

# Schwartz Value Fund

.....  
VALUE INVESTING SINCE 1984



[UNAUDITED]

SEMI-ANNUAL REPORT

.....  
JUNE 30, 2008

**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

## **Schwartz Value Fund**

Dear Fellow Shareowners:

The global investment environment continues to be a challenging one. The U.S. stock market is in the midst of its first bear market since 2003, as the major indices have declined by more than 20% from the October peak. Many foreign stock markets have fared much worse, such as China, which is down 50% from its peak. The Schwartz Value Fund (the “Fund”) has not escaped the carnage. For the first six months of 2008, the Fund had a total return of -16.1% vs. -9.4% for the Russell 2000, -11.9% for the S&P 500, and -13.4% for the Dow Jones Industrial Average. Since the start of the year, stocks that contributed positively to performance included PICO Holdings, Inc., Sun Hydraulics Corporation, Lincoln Electric Holdings, Inc., and Diebold, Inc. Stocks which detracted from performance included Citizens Republic Bancorp, AmTrust Financial Corporation, Meadowbrook Insurance Group, Inc., and Comerica, Inc.

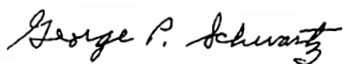
The Fund’s recent poor performance has been most impacted by financial and consumer related stocks. These sectors, seemingly cheap as the year began, have continued to get cheaper. At this point, we are not stubbornly sitting on our hands, waiting for our positions to rebound – we are taking prudent actions that we believe are designed to improve future investment performance. We’ve sold several small-cap, lower quality stocks, which we don’t believe have the strongest recovery potential. We’ve upgraded the portfolio by purchasing larger capitalization companies believed to be of high quality. In light of the weak market conditions, many exceptional large-cap companies are now trading at what we consider bargain prices. Warren Buffett has long advised, “It is far better to buy a great company at a fair price, than to buy a fair company at a great price.” Recently, we’ve been able to purchase some wonderful businesses at what we consider attractive prices, including Dell, Inc. (personal computers & servers), Microsoft Corporation (software), The Progressive Corporation (insurance), Rockwell Collins, Inc. (aerospace & defense), and Teradata Corporation (data warehousing). These companies are leaders in their respective industries, have long track records of growth with strong profitability, and impeccable balance sheets. Most importantly, these high quality companies, and others we are currently reviewing for inclusion in the portfolio, are trading at their lowest valuations in many years. Bear markets have a way of creating these kinds of opportunities. At current prices, we believe these companies should prove to be excellent long-term holdings for the Fund.

There is widespread pessimism throughout the U.S. economy. Plummeting home prices, rising food and fuel costs, job losses, and falling stock prices have many Americans fearing the worst. Surveys of consumer confidence sit near all-time lows. By any rational measure, the economy is in recession. However, the depth and duration of the slowdown is unknowable. But eventually we believe there will be an economic recovery and another bull market. In periods of extreme uncertainty and fear, opportunities abound to purchase shares of great companies at bargain levels. It is also a perfect time to heed these prescient words from Shelby Cullom Davis, a famous 20th century Graham & Dodd value investor who turned \$50,000 into a billion-dollar fortune (over the course of 50 years): “Bear markets make people a lot of money, they just don’t know it at the time.”

Effective March 1, 2008, Timothy S. Schwartz, CFA became co-portfolio manager of the Fund, after having served in various research and portfolio management positions with Schwartz Investment Counsel, Inc. during the past 10 years.

Due to our Board of Trustees’ retirement policy, Sidney F. McKenna and Fred A. Erb attended their last board meeting recently. Each having served with distinction for more than 20 years, their knowledge, sound business judgment, and wise counsel will be missed.

