Bill @ 4.963%**	
Analog Devices, Inc. . . . .	290,600	\$ 10,938,184	due 07/19/07	
Avid Technology, Inc.* . . . .	535,400	18,926,390	(Face Value \$15,000,000) . . . . .	\$ 14,963,738
comScore, Inc.* . . . . .	1,000	23,150	U.S. Treasury Bill @ 4.843%**	
Entegris, Inc.* . . . . .	2,316,700	27,522,396	due 08/09/07	
Intel Corp. . . . .	1,602,000	38,063,520	(Face Value \$15,000,000) . . . . .	14,923,300
Intermec, Inc.* . . . . .	212,600	5,380,906	U.S. Treasury Bill @ 4.716%	
Spreadtrum			due 09/06/07	
Communications, Inc.			(Face Value \$15,000,000) . . . . .	<u>14,871,720</u>
ADR* (China) . . . . .	250	3,633		
Western Digital			TOTAL U.S. GOVERNMENT	
Corp.* . . . . .	1,657,800	32,078,430	OBLIGATIONS	
Zebra Technologies			(Cost \$44,755,563) . . . . .	<u>44,758,758</u>
Corp. Class A* . . . . .	655,000	<u>25,374,700</u>		
		158,311,309	TOTAL INVESTMENTS - 97.0%	
TECH-SOFTWARE - 1.7%			(Cost \$1,504,275,179) . . . . .	1,765,612,759
Cognos, Inc.*				
(Canada) . . . . .	787,200	31,228,224	CASH AND OTHER ASSETS, LESS	
TELECOMMUNICATIONS EQUIPMENT - 1.8%			LIABILITIES - 3.0% . . . . .	<u>53,827,466</u>
Nokia Oyj ADR				
(Finland) . . . . .	1,181,800	33,220,398	NET ASSETS - 100.0% . . . . .	<u><u>\$1,819,440,225</u></u>
UTILITIES - 5.3%				
Dynegy, Inc. Class A* . . . . .	4,022,300	37,970,512	ADR - American Depository Receipt	
Hawaiian Electric			REIT - Real Estate Investment Trust	
Industries, Inc. . . . .	1,004,575	23,798,381	* Non-income producing securities	
Progress Energy, Inc. . . . .	776,600	<u>35,405,194</u>	** Annualized yield at date of purchase	
		97,174,087		
TOTAL COMMON STOCKS - 94.6%				
(Cost \$1,459,519,616) . . . . .		<u>1,720,854,001</u>		

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

# Meridian Fund, Inc.

## Statements of Assets and Liabilities

June 30, 2007

	Equity Income Fund	Growth Fund	Value Fund
<b>ASSETS</b>			
Investments (Cost \$35,221,977, \$1,570,800,206 and \$1,504,275,179, respectively) . . . . .	\$41,216,350	\$2,011,380,047	\$1,765,612,759
Cash . . . . .	1,930,885	61,311,094	50,617,204
Receivable for:			
Capital shares purchased . . . . .	35,000	496,320	404,858
Securities sold . . . . .	—	13,396,860	36,216,886
Dividends . . . . .	73,875	1,320,658	1,692,985
Interest . . . . .	7,655	246,418	195,787
Prepaid expenses . . . . .	6,913	7,360	6,954
<b>TOTAL ASSETS . . . . .</b>	<b><u>43,270,678</u></b>	<b><u>2,088,158,757</u></b>	<b><u>1,854,747,433</u></b>
<b>LIABILITIES</b>			
Payable for:			
Capital shares sold . . . . .	—	4,604,628	1,018,462
Securities purchased . . . . .	—	15,238,759	32,488,635
Accrued expenses:			
Investment advisory fees . . . . .	39,324	1,291,028	1,512,791
Pricing fees . . . . .	6,196	35,463	36,252
Audit fees . . . . .	28,429	31,966	32,011
Directors' fees . . . . .	95	10,399	17,846
Other payables and accrued expenses . . . . .	8,520	196,598	201,211
<b>TOTAL LIABILITIES . . . . .</b>	<b><u>82,564</u></b>	<b><u>21,408,841</u></b>	<b><u>35,307,208</u></b>
<b>NET ASSETS . . . . .</b>	<b><u>\$43,188,114</u></b>	<b><u>\$2,066,749,916</u></b>	<b><u>\$1,819,440,225</u></b>
Capital shares issued and outstanding, par value \$0.01 (500,000,000, 500,000,000 and 500,000,000 shares authorized, respectively) . . . . .	<u>3,285,827</u>	<u>48,353,294</u>	<u>46,902,650</u>
Net asset value per share (offering and redemption price) . .	<u>\$ 13.14</u>	<u>\$ 42.74</u>	<u>\$ 38.79</u>
Net Assets consist of:			
Paid in capital . . . . .	\$36,065,271	\$1,494,406,286	\$1,366,665,336
Accumulated net realized gain . . . . .	790,078	130,253,148	191,437,321
Net unrealized appreciation on investments . . . . .	5,994,373	440,579,841	261,337,580
Accumulated undistributed net investment income (loss) . .	338,392	1,510,641	(12)
	<u>\$43,188,114</u>	<u>\$2,066,749,916</u>	<u>\$1,819,440,225</u>

