

# Schwartz Value Fund

.....  
VALUE INVESTING SINCE 1984



.....  
ANNUAL REPORT

.....  
DECEMBER 31, 2007

**Shareholder Accounts**  
c/o Ultimus Fund  
Solutions, LLC  
P.O. Box 46707  
Cincinnati, OH 45246  
(888) 726-0753



**Corporate Offices**  
3707 W. Maple Road  
Suite 100  
Bloomfield Hills, MI 48301  
(248) 644-8500  
Fax (248) 644-4250

## **Schwartz Value Fund**

Dear Fellow Shareholder,

The Schwartz Value Fund (the “Fund”) had a poor year in 2007, down 11.1%. Many of the stocks in the Fund which performed poorly in 2007 were financials, retail, and consumer-related. In managing the portfolio, our investment team underestimated the effects of the credit crisis on several high quality portfolio holdings in the consumer area. Stocks which negatively affected performance in 2007 included Craftmade International, Inc. (housewares), Chico’s FAS, Inc. (retail), and Citizens Republic Bancorp, Inc. (banking). We have reassessed each company in the portfolio and re-examined each company’s fundamentals, and adjusted our strategies in response to the evolving economic environment. Stocks that contributed positively to the Fund’s performance included Waters Corporation (scientific instruments), Kinetic Concepts, Inc. (medical devices), Gentex Corporation (auto equipment), and Berkshire Hathaway, Inc. (insurance).

Annual Rate of Return  
For 1 year ended 12-31-07

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|                                       |        |
|---------------------------------------|--------|
| <b>Schwartz Value Fund</b>            | -11.1% |
| Russell 2000 Value Index              | - 9.8% |
| Russell 2000 Index                    | - 1.6% |
| NASDAQ Composite Index <sup>(a)</sup> | + 9.8% |
| S&P 500 Index                         | + 5.5% |

Several portfolio holdings are now deeply depressed. Even though a recession seems to be unfolding, these distressed securities are selling at prices that in our opinion are significantly below their intrinsic values. Also, it’s important to remember that recessions don’t last forever. They have historically always been followed by an economic recovery, just like bear markets are always followed by bull markets.

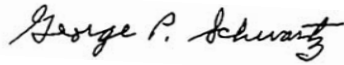
In our view, the sell-off in many of the small-cap value stocks has produced extraordinarily cheap prices – a value investor’s dream. During such periods, these orphan stocks represent opportunities for long-term investors, not unlike those

opportunities found in the bear markets of 1987, 1990, and 2002. While past performance should never be considered to be indicative of results in future periods, it is interesting to note that in the years following each of those down years, the Schwartz Value Fund produced returns of 23.1%, 32.0%, and 39.3% respectively.

I personally purchased additional shares of the Schwartz Value Fund recently. From the currently depressed levels of many of our stocks, I believe that a good year in 2008 could be readily achievable.

Best regards,

SCHWARTZ VALUE FUND

A handwritten signature in cursive script that reads "George P. Schwartz".

George P. Schwartz, CFA  
President

February 15, 2008

<sup>(a)</sup> Excluding dividends.

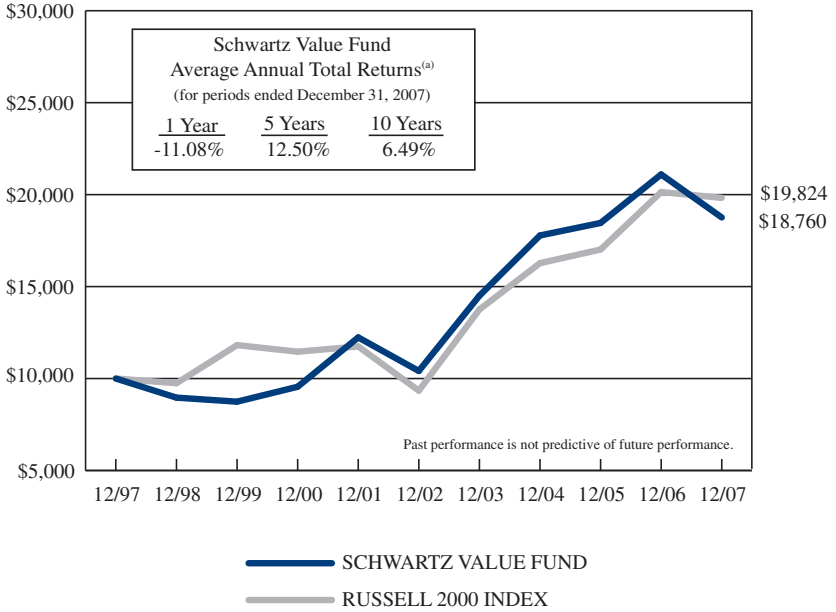
*Past performance is not predictive of future performance. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Performance data, current to the most recent month end, are available by calling the Fund at 1-888-726-0753.*

An investor should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Fund's prospectus contains this and other important information. To obtain a copy of the prospectus please visit our website at [www.schwartzvaluefund.com](http://www.schwartzvaluefund.com) or call 1-888-726-0753 and a copy will be sent to you free of charge. Please read the prospectus carefully before you invest. The Schwartz Value Fund is distributed by Ultimus Fund Distributors, LLC.

The Letter to Shareholders seeks to describe some of the adviser's current opinions and views of the financial markets. Although the adviser believes it has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed.

# SCHWARTZ VALUE FUND PERFORMANCE (Unaudited)

**Comparison of the Change in Value of a \$10,000 Investment  
in the Schwartz Value Fund and the Russell 2000 Index**



<sup>(a)</sup> The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

*This report is for the information of shareholders, but it may also be used as sales literature when preceded or accompanied by a current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the Fund. The Fund is distributed by Ultimus Fund Distributors, LLC.*