Best regards,



George P. Schwartz, CFA  
Co-Portfolio Manager



Timothy S. Schwartz, CFA  
Co-Portfolio Manager

July 15, 2008

*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**  
**TEN LARGEST EQUITY HOLDINGS**  
**June 30, 2008 (Unaudited)**

<b>Shares</b>	<b>Company</b>	<b>Market Value</b>	<b>% of Net Assets</b>
182,700	Unico American Corporation .....	\$ 1,589,490	3.9%
35,000	MTS Systems Corporation .....	1,255,800	3.1%
10	Berkshire Hathaway, Inc. - Class A .....	1,207,500	3.0%
225,000	Meadowbrook Insurance Group, Inc.....	1,192,500	2.9%
45,000	Comerica, Inc. ....	1,153,350	2.8%
40,000	Weyco Group, Inc.....	1,061,200	2.6%
13,000	Lincoln Electric Holdings, Inc.....	1,023,100	2.5%
24,000	Kinetic Concepts, Inc. ....	957,840	2.3%
20,000	PICO Holdings, Inc. ....	869,000	2.1%
35,000	Teradata Corporation .....	809,900	2.0%

**ASSET ALLOCATION (Unaudited)**

<b>Sector</b>	<b>% of Net Assets</b>
Consumer Discretionary .....	16.0%
Energy .....	2.1%
Financials.....	23.2%
Health Care .....	5.3%
Industrials .....	17.4%
Information Technology .....	17.2%
Materials .....	0.8%
Exchange-Traded Funds .....	3.0%
Cash Equivalents, Other Assets and Liabilities .....	15.0%
	<u>100.0%</u>

**SCHWARTZ VALUE FUND**  
**SCHEDULE OF INVESTMENTS**  
**June 30, 2008 (Unaudited)**

Shares	COMMON STOCKS — 82.0%	Market Value
	<b>AEROSPACE &amp; DEFENSE — 0.9%</b>	
1,000	General Dynamics Corporation .....	\$ 84,200
6,000	Rockwell Collins, Inc. ....	287,760
		<u>371,960</u>
	<b>AUTO COMPONENTS — 1.2%</b>	
35,000	GenTex Corporation .....	505,400
	<b>AUTOMOBILES — 1.8%</b>	
8,000	Harley-Davidson, Inc. ....	290,080
20,000	Thor Industries, Inc. ....	425,200
		<u>715,280</u>
	<b>CHEMICALS — 0.8%</b>	
15,000	RPM International, Inc. ....	309,000
	<b>COMMERCIAL BANKS — 4.4%</b>	
12,583	Century Bancorp, Inc. - Class A .....	223,348
10,000	Clarkston Financial Corporation * .....	49,700
45,000	Comerica, Inc. ....	1,153,350
28,567	Oxford Bank Corporation .....	357,088
		<u>1,783,486</u>
	<b>COMMERCIAL SERVICES &amp; SUPPLIES — 5.2%</b>	
14,000	Courier Corporation .....	281,120
20,000	HNI Corporation.....	353,200
7,800	Manpower, Inc. ....	454,272
15,000	Robert Half International, Inc. ....	359,550
164,318	Sparton Corporation * .....	690,136
		<u>2,138,278</u>
	<b>COMMUNICATIONS EQUIPMENT — 1.5%</b>	
5,000	ADTRAN, Inc. ....	119,200
10,000	Harris Corporation .....	504,900
		<u>624,100</u>
	<b>COMPUTERS &amp; PERIPHERALS — 3.3%</b>	
6,000	Dell, Inc. *.....	131,280
8,000	Logitech International S.A. * .....	214,400
15,000	Rimage Corporation * .....	185,850
35,000	Teradata Corporation * .....	809,900
		<u>1,341,430</u>
	<b>DIVERSIFIED CONSUMER SERVICES — 1.0%</b>	
15,000	Nobel Learning Communities, Inc. * .....	206,400
1,000	Strayer Education, Inc. ....	209,070
		<u>415,470</u>