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

# Meridian Fund, Inc.

## Statements of Operations

For the Year Ended June 30, 2007

	Equity Income Fund	Growth Fund	Value Fund
INVESTMENT INCOME			
Dividends (net of foreign taxes withheld of \$0, \$0 and \$126,677, respectively) . . . . .	\$ 918,239	\$ 13,121,518	\$ 25,078,730
Interest . . . . .	76,744	4,680,529	4,347,282
Other income . . . . .	—	6,550	—
	<u>994,983</u>	<u>17,808,597</u>	<u>29,426,012</u>
EXPENSES			
Investment advisory fees . . . . .	314,307	14,312,179	17,580,176
Transfer agent fees . . . . .	25,994	508,037	523,421
Reports to shareholders . . . . .	854	223,963	205,654
Custodian fees . . . . .	9,748	406,720	381,532
Pricing fees . . . . .	38,588	222,566	220,681
Professional fees . . . . .	29,200	70,709	62,171
Registration and filing fees . . . . .	20,998	34,306	38,701
Miscellaneous expenses . . . . .	2,128	27,185	28,031
Directors' fees and expenses . . . . .	1,095	11,680	11,680
	<u>442,912</u>	<u>15,817,345</u>	<u>19,052,047</u>
Total expenses . . . . .	442,912	15,817,345	19,052,047
Expenses waived and reimbursed by Advisor (Note 2) . . . . .	(12,964)	—	—
	<u>429,948</u>	<u>15,817,345</u>	<u>19,052,047</u>
Net expenses . . . . .	429,948	15,817,345	19,052,047
Net investment income . . . . .	<u>565,035</u>	<u>1,991,252</u>	<u>10,373,965</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS			
Net realized gain on investments . . . . .	1,156,674	206,433,053	272,172,155
Net change in unrealized appreciation on investments . . . . .	4,745,850	126,767,717	92,047,871
	<u>5,902,524</u>	<u>333,200,770</u>	<u>364,220,026</u>
Net gain on investments . . . . .	5,902,524	333,200,770	364,220,026
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .			
	<u>\$6,467,559</u>	<u>\$335,192,022</u>	<u>\$374,593,991</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, 2007	Year Ended June 30, 2006	Year Ended June 30, 2007	Year Ended June 30, 2006
<b>OPERATIONS</b>				
Net investment income (loss) . . . . .	\$ 565,035	\$ 314,806	\$ 1,991,252	\$ (502,511)
Net realized gain on investments . . . . .	1,156,674	1,824	206,433,053	69,915,840
Net increase in unrealized appreciation of investments . . . . .	<u>4,745,850</u>	<u>1,235,646</u>	<u>126,767,717</u>	<u>86,155,525</u>
Net increase in net assets from operations . . . . .	<u>6,467,559</u>	<u>1,552,276</u>	<u>335,192,022</u>	<u>155,568,854</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
Distributions from ordinary income . . . . .	(437,139)	(152,533)	(480,611)	—
Distributions from net realized capital gains . . . . .	<u>(298,676)</u>	<u>(12,482)</u>	<u>(138,884,318)</u>	<u>(35,405,369)</u>
Net distributions . . . . .	<u>(735,815)</u>	<u>(165,015)</u>	<u>(139,364,929)</u>	<u>(35,405,369)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>				
Proceeds from sales of shares . . . . .	12,291,605	16,180,179	360,777,435	353,645,898
Reinvestment of distributions . . . . .	677,132	137,665	117,740,707	29,835,577
Redemption fees . . . . .	392	681	19,004	22,490
Less: redemptions of shares . . . . .	<u>(963,461)</u>	<u>(666,928)</u>	<u>(296,988,641)</u>	<u>(507,856,910)</u>
Increase (decrease) resulting from capital share transactions . . . . .	<u>12,005,668</u>	<u>15,651,597</u>	<u>181,548,505</u>	<u>(124,352,945)</u>
Total increase (decrease) in net assets . . . . .	<u>17,737,412</u>	<u>17,038,858</u>	<u>377,375,598</u>	<u>(4,189,460)</u>
<b>NET ASSETS</b>				
Beginning of year . . . . .	<u>25,450,702</u>	<u>8,411,844</u>	<u>1,689,374,318</u>	<u>1,693,563,778</u>
End of year . . . . .	<u>\$43,188,114</u>	<u>\$25,450,702</u>	<u>\$2,066,749,916</u>	<u>\$1,689,374,318</u>
Undistributed Net Investment Income at end of year . . . . .	<u>\$ 338,392</u>	<u>\$ 213,040</u>	<u>\$ 1,510,641</u>	<u>\$ —</u>