# SCHWARTZ VALUE FUND

## ANNUAL TOTAL RATES OF RETURN

### COMPARISON WITH MAJOR INDICES (Unaudited)

|      | SCHWARTZ<br>VALUE<br>FUND <sup>(a)</sup> | RUSSELL<br>2000<br>INDEX | RUSSELL<br>2000<br>VALUE<br>INDEX | RUSSELL<br>2000<br>GROWTH<br>INDEX | NASDAQ<br>COMPOSITE <sup>(b)</sup> | VALUE<br>LINE<br>COMPOSITE <sup>(b)</sup> | S&P 500<br>INDEX |
|------|--|--------------------------|-----------------------------------|------------------------------------|------------------------------------|---|------------------|
| 1984 | 11.1%                                    | -7.3%                    | 2.3%                              | -15.8%                             | -11.2%                             | -8.4%                                     | 6.1%             |
| 1985 | 21.7%                                    | 31.1%                    | 31.0%                             | 31.0%                              | 31.4%                              | 20.7%                                     | 31.6%            |
| 1986 | 16.4%                                    | 5.7%                     | 7.4%                              | 3.6%                               | 7.4%                               | 5.0%                                      | 18.7%            |
| 1987 | -0.6%                                    | -8.8%                    | -7.1%                             | -10.5%                             | -5.3%                              | -10.6%                                    | 5.3%             |
| 1988 | 23.1%                                    | 24.9%                    | 29.5%                             | 20.4%                              | 15.4%                              | 15.4%                                     | 16.8%            |
| 1989 | 8.3%                                     | 16.2%                    | 12.4%                             | 20.2%                              | 19.3%                              | 11.2%                                     | 31.6%            |
| 1990 | -5.3%                                    | -19.5%                   | -21.8%                            | -17.4%                             | -17.8%                             | -24.3%                                    | -3.2%            |
| 1991 | 32.0%                                    | 46.1%                    | 41.7%                             | 51.2%                              | 56.8%                              | 27.2%                                     | 30.4%            |
| 1992 | 22.7%                                    | 18.4%                    | 29.1%                             | 7.8%                               | 15.5%                              | 7.0%                                      | 7.6%             |
| 1993 | 20.5%                                    | 18.9%                    | 23.8%                             | 13.4%                              | 14.7%                              | 10.7%                                     | 10.1%            |
| 1994 | -6.8%                                    | -1.8%                    | -1.6%                             | -2.4%                              | -3.2%                              | -6.0%                                     | 1.3%             |
| 1995 | 16.9%                                    | 28.4%                    | 25.8%                             | 31.0%                              | 39.9%                              | 19.3%                                     | 37.5%            |
| 1996 | 18.3%                                    | 16.5%                    | 21.4%                             | 11.3%                              | 22.7%                              | 13.4%                                     | 22.9%            |
| 1997 | 28.0%                                    | 22.4%                    | 31.8%                             | 13.0%                              | 21.6%                              | 21.1%                                     | 33.4%            |
| 1998 | -10.4%                                   | -2.5%                    | -6.5%                             | 1.2%                               | 39.6%                              | -3.8%                                     | 28.6%            |
| 1999 | -2.5%                                    | 21.3%                    | -1.5%                             | 43.1%                              | 85.6%                              | -1.4%                                     | 21.0%            |
| 2000 | 9.3%                                     | -3.0%                    | 22.8%                             | -22.4%                             | -39.3%                             | -8.7%                                     | -9.1%            |
| 2001 | 28.1%                                    | 2.5%                     | 14.0%                             | -9.2%                              | -21.0%                             | -6.1%                                     | -11.9%           |
| 2002 | -14.9%                                   | -20.5%                   | -11.4%                            | -30.3%                             | -31.5%                             | -28.6%                                    | -22.1%           |
| 2003 | 39.3%                                    | 47.3%                    | 46.0%                             | 48.5%                              | 50.0%                              | 37.4%                                     | 28.7%            |
| 2004 | 22.6%                                    | 18.3%                    | 22.3%                             | 14.3%                              | 8.6%                               | 11.5%                                     | 10.9%            |
| 2005 | 3.8%                                     | 4.6%                     | 4.7%                              | 4.2%                               | 1.4%                               | 2.0%                                      | 4.9%             |
| 2006 | 14.3%                                    | 18.4%                    | 23.5%                             | 13.4%                              | 9.5%                               | 11.0%                                     | 15.8%            |
| 2007 | -11.1%                                   | -1.6%                    | -9.8%                             | 7.1%                               | 9.8%                               | -3.8%                                     | 5.5%             |

## AVERAGE ANNUAL TOTAL RETURNS

### As of December 31, 2007 (Unaudited)

|          | SCHWARTZ<br>VALUE<br>FUND <sup>(a)</sup> | RUSSELL<br>2000<br>INDEX | RUSSELL<br>2000<br>VALUE<br>INDEX | RUSSELL<br>2000<br>GROWTH<br>INDEX | NASDAQ<br>COMPOSITE <sup>(b)</sup> | VALUE<br>LINE<br>COMPOSITE <sup>(b)</sup> | S&P 500<br>INDEX |
|----------|--|--------------------------|-----------------------------------|------------------------------------|------------------------------------|---|------------------|
| 3 Years  | 1.8%                                     | 6.8%                     | 5.3%                              | 8.1%                               | 6.8%                               | 2.9%                                      | 8.6%             |
| 5 Years  | 12.5%                                    | 16.3%                    | 15.8%                             | 16.5%                              | 14.7%                              | 10.8%                                     | 12.8%            |
| 10 Years | 6.5%                                     | 7.1%                     | 9.1%                              | 4.3%                               | 5.4%                               | -0.3%                                     | 5.9%             |
| 24 Years | 10.9%                                    | 10.1%                    | 12.3%                             | 7.4%                               | 9.8%                               | 3.5%                                      | 12.3%            |

<sup>(a)</sup> Schwartz Value Fund's performance combines the performance of the Fund since its commencement of operations as a registered investment company on July 20, 1993, and the performance of RCM Partners Limited Partnership for periods prior thereto.

<sup>(b)</sup> Excluding dividends.