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

Shares	COMMON STOCKS — 82.0% (continued)	Market Value
	<b>DIVERSIFIED FINANCIAL SERVICES — 3.0%</b>	
10,000	Moody's Corporation .....	\$ 344,400
20,000	PICO Holdings, Inc. * .....	869,000
		<u>1,213,400</u>
	<b>ELECTRICAL EQUIPMENT — 1.4%</b>	
10,000	AZZ, Inc. * .....	399,000
5,000	Thomas & Betts Corporation * .....	189,250
		<u>588,250</u>
	<b>ELECTRONIC EQUIPMENT &amp; INSTRUMENTS — 7.9%</b>	
20,000	Arrow Electronics, Inc. * .....	614,400
18,000	Avnet, Inc. * .....	491,040
24,000	Ingram Micro, Inc. - Class A * .....	426,000
35,000	MTS Systems Corporation.....	1,255,800
15,000	Rofin-Sinar Technologies, Inc. * .....	453,000
		<u>3,240,240</u>
	<b>ENERGY EQUIPMENT &amp; SERVICES — 1.3%</b>	
30,000	ION Geophysical Corporation * .....	523,500
	<b>HEALTH CARE EQUIPMENT &amp; SUPPLIES — 3.2%</b>	
24,000	Kinetic Concepts, Inc. * .....	957,840
7,500	Neogen Corporation * .....	171,675
15,000	Rochester Medical Corporation * .....	156,300
		<u>1,285,815</u>
	<b>HEALTH CARE PROVIDERS &amp; SERVICES — 0.5%</b>	
90,949	Continuicare Corporation * .....	213,730
	<b>HOTELS, RESTAURANTS &amp; LEISURE — 1.3%</b>	
30,000	Wyndham Worldwide Corporation .....	537,300
	<b>HOUSEHOLD DURABLES — 2.4%</b>	
12,000	Mohawk Industries, Inc. * .....	769,200
20,000	Pulte Homes, Inc. ....	192,600
		<u>961,800</u>
	<b>INDUSTRIAL CONGLOMERATES — 1.6%</b>	
20,000	Raven Industries, Inc. ....	655,600
	<b>INSURANCE — 13.3%</b>	
990	Alleghany Corporation * .....	328,729
10	Berkshire Hathaway, Inc. - Class A * .....	1,207,500
20,000	Brown & Brown, Inc. ....	347,800
1,750	Markel Corporation * .....	642,250
225,000	Meadowbrook Insurance Group, Inc. ....	1,192,500
6,000	Progressive Corporation (The).....	112,320
182,700	Unico American Corporation * .....	1,589,490
		<u>5,420,589</u>

# SCHWARTZ VALUE FUND

## SCHEDULE OF INVESTMENTS (continued)

Shares	COMMON STOCKS — 82.0% (continued)	Market Value
	<b>IT SERVICES — 0.5%</b>	
10,000	Broadridge Financial Solutions, Inc. ....	\$ 210,500
	<b>LEISURE EQUIPMENT &amp; PRODUCTS — 0.8%</b>	
20,000	Eastman Kodak Company .....	288,600
10,000	Smith & Wesson Holding Corporation * .....	52,100
		<u>340,700</u>
	<b>LIFE SCIENCES TOOLS &amp; SERVICES — 1.6%</b>	
10,000	Waters Corporation * .....	645,000
	<b>MACHINERY — 7.0%</b>	
15,000	American Railcar Industries, Inc. ....	251,700
6,000	EnPro Industries, Inc. * .....	224,040
15,000	Graco, Inc. ....	571,050
13,000	Lincoln Electric Holdings, Inc. ....	1,023,100
3,500	PACCAR, Inc. ....	146,405
20,000	Sun Hydraulics Corporation .....	645,400
		<u>2,861,695</u>
	<b>MARINE — 0.6%</b>	
5,800	Alexander & Baldwin, Inc. ....	264,190
	<b>OFFICE ELECTRONICS — 1.6%</b>	
20,000	Zebra Technologies Corporation - Class A * .....	652,800
	<b>OIL, GAS &amp; CONSUMABLE FUELS — 0.9%</b>	
1,000	EnCana Corporation.....	90,930
7,200	Holly Corporation.....	265,824
		<u>356,754</u>
	<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 0.5%</b>	
16,499	I. Gordon Corporation * .....	222,736
	<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT — 0.8%</b>	
3,300	Analog Devices, Inc. ....	104,841
10,000	National Semiconductor Corporation .....	205,400
		<u>310,241</u>
	<b>SOFTWARE — 1.5%</b>	
15,000	Check Point Software Technologies Ltd. * .....	355,050
10,000	Microsoft Corporation .....	275,100
		<u>630,150</u>
	<b>SPECIALTY RETAIL — 3.5%</b>	
20,000	American Eagle Outfitters, Inc. ....	272,600
100,000	Chico's FAS, Inc. * .....	537,000
14,000	Foot Locker, Inc. ....	174,300
10,000	Sherwin-Williams Company (The) .....	459,300
		<u>1,443,200</u>