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

# Meridian Fund, Inc.

## Statements of Changes in Net Assets

	Value Fund	
	Year Ended June 30, 2007	Year Ended June 30, 2006
OPERATIONS		
Net investment income . . . . .	\$ 10,373,965	\$ 9,730,158
Net realized gain on investments . . . . .	272,172,155	173,580,142
Net increase (decrease) in unrealized appreciation of investments . . . . .	<u>92,047,871</u>	<u>(37,832,024)</u>
Net increase in net assets from operations . . . . .	<u>374,593,991</u>	<u>145,478,276</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions from ordinary income . . . . .	(17,859,640)	(16,078,058)
Distributions from net realized capital gains . . . . .	<u>(223,659,270)</u>	<u>(216,870,523)</u>
Net distributions . . . . .	<u>(241,518,910)</u>	<u>(232,948,581)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from sales of shares . . . . .	173,402,041	200,186,023
Reinvestment of distributions . . . . .	205,961,289	195,949,460
Redemption fees . . . . .	30,190	45,193
Less: redemptions of shares . . . . .	<u>(379,902,431)</u>	<u>(893,314,233)</u>
Decrease resulting from capital share transactions . . . . .	<u>(508,911)</u>	<u>(497,133,557)</u>
Total increase (decrease) in net assets . . . . .	<u>132,566,170</u>	<u>(584,603,862)</u>
NET ASSETS		
Beginning of year . . . . .	<u>1,686,874,055</u>	<u>2,271,477,917</u>
End of year . . . . .	<u>\$1,819,440,225</u>	<u>\$1,686,874,055</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, 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 . . . . .	\$11.05	\$10.10	\$10.00
<u>Income from Investment Operations</u>			
Net Investment Income* . . . . .	0.18	0.15	0.06
Net Gains on Investments (both realized and unrealized). . . . .	2.19	0.93	0.04
Total From Investment Operations. . . . .	2.37	1.08	0.10
<u>Less Distributions</u>			
Distributions from Net Investment Income. . . . .	(0.17)	(0.12)	0.00
Distributions from Net Realized Capital Gains. . . . .	(0.11)	(0.01)	0.00
Total Distributions . . . . .	(0.28)	(0.13)	0.00
Net Asset Value - End of Period . . . . .	\$13.14	\$11.05	\$10.10
Total Return . . . . .	21.61%	10.75%	1.00% <sup>1</sup>
<u>Ratios/Supplemental Data</u>			
Net Assets, End of Period (000's) . . . . .	\$43,188	\$25,451	\$8,412
Ratio of Expenses to Average Net Assets			
Before expense reimbursement . . . . .	1.29%	1.67%	3.96% <sup>2</sup>
After expense reimbursement <sup>3</sup> . . . . .	1.25%	1.25%	1.25% <sup>2</sup>
Ratio of Net Investment Income (Loss) to Average Net Assets			
Before expense reimbursement . . . . .	1.60%	1.38%	(0.60%) <sup>2</sup>
After expense reimbursement . . . . .	1.64%	1.80%	2.11% <sup>2</sup>
Portfolio Turnover Rate. . . . .	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.