**SCHWARTZ VALUE FUND**  
**TEN LARGEST EQUITY HOLDINGS**  
**December 31, 2007 (Unaudited)**

| Shares  | Company  | Market Value | % of Net Assets |
|---------|--|--------------|-----------------|
| 165,000 | Citizens Republic Bancorp, Inc. ....           | \$ 2,394,150 | 4.4%            |
| 15      | Berkshire Hathaway, Inc. - Class A .....       | 2,124,000    | 3.9%            |
| 60,000  | Zebra Technologies Corporation - Class A ..... | 2,082,000    | 3.8%            |
| 200,000 | Meadowbrook Insurance Group, Inc. ....         | 1,882,000    | 3.4%            |
| 35,000  | Kinetic Concepts, Inc. ....                    | 1,874,600    | 3.4%            |
| 182,700 | Unico American Corporation .....               | 1,872,675    | 3.4%            |
| 237     | AmTrust Financial Corporation .....            | 1,659,000    | 3.0%            |
| 20,000  | Waters Corporation .....                       | 1,581,400    | 2.9%            |
| 75,000  | RPM International, Inc. ....                   | 1,522,500    | 2.8%            |
| 85,000  | ION Geophysical Corporation .....              | 1,341,300    | 2.4%            |

**ASSET ALLOCATION (Unaudited)**

| Sector   | % of Net Assets |
|--|-----------------|
| Aerospace & Defense .....                            | 1.5%            |
| Apparel & Textiles .....                             | 1.1%            |
| Building Materials & Construction .....              | 1.0%            |
| Business Services .....                              | 2.8%            |
| Consumer - Durables .....                            | 5.8%            |
| Consumer - Nondurables .....                         | 5.9%            |
| Consumer - Retail .....                              | 2.9%            |
| Education .....                                      | 0.7%            |
| Energy & Mining .....                                | 4.3%            |
| Finance.....   | 27.1%           |
| Healthcare .....                                     | 10.6%           |
| Industrial Products & Services .....                 | 15.5%           |
| Real Estate .....                                    | 1.8%            |
| Technology .....                                     | 12.2%           |
| Transportation .....                                 | 1.4%            |
| Exchange-Traded Funds .....                          | 1.1%            |
| Cash Equivalents, Other Assets and Liabilities ..... | 4.3%            |
|  | <u>100.0%</u>   |

**SCHWARTZ VALUE FUND**  
**SCHEDULE OF INVESTMENTS**

**December 31, 2007**

| Shares  | COMMON STOCKS — 94.6%                      | Market Value     |
|---|--|------------------|
| <b>AEROSPACE &amp; DEFENSE — 1.5%</b>               |  |                  |
| 2,500   | General Dynamics Corporation .....         | \$ 222,475       |
| 10,000  | Harris Corporation .....                   | 626,800          |
|   |  | <u>849,275</u>   |
| <b>APPAREL &amp; TEXTILES — 1.1%</b>                |  |                  |
| 7,500   | Columbia Sportswear Company .....          | 330,675          |
| 52,550  | Tefron Ltd. * .....                        | 259,597          |
|   |  | <u>590,272</u>   |
| <b>BUILDING MATERIALS &amp; CONSTRUCTION — 1.0%</b> |  |                  |
| 25,000  | Pulte Homes, Inc. ....                     | 263,500          |
| 10,000  | Simpson Manufacturing Company, Inc. ....   | 265,900          |
|   |  | <u>529,400</u>   |
| <b>BUSINESS SERVICES — 2.8%</b>                     |  |                  |
| 4,000   | Courier Corporation .....                  | 132,040          |
| 12,500  | Neogen Corporation * .....                 | 331,875          |
| 10,000  | Robert Half International, Inc. ....       | 270,400          |
| 82,000  | Superior Uniform Group, Inc. ....          | 799,500          |
|   |  | <u>1,533,815</u> |
| <b>CONSUMER — DURABLES — 5.8%</b>                   |  |                  |
| 114,000   | Craftmade International, Inc. ....         | 940,500          |
| 10,000  | HNI Corporation.....                       | 350,600          |
| 110,000   | La-Z-Boy Incorporated .....                | 872,300          |
| 25,000  | Select Comfort Corporation * .....         | 175,250          |
| 75,000  | Smith & Wesson Holding Corporation * ..... | 457,500          |
| 10,000  | Thor Industries, Inc. ....                 | 380,100          |
|   |  | <u>3,176,250</u> |
| <b>CONSUMER — NONDURABLES — 5.9%</b>                |  |                  |
| 10,000  | Acme United Corporation .....              | 143,500          |
| 4,000   | Fortune Brands, Inc. ....                  | 289,440          |
| 150,000   | Hartmarx Corporation * .....               | 511,500          |
| 15,000  | K-Swiss, Inc. - Class A .....              | 271,500          |
| 50,000  | Lifetime Brands, Inc. ....                 | 649,000          |
| 5,000   | Sherwin-Williams Company (The) .....       | 290,200          |
| 40,000  | Weyco Group, Inc. ....                     | 1,100,000        |
|   |  | <u>3,255,140</u> |
| <b>CONSUMER — RETAIL — 2.9%</b>                     |  |                  |
| 100,000   | Chico's FAS, Inc. * .....                  | 903,000          |
| 75,000  | Sally Beauty Holdings, Inc. * .....        | 678,750          |
|   |  | <u>1,581,750</u> |
| <b>EDUCATION — 0.7%</b>                             |  |                  |
| 15,000  | Nobel Learning Communities, Inc. * .....   | 215,100          |
| 1,000   | Strayer Education, Inc. ....               | 170,580          |
|   |  | <u>385,680</u>   |