# SCHWARTZ VALUE FUND

## SCHEDULE OF INVESTMENTS (continued)

Shares	COMMON STOCKS — 82.0% (continued)	Market Value
	<b>TEXTILES, APPAREL &amp; LUXURY GOODS — 4.0%</b>	
10,000	Hanesbrands, Inc. * .....	\$ 271,400
20,000	K-Swiss, Inc. - Class A .....	294,000
40,000	Weyco Group, Inc. ....	1,061,200
		<u>1,626,600</u>
	<b>THRIFTS &amp; MORTGAGE FINANCE — 2.1%</b>	
237	AmTrust Financial Corporation.....	758,400
5,000	Hudson City Bancorp, Inc. ....	83,400
		<u>841,800</u>
	<b>TRADING COMPANIES &amp; DISTRIBUTORS — 0.6%</b>	
10,000	Applied Industrial Technologies, Inc. ....	241,700
	<b>TOTAL COMMON STOCKS</b> (Cost \$35,720,753) .....	<u>\$ 33,492,694</u>

Shares	OPEN-END FUNDS — 0.0%	Market Value
57	Sequoia Fund (Cost \$7,502) .....	\$ 6,945

Shares	EXCHANGE-TRADED FUNDS — 3.0%	Market Value
5,000	iShares S&P 100 Index Fund.....	\$ 290,100
2,500	Rydex Russell Top 50 ETF .....	233,475
7,500	SPDR Gold Trust *.....	685,500
	<b>TOTAL EXCHANGE-TRADED FUNDS</b> (Cost \$1,264,350) ....	<u>\$ 1,209,075</u>

Shares	CASH EQUIVALENTS — 13.0%	Market Value
1,933,089	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156% <sup>(a)</sup> .....	\$ 1,933,089
1,969,567	Federated Treasury Obligations Fund - Institutional Shares, 1.920% <sup>(a)</sup> .....	1,969,567
1,430,598	Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 1.465% <sup>(a)</sup> .....	1,430,598
	<b>TOTAL CASH EQUIVALENTS</b> (Cost \$5,333,254) .....	<u>\$ 5,333,254</u>
	<b>TOTAL INVESTMENTS AT MARKET VALUE — 98.0%</b> (Cost \$42,325,859) .....	\$ 40,041,968
	<b>OTHER ASSETS IN EXCESS OF LIABILITIES — 2.0% .....</b>	<u>798,277</u>
	<b>NET ASSETS — 100.0%</b> .....	<u>\$ 40,840,245</u>

\* Non-income producing security.

<sup>(a)</sup> Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

See notes to financial statements.