<sup>1</sup> Not Annualized.

<sup>2</sup> Annualized.

<sup>3</sup> See note 2 to Financial Statements.

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

# Meridian Growth Fund

## Financial Highlights

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

	For the fiscal year ended June 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Net Asset Value - Beginning of Year . . . . .	\$38.54	\$35.77	\$35.38	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26	\$33.20
<u>Income from Investment Operations</u>										
Net Investment Income (Loss)* . . . . .	0.04	(0.01)	(0.07)	(0.04)	(0.08)	(0.12)	2.26	0.11	0.16	0.27
Net Gains (Losses) on Investments (both realized and unrealized) . . . . .	7.29	3.58	1.02	9.10	(0.11)	(0.24)	3.89	4.99	(0.50)	4.92
Total From Investment Operations . . . . .	7.33	3.57	0.95	9.06	(0.19)	(0.36)	6.15	5.10	(0.34)	5.19
<u>Less Distributions</u>										
Distributions from Net Investment Income . . . . .	(0.01)	0.00	0.00	0.00	(0.06)	0.00	(2.44)	(0.15)	(0.14)	(0.32)
Distributions from Net Realized Capital Gains . . . . .	(3.12)	(0.80)	(0.56)	(0.92)	(0.61)	(2.84)	(1.86)	(1.78)	(6.50)	(4.81)
Total Distributions . . . . .	(3.13)	(0.80)	(0.56)	(0.92)	(0.67)	(2.84)	(4.30)	(1.93)	(6.64)	(5.13)
Net Asset Value - End of Year . . . . .	\$42.74	\$38.54	\$35.77	\$35.38	\$27.24	\$28.10	\$31.30	\$29.45	\$26.28	\$33.26
Total Return . . . . .	19.69%	10.08%	2.65%	33.65%	(0.20%)	0.42%	23.34%	21.45%	3.05%	16.92%
<u>Ratios/Supplemental Data</u>										
Net Assets, End of Year (000's) . . . . .	\$2,066,750	\$1,689,374	\$1,693,564	\$1,273,302	\$448,393	\$310,659	\$182,117	\$140,990	\$185,683	\$296,803
Ratio of Expenses to Average Net Assets . . . . .	0.84%	0.85%	0.86%	0.88%	0.95%	1.02%	1.04%	1.09%	1.01%	0.95%
Ratio of Net Investment Income (Loss) to Average Net Assets . . . . .	0.11%	(0.03%)	(0.21%)	(0.21%)	(0.47%)	(0.62%)	(0.26%)	0.31%	0.49%	0.76%
Portfolio Turnover Rate . . . . .	40%	29%	32%	19%	27%	26%	43%	28%	51%	38%

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

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

# Meridian Value Fund

## Financial Highlights

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

	For the fiscal year ended June 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Net Asset Value – Beginning of Year . . . . .	\$36.14	\$38.11	\$40.35	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30	\$17.40
<u>Income from Investment Operations</u>										
Net Investment Income (Loss)* . . . . .	0.41	0.18	0.19	0.00	(0.03)	(0.05)	1.12	0.05	(0.10)	(0.19)
Net Gains (Losses) on Investments (both realized and unrealized) . . . . .	7.74	2.45	2.96	8.70	1.34	(0.51)	5.75	5.91	3.56	4.32
Total From Investment Operations . . . . .	8.15	2.63	3.15	8.70	1.31	(0.56)	6.87	5.96	3.46	4.13
<u>Less Distributions</u>										
Distributions from Net Investment Income . . . . .	(0.41)	(0.32)	(0.28)	0.00	0.00	(0.04)	(1.09)	0.00	0.00	0.00
Distributions from Net Realized Capital Gains . . . . .	(5.09)	(4.28)	(5.11)	0.00	0.00	(0.04)	(0.68)	(2.37)	(0.47)	(2.23)
Total Distributions . . . . .	(5.50)	(4.60)	(5.39)	0.00	0.00	(0.08)	(1.77)	(2.37)	(0.47)	(2.23)
Net Asset Value – End of Year . . . . .	\$38.79	\$36.14	\$38.11	\$40.35	\$31.65	\$30.34	\$30.98	\$25.88	\$22.29	\$19.30
Total Return . . . . .	23.90%	7.35%	8.00%	27.49%	4.32%	(1.78%)	27.95%	29.63%	18.92%	26.05%
<u>Ratios/Supplemental Data</u>										
Net Assets, End of Year (000's) . . . . .	\$1,819,440	\$1,686,874	\$2,271,478	\$2,226,590	\$1,456,552	\$1,297,207	\$768,559	\$87,930	\$24,912	\$12,196
Ratio of Expenses to Average Net Assets . . . . .	1.08%	1.09%	1.08%	1.09%	1.11%	1.12%	1.10%	1.41%	1.63%	2.16%
Ratio of Net Investment Income (Loss) to Average Net Assets . . . . .	0.59%	0.49%	0.48%	0.01%	(0.12%)	(0.22%)	0.60%	0.39%	(0.65%)	(1.35%)
Portfolio Turnover Rate . . . . .	75%	58%	59%	81%	60%	54%	76%	86%	124%	133%