**SCHWARTZ VALUE FUND**  
**SCHEDULE OF INVESTMENTS (continued)**

| Shares  | COMMON STOCKS — 94.6% (continued)                  | Market Value     |
|---------|--|------------------|
|         | <b>ENERGY &amp; MINING — 4.3%</b>                  |                  |
| 10,000  | EnCana Corporation .....                           | \$ 679,600       |
| 85,000  | ION Geophysical Corporation * .....                | 1,341,300        |
| 26,400  | TXCO Resources, Inc. * .....                       | 318,384          |
|         |  | <u>2,339,284</u> |
|         | <b>FINANCE — BANKS &amp; THRIFTS — 13.2%</b>       |                  |
| 237     | AmTrust Financial Corporation.....                 | 1,659,000        |
| 7,000   | Boston Private Financial Holdings, Inc. ....       | 189,560          |
| 26,800  | Century Bancorp, Inc. - Class A .....              | 540,556          |
| 165,000 | Citizens Republic Bancorp, Inc. ....               | 2,394,150        |
| 10,000  | Clarkston Financial Corporation * .....            | 80,000           |
| 20,081  | FNBH Bancorp, Inc. ....                            | 271,094          |
| 25,000  | Hudson City Bancorp, Inc. ....                     | 375,500          |
| 40,000  | NewAlliance Bancshares, Inc. ....                  | 460,800          |
| 28,567  | Oxford Bank Corporation .....                      | 747,027          |
| 10,000  | People's United Financial, Inc. ....               | 178,000          |
| 5,000   | PrivateBancorp, Inc. ....                          | 163,250          |
| 20,000  | Westfield Financial, Inc. ....                     | 194,000          |
|         |  | <u>7,252,937</u> |
|         | <b>FINANCE — INSURANCE — 12.7%</b>                 |                  |
| 5,000   | Arthur J. Gallagher & Co. ....                     | 120,950          |
| 15      | Berkshire Hathaway, Inc. - Class A * .....         | 2,124,000        |
| 36,500  | Fremont Michigan InsuraCorp, Inc. - Class A *..... | 700,800          |
| 500     | Markel Corporation * .....                         | 245,550          |
| 200,000 | Meadowbrook Insurance Group, Inc. * .....          | 1,882,000        |
| 182,700 | Unico American Corporation * .....                 | 1,872,675        |
|         |  | <u>6,945,975</u> |
|         | <b>FINANCE — SERVICES — 1.2%</b>                   |                  |
| 10,000  | AmeriCredit Corporation * .....                    | 127,900          |
| 20,000  | Countrywide Financial Corporation .....            | 178,800          |
| 10,000  | First Horizon National Corporation.....            | 181,500          |
| 5,000   | Moody's Corporation .....                          | 178,500          |
|         |  | <u>666,700</u>   |
|         | <b>HEALTHCARE — 10.6%</b>                          |                  |
| 20,000  | Computer Programs & Systems, Inc. ....             | 454,800          |
| 190,949 | Continuicare Corporation * .....                   | 515,562          |
| 35,000  | Kinetic Concepts, Inc. * .....                     | 1,874,600        |
| 15,000  | MedQuist, Inc. * .....                             | 161,850          |
| 50,000  | National Dentex Corporation * .....                | 806,000          |
| 26,000  | Psychemedics Corporation.....                      | 417,300          |
| 20,000  | Waters Corporation * .....                         | 1,581,400        |
|         |  | <u>5,811,512</u> |

**SCHWARTZ VALUE FUND**  
**SCHEDULE OF INVESTMENTS (continued)**

| Shares  | COMMON STOCKS — 94.6% (continued)                    | Market Value         |
|---------|--|----------------------|
|         | <b>INDUSTRIAL PRODUCTS &amp; SERVICES — 15.5%</b>    |                      |
| 15,000  | Applied Industrial Technologies, Inc. ....           | \$ 435,300           |
| 10,000  | Dover Corporation .....                              | 460,900              |
| 60,000  | Gentex Corporation .....                             | 1,066,200            |
| 30,000  | Graco, Inc. ....                                     | 1,117,800            |
| 10,000  | Lincoln Electric Holdings, Inc. ....                 | 711,800              |
| 1,500   | PACCAR, Inc. ....                                    | 81,720               |
| 20,000  | Raven Industries, Inc. ....                          | 767,800              |
| 22,000  | Rofin-Sinar Technologies, Inc. * .....               | 1,058,420            |
| 75,000  | RPM International, Inc. ....                         | 1,522,500            |
| 18,000  | Strattec Security Corporation .....                  | 745,740              |
| 20,000  | Sun Hydraulics Corporation .....                     | 504,600              |
|         |  | <u>8,472,780</u>     |
|         | <b>REAL ESTATE — 1.8%</b>                            |                      |
| 16,499  | I. Gordon Corporation * .....                        | 329,980              |
| 20,000  | PICO Holdings, Inc. * .....                          | 672,400              |
|         |  | <u>1,002,380</u>     |
|         | <b>TECHNOLOGY — 12.2%</b>                            |                      |
| 40,000  | ADTRAN, Inc. ....                                    | 855,200              |
| 35,000  | Check Point Software Technologies Ltd. * .....       | 768,600              |
| 32,100  | Cognex Corporation .....                             | 646,815              |
| 17,500  | MTS Systems Corporation.....                         | 746,725              |
| 170,068 | Sparton Corporation * .....                          | 840,136              |
| 10,000  | SPSS, Inc. * .....                                   | 359,100              |
| 25,000  | Stamps.com, Inc. * .....                             | 304,500              |
| 4,000   | Stratasys, Inc. * .....                              | 103,360              |
| 60,000  | Zebra Technologies Corporation - Class A * .....     | 2,082,000            |
|         |  | <u>6,706,436</u>     |
|         | <b>TRANSPORTATION — 1.4%</b>                         |                      |
| 40,000  | American Railcar Industries, Inc. ....               | 770,000              |
|         | <b>TOTAL COMMON STOCKS (Cost \$48,241,945) .....</b> | <b>\$ 51,869,586</b> |
|         |  |                      |
| Shares  | OPEN-END FUNDS — 0.0%                                | Market Value         |
| 57      | Sequoia Fund (Cost \$7,502) .....                    | \$ 7,915             |

**SCHWARTZ VALUE FUND**  
**SCHEDULE OF INVESTMENTS (continued)**

| <b>Shares</b> | <b>EXCHANGE-TRADED FUNDS — 1.1%</b>                       | <b>Market Value</b> |
|---------------|---|---------------------|
| 5,000         | iShares S&P 100 Index Fund.....                           | \$ 342,750          |
| 2,500         | Rydex Russell Top 50 ETF .....                            | <u>276,825</u>      |
|               | <b>TOTAL EXCHANGE-TRADED FUNDS (Cost \$540,349) .....</b> | <b>\$ 619,575</b>   |

| <b>Shares</b> | <b>CASH EQUIVALENTS — 2.8%</b>   | <b>Market Value</b>  |
|---------------|--|----------------------|
| 1,532,065     | Federated Treasury Obligations Fund - Institutional Shares<br>(Cost \$1,532,065) ..... | \$ 1,532,065         |
|               | <b>TOTAL INVESTMENTS AT MARKET VALUE — 98.5%</b><br>(Cost \$50,321,861) .....          | \$ 54,029,141        |
|               | <b>OTHER ASSETS IN EXCESS OF LIABILITIES — 1.5% .....</b>                              | <u>833,935</u>       |
|               | <b>NET ASSETS — 100.0%</b> .....   | <b>\$ 54,863,076</b> |

\* Non-income producing security.

See notes to financial statements.