**SCHWARTZ VALUE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**June 30, 2008 (Unaudited)**

<b>ASSETS</b>	
Investments, at market value (cost of \$42,325,859) (Note 1) .....	\$40,041,968
Cash .....	2,134
Receivable for capital shares sold .....	620
Receivable for investment securities sold .....	2,032,163
Dividends receivable.....	55,496
Other assets .....	12,020
<b>TOTAL ASSETS</b> .....	<u>42,144,401</u>
<b>LIABILITIES</b>	
Payable for capital shares redeemed .....	3,571
Payable for investment securities purchased.....	1,170,076
Payable to Adviser (Note 2) .....	112,657
Payable to administrator (Note 2).....	5,500
Other accrued expenses and liabilities .....	12,352
<b>TOTAL LIABILITIES</b> .....	<u>1,304,156</u>
<b>NET ASSETS</b> .....	<u>\$40,840,245</u>
<b>NET ASSETS CONSIST OF:</b>	
Paid-in capital.....	\$45,491,478
Accumulated undistributed net investment income.....	55,351
Accumulated net realized losses from security transactions .....	( 2,422,693 )
Net unrealized depreciation on investments.....	( 2,283,891 )
<b>NET ASSETS</b> .....	<u>\$40,840,245</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value) .....	<u>2,196,544</u>
Net asset value, offering price and redemption price per share .....	<u>\$ 18.59</u>

See notes to financial statements.

**SCHWARTZ VALUE FUND**  
**STATEMENT OF OPERATIONS**  
**For the Six Months Ended June 30, 2008 (Unaudited)**

**INVESTMENT INCOME**

Dividends (Net of foreign tax of \$4,220) ..... \$ 378,576

**EXPENSES**

Investment advisory fees (Note 2) ..... 231,900

Administration, accounting and transfer agent fees (Note 2) ..... 35,066

Trustees' fees and expenses ..... 15,501

Legal and audit fees ..... 15,043

Registration fees ..... 9,816

Custodian fees ..... 6,711

Postage and supplies ..... 4,191

Insurance expense ..... 2,491

Compliance service fees and expenses (Note 2) ..... 1,264

Other expenses ..... 1,242

**TOTAL EXPENSES** ..... 323,225

**NET INVESTMENT INCOME** ..... 55,351

**REALIZED AND UNREALIZED LOSSES ON INVESTMENTS**

Net realized losses from security transactions ..... ( 2,340,064 )

Net change in unrealized appreciation/(depreciation) on investments ..... ( 5,991,171 )

**NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS** ..... ( 8,331,235 )

**NET DECREASE IN NET ASSETS FROM OPERATIONS** ..... \$( 8,275,884 )

See notes to financial statements.

# SCHWARTZ VALUE FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
<b>FROM OPERATIONS</b>		
Net investment income/(loss).....	\$ 55,351	\$ (3,165)
Net realized gains/(losses) from security transactions .....	(2,340,064)	1,295,456
Net change in unrealized appreciation/(depreciation) on investments .....	(5,991,171)	(8,248,217)
Net decrease in net assets from operations.....	<u>(8,275,884)</u>	<u>(6,955,926)</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net realized gains on investments .....	<u>—</u>	<u>(1,333,716)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	484,988	2,731,231
Reinvestment of distributions to shareholders .....	—	1,132,551
Payments for shares redeemed.....	(6,231,935)	(9,119,440)
Net decrease in net assets from capital share transactions.....	<u>(5,746,947)</u>	<u>(5,255,658)</u>
<b>TOTAL DECREASE IN NET ASSETS .....</b>	<b>(14,022,831)</b>	<b>(13,545,300)</b>
<b>NET ASSETS</b>		
Beginning of period .....	54,863,076	68,408,376
End of period.....	<u>\$ 40,840,245</u>	<u>\$ 54,863,076</u>
<b>ACCUMULATED UNDISTRIBUTED NET</b>		
<b>INVESTMENT INCOME.....</b>	<u>\$ 55,351</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold.....	23,267	108,174
Shares issued in reinvestment of distributions to shareholders .....	—	50,787
Shares redeemed .....	(303,900)	(362,557)
Net decrease in shares outstanding .....	(280,633)	(203,596)
Shares outstanding, beginning of period .....	2,477,177	2,680,773
Shares outstanding, end of period .....	<u>2,196,544</u>	<u>2,477,177</u>

See notes to financial statements.