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

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

# Meridian Fund, Inc.

## Notes to Financial Statements

For the Year Ended June 30, 2007

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

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

The primary investment objective of the Growth Fund is to seek long-term growth of capital. Originally named Meridian Fund, the name was changed effective April 20, 2001 to Meridian Growth Fund, to more closely reflect the investment style. There was no change in how the Fund is managed.

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

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

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

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

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- f. **Use of Estimates:** The preparation of financial statements in accordance with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities 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 generally accepted accounting principles. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

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

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

- h. **Guarantees and Indemnification:** Under the Funds’ organizational documents, its Officers and Directors are indemnified against certain liability arising out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.
- i. **Recent Accounting Pronouncements:** In July 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax return to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the year of determination. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Management is currently evaluating the application of FIN 48 to the Funds, and is not in a position at this time to estimate the significance of its impact, if any, on the Funds’ financial statements.

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

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

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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 generally accepted accounting principles 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. Management is currently evaluating the application of SFAS No. 157 to the Funds, and is not in a position at this time to estimate the significance of its impact, if any, on the Funds' financial statements.

2. **Related Parties:** The Funds have entered into a management agreement with Aster Investment Management Company, Inc. (the "Investment Adviser"). Certain Officers and/or Directors of the Funds are also Officers and/or Directors of the Investment Adviser. Beneficial ownership in the Funds by Richard F. Aster, Jr., President, as of June 30, 2007 were as follows:

Equity Income Fund . . . . .	37.05%
Growth Fund . . . . .	0.91%
Value Fund. . . . .	1.07%

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

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

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

The Investment Adviser has contractually agreed to waive its fee and reimburse expenses, at least until November 1, 2007, 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 Investment Adviser reimbursed the Equity Income Fund \$12,964, but did not reimburse the Growth and Value Funds, during the year ended June 30, 2007.

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

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 Investment Adviser, and expenses in excess of the expense limitation, and repay the Investment Adviser such amounts; provided the Fund is able to effect such reimbursement and maintain the expense limitation.

At June 30, 2007, the balance of recoupable expenses along with the year of expiration for the Equity Income Fund is:

<u>Amount</u>	<u>Expiration</u>
\$65,276	2008
74,072	2009
12,964	2010

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

3. **Capital Shares Transactions:** Transactions in capital shares for the year ended June 30, 2007 and the year ended June 30, 2006 were as follows:

	<u>Equity Income Fund</u>	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Increase in Fund shares:		
Shares sold . . . . .	1,004,352	1,518,742
Shares issued from reinvestment of distributions . . . . .	<u>55,411</u>	<u>12,963</u>
	1,059,763	1,531,705
Shares redeemed . . . . .	<u>(77,844)</u>	<u>(61,043)</u>
Net increase . . . . .	<u>981,919</u>	<u>1,470,662</u>

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

	Growth Fund	
	June 30, 2007	June 30, 2006
Increase in Fund shares:		
Shares sold . . . . .	8,819,099	9,349,992
Shares issued from reinvestment of distributions . . . . .	<u>2,980,023</u>	<u>805,510</u>
	11,799,122	10,155,502
Shares redeemed . . . . .	<u>(7,277,834)</u>	<u>(13,664,615)</u>
Net increase (decrease) . . . . .	<u>4,521,288</u>	<u>(3,509,113)</u>