**SCHWARTZ VALUE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**December 31, 2007**

**ASSETS**

|  |                   |
|--|-------------------|
| Investments, at market value (cost of \$50,321,861) (Note 1) ..... | \$54,029,141      |
| Cash .....   | 1,700             |
| Receivable for capital shares sold .....                           | 3,653             |
| Receivable for investment securities sold .....                    | 1,289,703         |
| Dividends and interest receivable.....                             | 49,442            |
| Other assets .....   | 16,166            |
| <b>TOTAL ASSETS</b> .....  | <u>55,389,805</u> |

**LIABILITIES**

|  |                |
|--|----------------|
| Payable for capital shares redeemed .....    | 343,549        |
| Payable to Adviser (Note 2) .....            | 151,482        |
| Payable to administrator (Note 2).....       | 7,100          |
| Other accrued expenses and liabilities ..... | 24,598         |
| <b>TOTAL LIABILITIES</b> .....               | <u>526,729</u> |

|                         |                     |
|-------------------------|---------------------|
| <b>NET ASSETS</b> ..... | <u>\$54,863,076</u> |
|-------------------------|---------------------|

**NET ASSETS CONSIST OF:**

|   |                     |
|---|---------------------|
| Paid-in capital.....  | \$51,238,425        |
| Distributions in excess of net realized gains from security transactions..... | ( 82,629 )          |
| Net unrealized appreciation on investments.....                               | <u>3,707,280</u>    |
| <b>NET ASSETS</b> .....   | <u>\$54,863,076</u> |

|  |                  |
|--|------------------|
| Shares of beneficial interest outstanding (unlimited number of<br>shares authorized, no par value) ..... | <u>2,477,177</u> |
| Net asset value, offering price and redemption price per share .....                                     | <u>\$ 22.15</u>  |

See notes to financial statements.

**SCHWARTZ VALUE FUND**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2007**

|   |                               |
|---|-------------------------------|
| <b>INVESTMENT INCOME</b>  |                               |
| Dividends .....   | \$ 834,432                    |
| Interest .....  | 50,676                        |
| TOTAL INCOME .....  | <u>885,108</u>                |
| <b>EXPENSES</b>   |                               |
| Investment advisory fees (Note 2) .....                                   | 662,982                       |
| Administration, accounting and transfer agent fees (Note 2) .....         | 99,446                        |
| Legal and audit fees .....  | 29,855                        |
| Trustees' fees and expenses .....   | 26,068                        |
| Registration fees .....   | 17,923                        |
| Custodian fees .....  | 13,354                        |
| Postage and supplies .....  | 9,503                         |
| Reports to shareholders .....   | 8,877                         |
| Insurance expense .....   | 6,021                         |
| Compliance service fees (Note 2) .....                                    | 2,569                         |
| Other expenses .....  | 11,675                        |
| TOTAL EXPENSES .....  | <u>888,273</u>                |
| <b>NET INVESTMENT LOSS</b> .....  | <u>( 3,165 )</u>              |
| <b>REALIZED AND UNREALIZED GAINS/(LOSSES) ON INVESTMENTS</b>              |                               |
| Net realized gains from security transactions .....                       | 1,295,456                     |
| Net change in unrealized appreciation/(depreciation) on investments ..... | <u>( 8,248,217 )</u>          |
| <b>NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS</b> .....            | <u>( 6,952,761 )</u>          |
| <b>NET DECREASE IN NET ASSETS FROM OPERATIONS</b> .....                   | <u><u>\$( 6,955,926 )</u></u> |

See notes to financial statements.

# SCHWARTZ VALUE FUND

## STATEMENTS OF CHANGES IN NET ASSETS

|   | Year Ended<br>December 31,<br>2007 | Year Ended<br>December 31,<br>2006 |
|---|------------------------------------|------------------------------------|
| <b>FROM OPERATIONS</b>  |                                    |                                    |
| Net investment loss .....   | \$ ( 3,165 )                       | \$ ( 247,253 )                     |
| Net realized gains from security transactions .....                       | 1,295,456                          | 9,136,372                          |
| Net realized gains from in-kind redemptions (Note 1).....                 | —                                  | 1,315,022                          |
| Net change in unrealized appreciation/(depreciation) on investments ..... | ( 8,248,217 )                      | ( 1,132,513 )                      |
| Net increase/(decrease) in net assets from operations .....               | <u>( 6,955,926 )</u>               | <u>9,071,628</u>                   |
| <b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>                                 |                                    |                                    |
| From net realized gains on investments .....                              | ( 1,333,716 )                      | ( 8,564,394 )                      |
| <b>FROM CAPITAL SHARE TRANSACTIONS</b>                                    |                                    |                                    |
| Proceeds from shares sold .....   | 2,731,231                          | 3,542,040                          |
| Reinvestment of distributions to shareholders .....                       | 1,132,551                          | 7,110,164                          |
| Payments for shares redeemed.....   | ( 9,119,440 )                      | ( 12,236,951 )                     |
| Net decrease in net assets from capital share transactions.....           | <u>( 5,255,658 )</u>               | <u>( 1,584,747 )</u>               |
| <b>TOTAL DECREASE IN NET ASSETS .....</b>                                 | <b>( 13,545,300 )</b>              | <b>( 1,077,513 )</b>               |
| <b>NET ASSETS</b>   |                                    |                                    |
| Beginning of year .....   | 68,408,376                         | 69,485,889                         |
| End of year .....   | <u>\$ 54,863,076</u>               | <u>\$ 68,408,376</u>               |
| <b>ACCUMULATED NET INVESTMENT INCOME .....</b>                            | <u>\$ —</u>                        | <u>\$ —</u>                        |
| <b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>                                  |                                    |                                    |
| Shares sold.....  | 108,174                            | 131,398                            |
| Shares issued in reinvestment of distributions to shareholders .....      | 50,787                             | 277,308                            |
| Shares redeemed .....   | ( 362,557 )                        | ( 458,868 )                        |
| Net decrease in shares outstanding .....                                  | ( 203,596 )                        | ( 50,162 )                         |
| Shares outstanding, beginning of year.....                                | 2,680,773                          | 2,730,935                          |
| Shares outstanding, end of year .....                                     | <u>2,477,177</u>                   | <u>2,680,773</u>                   |

See notes to financial statements.