# SCHWARTZ VALUE FUND

## FINANCIAL HIGHLIGHTS

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

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended Dec. 31, 2007	Year Ended Dec. 31, 2006	Year Ended Dec. 31, 2005	Year Ended Dec. 31, 2004	Year Ended Dec. 31, 2003
Net asset value at beginning of period .....	\$ 22.15	\$ 25.52	\$ 25.44	\$ 27.04	\$ 25.84	\$ 20.20
Income/(loss) from investment operations:						
Net investment income/(loss) .....	0.03	(0.00) <sup>(a)</sup>	(0.09)	(0.17)	(0.21)	(0.16)
Net realized and unrealized gains/(losses) on investments .....	(3.59)	(2.82)	3.74	1.23	6.02	8.10
Total from investment operations .....	(3.56)	(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 period .....	\$ 18.59	\$ 22.15	\$ 25.52	\$ 25.44	\$ 27.04	\$ 25.84
Total return <sup>(b)</sup> .....	(16.1)% <sup>(c)</sup>	(11.1)%	14.3%	3.8%	22.6%	39.3%
Ratios/Supplementary Data:						
Net assets at end of period (000's) .....	\$ 40,840	\$ 54,863	\$ 68,408	\$ 69,486	\$ 76,510	\$ 59,592
Ratio of expenses to average net assets .....	1.40% <sup>(d)</sup>	1.34%	1.38%	1.61%	1.82%	1.89%
Ratio of net investment income/(loss) to average net assets .....	0.24% <sup>(d)</sup>	(0.00)%	(0.35)%	(0.65)%	(0.84)%	(0.73)%
Portfolio turnover rate .....	51% <sup>(c)</sup>	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 periods 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.

<sup>(c)</sup> Not annualized.

<sup>(d)</sup> Annualized.

See notes to financial statements.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS

### June 30, 2008 (Unaudited)

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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, other than NASDAQ, 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. 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 shares 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.

The Financial Accounting Standards Board’s (“FASB”) Statement on Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of June 30, 2008, all of the inputs used to value the Fund's investments were Level 1.

**(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.

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 June 30, 2008 was as follows:

Net unrealized depreciation	\$ ( 2,391,720)
Accumulated undistributed ordinary income	55,351
Undistributed long-term gains	37
Other losses	<u>( 2,314,901)</u>
Accumulated deficit	<u>\$ ( 4,651,233)</u>

For federal income tax purposes, the cost of portfolio investments amounted to \$42,433,688 at June 30, 2008. 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	\$ 4,469,956
Gross unrealized depreciation	<u>( 6,861,676)</u>
Net unrealized depreciation	<u>\$ ( 2,391,720)</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.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

FASB's Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes" 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. Based on management's analysis, the application of FIN 48 does not have a material impact on these financial statements. The statute of limitations on the Fund's tax returns remains open for the years ended December 31, 2005 through December 31, 2007.

**(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 periods ended June 30, 2008 and December 31, 2007 was as follows:

Period Ended	Long-Term Capital Gains	Total Distributions
June 30, 2008	\$ —	\$ —
December 31, 2007	\$ 1,333,716	\$ 1,333,716

**(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.

# SCHWARTZ VALUE FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

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**(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.

The Chief Compliance Officer of the Fund (the “CCO”) is an employee of the Adviser. The Trust pays the Adviser \$25,000 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 six months ended June 30, 2008, cost of purchases and proceeds from sales and maturities of investment securities, excluding short-term investments and U.S. government securities, amounted to \$22,669,100 and \$32,126,227, 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.