	Value Fund	
	June 30, 2007	June 30, 2006
Increase in Fund shares:		
Shares sold . . . . .	4,662,351	5,344,976
Shares issued from reinvestment of distributions . . . . .	<u>5,777,315</u>	<u>5,630,731</u>
	10,439,666	10,975,707
Shares redeemed . . . . .	<u>(10,210,105)</u>	<u>(23,900,160)</u>
Net increase (decrease) . . . . .	<u>229,561</u>	<u>(12,924,453)</u>

4. **Compensation of Directors and Officers:** Directors and Officers of the Funds who are Directors and/or Officers of the Investment Adviser receive no compensation from the Funds. Directors of the Funds who are not interested persons, as defined in the Investment Company Act of 1940, receive compensation in the amount of \$3,000 per annum and a \$2,000 purchase of Equity Income Fund, Growth Fund or Value Fund shares, plus expenses and a \$1,000 purchase in one of the Funds for each additional Board of Directors meeting attended other than the annual meeting.

5. **Cost of Investments:** The cost of investments purchased and the proceeds from sales of investments, excluding short-term obligations, for the year ended June 30, 2007, were as follows:

	Purchases	Proceeds from Sales
Equity Income Fund . . . . .	\$ 23,226,611	\$ 12,279,325
Growth Fund . . . . .	744,331,257	713,646,051
Value Fund . . . . .	1,266,329,404	1,505,250,100

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

6. **Distribution Information:** Income and long-term capital gains distributions are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles accepted in the United States. The tax character of distributions made during the fiscal years ended June 30, 2007 and June 30, 2006 were as follows:

### 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

### 2006 Taxable Distributions

<u>Fund</u>	<u>Ordinary Income</u>	<u>Net Long-Term Capital Gains</u>	<u>Total Distributions</u>
Equity Income Fund . . . . .	\$ 165,015	\$ —	\$ 165,015
Growth Fund . . . . .	—	35,405,369	35,405,369
Value Fund . . . . .	26,262,428	206,686,153	232,948,581

7. **Federal Income Taxes:** Permanent differences, incurred during the year ended June 30, 2007, resulting from differences in book and tax accounting have been reclassified at year end to undistributed net investment income, accumulated realized gain/(loss) and paid-in capital as follows:

	<u>Increase/(Decrease) Paid-In Capital</u>	<u>Increase/(Decrease) Undistributed Net Investment Income</u>	<u>Increase/(Decrease) Accumulated Realized Gain/(Loss)</u>
Equity Income Fund . . . . .	\$ 3,027	\$ (2,544)	\$ (483)
Value Fund . . . . .	(1)	7,485,663	(7,485,662)

The aggregate cost of investments, unrealized appreciation and depreciation, for federal income tax purposes at June 30, 2007 is as follows:

	<u>Aggregate Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Equity Income Fund . . . . .	\$ 35,283,720	\$ 6,081,755	\$ (149,125)	\$ 5,932,630
Growth Fund . . . . .	1,570,800,206	451,540,908	(10,961,067)	440,579,841
Value Fund . . . . .	1,505,223,623	278,735,279	(18,346,143)	260,389,136

# Meridian Fund, Inc.

## Notes to Financial Statements (continued)

For the Year Ended June 30, 2007

The following ordinary income and long-term capital gains distributions designated for federal income tax purposes are due to the utilization of accumulated earnings and profits distributed to shareholders upon redemption of shares:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Total</u>
Equity Income Fund . . . . .	\$1,943	\$1,083	\$3,026

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

	<u>Equity Income Fund</u>	<u>Growth Fund</u>	<u>Value Fund</u>
Undistributed ordinary income . . . . .	\$ 694,047	\$ 17,389,182	\$ 44,601,646
Undistributed long-term capital gains . . . . .	496,166	114,374,607	147,784,119
Post-October losses deferred . . . . .	—	—	(12)
Unrealized appreciation . . . . .	<u>5,932,630</u>	<u>440,579,841</u>	<u>260,389,136</u>
Total Accumulated Earnings . . . . .	<u>\$ 7,122,843</u>	<u>\$ 572,343,630</u>	<u>\$452,774,889</u>

Post-October losses represent losses realized on investment transactions from November 1, 2006 through June 30, 2007 that, in accordance with Federal income tax regulations, the Funds have elected to defer and treat as having arisen in the following fiscal year. As of June 30, 2007, the Value Fund had Post-October currency loss deferrals of \$12.

# Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Meridian Equity Income Fund, Meridian Growth Fund and Meridian Value Fund (constituting Meridian Fund, Inc., hereafter referred to as the “Funds”) at June 30, 2007, 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, 2007 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
San Francisco, California  
August 24, 2007

# Meridian Fund, Inc.

## Additional Information

For the Year Ended June 30, 2007

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

## Disclosure Regarding Approval of Investment Advisory Agreements (Unaudited)

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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 Investment Adviser at a meeting held on October 4, 2006.

In preparation for the meeting, the Directors received and evaluated information supplied by the Investment 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 Investment 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 Investment Adviser and the resources the Investment Adviser has dedicated to performing services for the Funds. The Directors also considered the respective investment strategies of the Funds and noted favorably the Investment 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 Investment 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 Investment 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.

In addition to the information reviewed by the Directors during the meeting, 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 competitive performance overall and, in particular, returns for long-term investors that are above average.

The Directors considered the direct and indirect costs incurred by the Investment Adviser in providing investment management services for the Funds. In light of the changes in assets under management for each Fund during relevant time periods, the Directors concluded that economies of scale currently being realized do not necessarily warrant the implementation of additional breakpoints for any of the Funds. While intending to monitor future growth in Fund assets, and to the extent that economies of scale are realized, the Directors believe that current advisory fee levels reflect an equitable sharing of benefits with shareholders.

## **Disclosure Regarding Approval of Investment Advisory Agreements (Unaudited) (continued)**

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The Directors concluded that profits being realized by the Investment 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 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 Investment Adviser realizes due to its relationship with the Funds. In particular, the Investment Adviser has arrangements under which certain brokers may provide industry research to the Investment Adviser's portfolio managers through the use of a portion of the brokerage commissions generated from the Investment 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.

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

### Interested Directors \*

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Richard F. Aster, Jr. (67)

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 (62)

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: Kane Miller Publishing, Window Pane Funds, LLC

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

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

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

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## Independent Directors

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Ronald Rotter (64)

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 (55)

Positions(s) Held with Fund: Director

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

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

Number of Portfolios Overseen: 3

Other Directorships: AeroAstro, The Marin School

James Bernard Glavin (72)

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

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

Principal Occupation(s) During Past 5 Years: Chairman of the Board, The Immune Response Corp.

Number of Portfolios Overseen: 3

Other Directorships: N/A

Herbert Charles Kay (70)

Positions(s) Held with Fund: Director

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

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

Number of Portfolios Overseen: 3

Other Directorships: N/A

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## Officers

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Gregg B. Keeling, CPA (52)

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

**2007 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 2008. 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, 2007:

Equity Income Fund . . . . .	\$ 118,060
Growth Fund . . . . .	\$124,123,196
Value Fund . . . . .	\$223,659,270

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, 2007 as qualifying for the corporate dividends-received deduction:

Equity Income Fund . . . . .	92.70%
Growth Fund . . . . .	29.98%
Value Fund . . . . .	35.02%

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, 2007 as qualified dividend income (QDI):

Equity Income Fund . . . . .	88.53%
Growth Fund . . . . .	36.08%
Value Fund . . . . .	35.28%

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 . . . . .	1.21%
Value Fund . . . . .	3.82%

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# MERIDIAN FUND, INC.

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

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## *Officers and Directors*

RICHARD F. ASTER, JR.  
President and Director

MICHAEL S. ERICKSON

JAMES B. GLAVIN

HERBERT C. KAY

RONALD ROTTER

MICHAEL STOLPER  
Directors

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

## *Custodian*

PFPC TRUST COMPANY  
Philadelphia, Pennsylvania

## *Transfer Agent and Disbursing Agent*

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

## *Counsel*

MORRISON & FOERSTER LLP  
Washington, D.C.

## *Auditors*

PRICEWATERHOUSECOOPERS LLP  
San Francisco, California

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

ANNUAL REPORT



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June 30, 2007