# SCHWARTZ VALUE FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

|  | Year<br>Ended<br>Dec. 31,<br>2007 | Year<br>Ended<br>Dec. 31,<br>2006 | Year<br>Ended<br>Dec. 31,<br>2005 | Year<br>Ended<br>Dec. 31,<br>2004 | Year<br>Ended<br>Dec. 31,<br>2003 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Net asset value at beginning of year .....                         | \$ 25.52                          | \$ 25.44                          | \$ 27.04                          | \$ 25.84                          | \$ 20.20                          |
| Income/(loss) from investment operations:                          |                                   |                                   |                                   |                                   |                                   |
| Net investment loss .....  | (0.00) <sup>(a)</sup>             | (0.09)                            | (0.17)                            | (0.21)                            | (0.16)                            |
| Net realized and unrealized gains/(losses)<br>on investments ..... | (2.82)                            | 3.74                              | 1.23                              | 6.02                              | 8.10                              |
| Total from investment operations .....                             | (2.82)                            | 3.65                              | 1.06                              | 5.81                              | 7.94                              |
| Less distributions:  |                                   |                                   |                                   |                                   |                                   |
| From net realized gains on investments.....                        | (0.55)                            | (3.57)                            | (2.66)                            | (4.61)                            | (2.30)                            |
| Net asset value at end of year.....                                | \$ 22.15                          | \$ 25.52                          | \$ 25.44                          | \$ 27.04                          | \$ 25.84                          |
| Total return <sup>(b)</sup> .....                                  | (11.1)%                           | 14.3%                             | 3.8%                              | 22.6%                             | 39.3%                             |
| Ratios/Supplementary Data:   |                                   |                                   |                                   |                                   |                                   |
| Net assets at end of year (000's) .....                            | \$ 54,863                         | \$ 68,408                         | \$ 69,486                         | \$ 76,510                         | \$ 59,592                         |
| Ratio of expenses to average net assets.....                       | 1.34%                             | 1.38%                             | 1.61%                             | 1.82%                             | 1.89%                             |
| Ratio of net investment loss to<br>average net assets .....        | (0.00)%                           | (0.35)%                           | (0.65)%                           | (0.84)%                           | (0.73)%                           |
| Portfolio turnover rate.....                                       | 78%                               | 82%                               | 78%                               | 83%                               | 74%                               |

<sup>(a)</sup> Amount rounds to less than \$0.01 per share.

<sup>(b)</sup> Total return is a measure of the change in value of an investment in the Fund over the years covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

See notes to financial statements.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2007

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#### 1. Significant Accounting Policies

Schwartz Value Fund (the “Fund”) is a diversified series of Schwartz Investment Trust (the “Trust”), an open-end management investment company established as an Ohio business trust under a Declaration of Trust dated August 31, 1992. The Fund is registered under the Investment Company Act of 1940 and commenced operations on July 20, 1993. The Fund determines and makes available for publication the net asset value of its shares on a daily basis.

The investment objective of the Fund is to seek long-term capital appreciation. See the Prospectus for information regarding the principal investment strategies of the Fund.

Shares of the Fund are sold at net asset value. To calculate the net asset value, the Fund’s assets are valued and totaled, liabilities are subtracted, and the balance is divided by the number of shares outstanding. The offering price and redemption price per share are equal to the net asset value per share.

The following is a summary of significant accounting policies followed by the Fund:

**(a) Valuation of investments** — Securities which are traded on stock exchanges are valued at the closing sales price as of the close of the regular session of trading on the New York Stock Exchange (“NYSE”) on the day the securities are being valued, or, if not traded on a particular day, at the closing bid price. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market are valued at the last reported sales price or, if there is no reported sale on the valuation date, at the most recently quoted bid price. Securities which are traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market. Investments representing primarily capital stock of other open-end investment companies are valued at their net asset value as reported by such companies. Securities (and other assets) for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Trustees. Short-term instruments (those with remaining maturities of 60 days or less) are valued at amortized cost, which approximates market value.

**(b) Income taxes** — It is the Fund’s policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which the Fund so qualifies and distributes at least 90% of its taxable income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also the Fund's intention to declare as dividends in each calendar year at least 98% of its net investment income and 98% of its net realized capital gains plus undistributed amounts from prior years.

The tax character of distributable earnings at December 31, 2007 was as follows:

|                               |                     |
|-------------------------------|---------------------|
| Unrealized appreciation       | \$ 3,624,614        |
| Undistributed long-term gains | <u>37</u>           |
| Total distributable earnings  | <u>\$ 3,624,651</u> |

For federal income tax purposes, the cost of portfolio investments amounted to \$50,404,527 at December 31, 2007. The composition of unrealized appreciation (the excess of value over tax cost) and unrealized depreciation (the excess of tax cost over value) was as follows:

|                               |                     |
|-------------------------------|---------------------|
| Gross unrealized appreciation | \$ 8,464,676        |
| Gross unrealized depreciation | <u>(4,840,062)</u>  |
| Net unrealized appreciation   | <u>\$ 3,624,614</u> |

The difference between the federal income tax cost of portfolio investments and the financial statement cost for the Fund is due to certain timing differences in the recognition of capital losses under income tax regulations and accounting principles generally accepted in the United States of America. These "book/tax" differences are temporary in nature and are primarily due to the tax deferral of losses on wash sales.

On July 13, 2006, the Financial Accounting Standards Board ("FASB") released Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes." 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 in the course of preparing the Fund's tax returns 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 current year. The Fund incorporated FIN 48 in its Semi-Annual report on June 30, 2007. Based on management's analysis, the adoption of FIN 48 did not have a material impact on the financial statements. The statute of limitations on the Fund's tax returns remains open for the years ended December 31, 2004 through December 31, 2006. Additionally, management does not anticipate FIN 48 having a material impact on the financial statements for the year ended December 31, 2008.

For the year ended December 31, 2007, the Fund reclassified \$3,165 of net investment loss against paid-in capital on the Statement of Assets and Liabilities. Such reclassification, the result of permanent differences between the financial statement and income tax reporting requirements, has no effect on the Fund's net assets or net asset value per share.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

(c) **Security transactions and investment income** — Security transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Realized gains and losses on security transactions are determined on the identified cost basis.

(d) **Dividends and distributions** — Dividends from net investment income and net capital gains, if any, are declared and paid annually in December. Dividends and distributions to shareholders are recorded on the ex-dividend date. The tax character of distributions paid during the years ended December 31, 2007 and 2006 was as follows:

| Year Ended        | Ordinary<br>Income | Long-Term<br>Capital<br>Gains | Total<br>Distributions |
|-------------------|--------------------|-------------------------------|------------------------|
| December 31, 2007 | \$ —               | \$ 1,333,716                  | \$ 1,333,716           |
| December 31, 2006 | \$ 1,354,903       | \$ 7,209,491                  | \$ 8,564,394           |

(e) **Repurchase agreements** — The Fund may enter into repurchase agreements (agreements to purchase securities subject to the seller's agreement to repurchase them at a specified time and price) with well-established registered securities dealers or banks. Repurchase agreements may be deemed to be loans by the Fund. The Fund's policy is to take possession of U.S. Government obligations as collateral under a repurchase agreement and, on a daily basis, mark-to-market such obligations to ensure that their value, including accrued interest, is at least equal to the amount to be repaid to the Fund under the repurchase agreement.

(f) **Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) **Common expenses** — Common expenses of the Trust are allocated among the Fund and the other series of the Trust based on relative net assets of each series or the nature of the services performed and the relative applicability to each series.

## 2. Investment Advisory Agreement and Transactions with Related Parties

The President of the Trust is also the President and Chief Investment Officer of Schwartz Investment Counsel, Inc. (the "Adviser"). Certain other officers of the Trust are officers of the Adviser, or of Ultimus Fund Solutions, LLC ("Ultimus"), the administrative, accounting and transfer agent for the Fund, or of Ultimus Fund Distributors, LLC (the "Distributor"), the Fund's principal underwriter.

Pursuant to an Investment Advisory Agreement between the Trust and the Adviser, the Adviser is responsible for the management of the Fund and provides investment advice along with the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. The Adviser receives from the Fund a quarterly fee at the annual rate of 1.00% of its average daily net assets.

# **SCHWARTZ VALUE FUND**

## **NOTES TO FINANCIAL STATEMENTS (continued)**

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The Chief Compliance Officer of the Fund (the “CCO”) is an employee of the Adviser. The Trust pays the Adviser \$23,500 annually for providing CCO services, of which the Fund pays its proportionate share along with the other series of the Trust.

Pursuant to a Mutual Fund Services Agreement between the Fund and Ultimus, Ultimus supplies regulatory and compliance services, calculates the daily net asset value per share, maintains the financial books and records of the Fund, maintains the records of each shareholder’s account, and processes purchases and redemptions of the Fund’s shares. For the performance of these services, the Fund pays Ultimus a fee, payable monthly, at an annual rate of 0.15% of its average daily net assets, subject to a minimum monthly fee of \$4,000.

Pursuant to a Distribution Agreement between the Fund and the Distributor, the Distributor serves as the Fund’s exclusive agent for the distribution of its shares. The Distributor is an affiliate of Ultimus.

### **3. Investment Transactions**

During the year ended December 31, 2007, cost of purchases and proceeds from sales and maturities of investment securities, excluding short-term investments and U.S. government securities, amounted to \$49,490,065 and \$58,243,481, respectively.

### **4. Contingencies and Commitments**

The Fund indemnifies the Trust’s officers and Trustees for certain liabilities that might arise from their performance of their duties to the Fund. Additionally, in the normal course of business the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

### **5. New Accounting Pronouncement**

In September 2006, the Financial Accounting Standards Board issued Statement on Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements.” 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 generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of December 31, 2007, the Fund does not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of the measurements reported on the statement of changes in net assets for a fiscal period.

# **SCHWARTZ VALUE FUND**

## **REPORT OF INDEPENDENT REGISTERED**

### **PUBLIC ACCOUNTING FIRM**

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To the Shareholders and Board of Trustees  
Schwartz Value Fund:

We have audited the accompanying statement of assets and liabilities of Schwartz Value Fund (the "Fund"), including the schedule of investments, as of December 31, 2007, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, audits of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2007, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Schwartz Value Fund as of December 31, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois  
February 15, 2008

# SCHWARTZ VALUE FUND

## BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

### (Unaudited)

Overall responsibility for management of the Trust rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Trust to actively supervise its day-to-day operations. The officers have been elected for an annual term. The following are the Trustees and executive officers of the Trust:

| Trustee/Officer               | Address                                     | Age | Position Held with the Trust  | Length of Time Served |
|-------------------------------|---|-----|-------------------------------|-----------------------|
| <i>Interested Trustees:</i>   |   |     |                               |                       |
| * Gregory J. Schwartz         | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 66  | Chairman of the Board/Trustee | Since 1992            |
| * George P. Schwartz, CFA     | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 63  | President/Trustee             | Since 1992            |
| <i>Independent Trustees:</i>  |   |     |                               |                       |
| John E. Barnds                | 640 Lakeside Road,<br>Birmingham, MI        | 75  | Trustee                       | Since 2005            |
| Peter F. Barry                | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 80  | Trustee                       | Since 2004            |
| Donald J. Dawson, Jr.         | 333 W. Seventh Street,<br>Royal Oak, MI     | 60  | Trustee                       | Since 1993            |
| Joseph M. Grace               | 4978 Malibu Drive,<br>Bloomfield Hills, MI  | 71  | Trustee                       | Since 2007            |
| <i>Executive Officers:</i>    |   |     |                               |                       |
| * Richard L. Platte, Jr., CFA | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 56  | Vice President and Secretary  | Since 1993            |
| * Timothy S. Schwartz, CFA    | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 36  | Treasurer                     | Since 2000            |
| * Becky S. Renaud             | 3707 W. Maple Road,<br>Bloomfield Hills, MI | 35  | Chief Compliance Officer      | Since 2006            |

\* Gregory J. Schwartz, George P. Schwartz, Richard L. Platte, Jr., Timothy S. Schwartz and Becky S. Renaud, as affiliated persons of Schwartz Investment Counsel, Inc., the Fund's investment adviser, are "interested persons" of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. Gregory J. Schwartz and George P. Schwartz are brothers and Timothy S. Schwartz is the son of George P. Schwartz and the nephew of Gregory J. Schwartz.

Each Trustee oversees six portfolios of the Trust: the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund, the Ave Maria Bond Fund and the Schwartz Value Fund. The principal occupations of the Trustees and executive officers of the Trust during the past five years and public directorships held by the Trustees are set forth below:

## **SCHWARTZ VALUE FUND**

### **BOARD OF TRUSTEES AND EXECUTIVE OFFICERS**

#### **(Unaudited) (continued)**

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Gregory J. Schwartz is Chairman of Gregory J. Schwartz & Co., Inc., a registered broker-dealer.

George P. Schwartz, CFA is President and Chief Investment Officer of Schwartz Investment Counsel, Inc. and is the portfolio manager of the Fund.

John E. Barnds is retired First Vice President of National Bank of Detroit (JPMorgan Chase).

Peter F. Barry is retired President of Cadillac Rubber & Plastics Company (a manufacturer of rubber and plastics components).

Donald J. Dawson, Jr. is Chairman of Payroll 1, Inc. (a payroll processing company).

Joseph M. Grace is retired Senior Vice President of National Bank of Detroit (JPMorgan Chase).

Richard L. Platte, Jr., CFA is Executive Vice President and Secretary of Schwartz Investment Counsel, Inc.

Timothy S. Schwartz, CFA is Vice President and Treasurer of Schwartz Investment Counsel, Inc.

Becky S. Renaud is Chief Financial Officer and Chief Compliance Officer of Schwartz Investment Counsel, Inc.

Additional information about members of the Board of Trustees and executive officers is available in the Statement of Additional Information ("SAI"). To obtain a free copy of the SAI, please call (888) 726-0753.

#### **FEDERAL TAX INFORMATION (Unaudited)**

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In accordance with federal tax requirements, the following provides shareholders with information concerning distributions from net realized gains made by the Fund during the year ended December 31, 2007. On December 28, 2007, the Fund declared and paid a long-term capital gain distribution of \$0.5460 per share. As provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003, the long-term capital gain distribution of \$0.5460 per share may be subject to a maximum tax rate of 15%. Early in 2008, as required by federal regulations, shareholders received notification of their portion of the Fund's taxable capital gain distribution, if any, paid during the 2007 calendar year.

# SCHWARTZ VALUE FUND

## ABOUT YOUR FUND'S EXPENSES (Unaudited)

We believe it is important for you to understand the impact of costs on your investment. As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The ongoing costs reflected in the table below are based on an investment of \$1,000 made at the beginning of the most recent semi-annual period (July 1, 2007) and held until the end of the period (December 31, 2007).

The table below illustrates the 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, and the third column shows the dollar amount of operating expenses that would have been paid by an investor who started with \$1,000 in the Fund. You may use the information here, together with the amount you invested, 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 given for the Fund under the heading “Expenses Paid During Period.”

**Hypothetical 5% return** – This section is intended to help you compare the Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 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 returns, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess the Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Fund does not charge sales loads or redemption fees.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about the Fund's expenses, including historical annual expense ratios, can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Fund's Prospectus.

|  | Beginning<br>Account Value<br>July 1, 2007 | Ending<br>Account Value<br>December 31, 2007 | Expenses Paid<br>During Period* |
|--|--|--|---------------------------------|
| Based on Actual Fund Return                          | \$1,000.00                                 | \$ 841.10                                    | \$ 6.22                         |
| Based on Hypothetical 5% Return<br>(before expenses) | \$1,000.00                                 | \$1,018.45                                   | \$ 6.82                         |

\* Expenses are equal to the Fund's annualized expense ratio of 1.34% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

## **SCHWARTZ VALUE FUND**

### **OTHER INFORMATION (Unaudited)**

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A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free (888) 726-0753, or on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free (888) 726-0753, or on the SEC's website <http://www.sec.gov>.

The Trust files a complete listing of portfolio holdings for the Fund with the SEC as of the first and third quarters of each fiscal year on Form N-Q. The filings are available free of charge, upon request, by calling (888) 726-0753. Furthermore, you may obtain a copy of the filing on the SEC's website at <http://www.sec.gov>. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

## **SCHWARTZ VALUE FUND**

### **INVESTMENT PHILOSOPHY**

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Schwartz Value Fund (the "Fund") seeks long-term capital appreciation through value investing – purchasing shares of strong, growing companies at reasonable prices. Because the Adviser believes small and medium size companies offer vast reward opportunities, fundamental analysis is used to identify emerging companies with outstanding business characteristics. Sometimes the best values are issues not followed closely by Wall Street analysts.

Most value investors buy fair companies at an excellent price. The Fund attempts to buy excellent companies at a fair price. The essence of value investing is finding companies with great business characteristics, which by their nature offer a margin of safety. A truly fine business requires few assets to provide a consistently expanding stream of income. The Fund purchases shares which are temporarily out-of-favor and selling below intrinsic value.

A common thread in the Fund's investments is that the market price is below what a corporate or entrepreneurial buyer might be willing to pay for the entire business. The auction nature and the inefficiencies of the stock market are such that the Fund can often buy a minority interest in a fine company at a small fraction of the price per share necessary to acquire the entire company.

**Schwartz Value Fund**

series of Schwartz Investment Trust  
3707 W. Maple Road  
Suite 100  
Bloomfield Hills, Michigan 48301

**Board of Trustees**

Gregory J. Schwartz, Chairman  
George P. Schwartz, CFA  
John E. Barnds  
Peter F. Barry  
Donald J. Dawson, Jr.  
Joseph M. Grace

**Officers**

George P. Schwartz, CFA, President  
Richard L. Platte, Jr., CFA, V.P./Secretary  
Timothy S. Schwartz, CFA, Treasurer  
Robert G. Dorsey, Assistant Secretary  
John F. Splain, Assistant Secretary  
Mark J. Seger, CPA, Assistant Treasurer  
Theresa M. Bridge, CPA, Assistant Treasurer  
Craig J. Hunt, Assistant Vice President  
Becky S. Renaud, Chief Compliance Officer

**Investment Adviser**

SCHWARTZ INVESTMENT COUNSEL, INC.  
3707 W. Maple Road  
Suite 100  
Bloomfield Hills, Michigan 48301

**Distributor**

ULTIMUS FUND DISTRIBUTORS, LLC  
225 Pictoria Drive, Suite 450  
Cincinnati, Ohio 45246

**Custodian**

US BANK, N.A.  
425 Walnut Street  
Cincinnati, Ohio 45202

**Administrator**

ULTIMUS FUND SOLUTIONS, LLC  
P.O. Box 46707  
Cincinnati, Ohio 45246

**Independent Registered  
Public Accounting Firm**

DELOITTE & TOUCHE LLP  
111 S. Wacker Drive  
Chicago, Illinois 60606

**Legal Counsel**

SULLIVAN & WORCESTER LLP  
1666 K Street, NW, Suite 700  
Washington, DC 20006