# 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 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 (January 1, 2008) and held until the end of the period (June 30, 2008).

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 return, the result does 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 Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	\$ 1,000.00	\$ 839.30	\$ 6.40
Based on Hypothetical 5% Return (before expenses)	\$ 1,000.00	\$1,017.90	\$ 7.02

\* Expenses are equal to the Fund's annualized expense ratio of 1.40% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

## **SCHWARTZ VALUE FUND**

### **APPROVAL OF ADVISORY AGREEMENT (Unaudited)**

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The Board of Trustees, including the Independent Trustees voting separately, have reviewed and approved the continuance of the Fund's Advisory Agreement with the Adviser. The approval took place at an in-person meeting held on February 9, 2008, at which all of the Trustees were present.

The Independent Trustees were advised by independent counsel of their fiduciary obligations in approving the Advisory Agreement. The Trustees also received and reviewed a considerable amount of information provided by the Adviser in response to requests of the Independent Trustees and their counsel to assist in their evaluation of the terms of the Advisory Agreement and whether the Advisory Agreement continues to be in the best interest of the Fund and its shareholders. The Trustees reviewed: (1) industry data comparing advisory fees and expense ratios of the Fund with those of comparable investment companies; (2) comparative performance information; (3) the Adviser's revenues and costs of providing services to the Fund; and (4) information about the Adviser's personnel. The Trustees considered various factors, among them: (1) the nature, extent and quality of the services provided by the Adviser; (2) the fees charged for those services and the Adviser's profitability with respect to the Fund; (3) the Fund's performance; (4) the extent to which economies of scale may be realized as the Fund grows; and (5) whether fee levels reflect these economies of scale for the benefit of Fund investors. The Independent Trustees were advised and supported by independent counsel experienced in securities matters throughout the process. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Advisory Agreement with management and also met in a private session with independent counsel at which no representatives of the Adviser were present.

The Trustees evaluated and discussed with the Adviser the responsibilities of the Adviser under the Advisory Agreement. The Trustees also reviewed the background, education and experience of the Adviser's key investment and operational personnel. The Trustees discussed and considered the quality of administrative and other services provided to the Trust, the Adviser's compliance programs, and the Adviser's role in coordinating such services and programs.

The Trustees considered short-term and long-term investment performance of the Fund in their deliberations. The Trustees considered the Fund's historical performance over various periods ended December 31, 2007, as it compared to the returns of relevant indices and similarly managed mutual funds.

The Trustees reviewed the Adviser's analysis of its profitability from the Advisory Agreements for the year ended December 31, 2007. The Trustees considered that the Adviser may receive, in addition to the advisory fee, various research services as a result of the placement of the Fund's portfolio brokerage. The Trustees concluded that the Adviser possessed the fundamental resources necessary to serve as adviser to the Fund, and based upon their review of the financial statements provided by the Adviser, that it is sufficiently capitalized to remain economically viable to serve as adviser.

# **SCHWARTZ VALUE FUND**

## **APPROVAL OF ADVISORY AGREEMENT (Unaudited)**

### **(continued)**

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In reviewing the fees payable under the Advisory Agreement, the Trustees reviewed the advisory fee paid by the Fund under the Advisory Agreement (1% per annum of average net assets) and compared such fee to the advisory fee ratios of similar mutual funds. The Trustees also compared the total operating expense ratio of the Fund with expense ratios of representative funds with similar investment objectives considered to be in its peer group. The Trustees considered the existence of any economies of scale and whether those would be passed along to the Fund's shareholders. Given that the Fund's asset levels are lower than most comparable similarly managed funds, the Trustees also considered the effect of the Fund's potential growth and size on its performance and fees. In evaluating the Fund's advisory fees, the Trustees took into account the quality of the investment management of the Fund. The Trustees noted that the Fund's focus on small-capitalization companies requires special skills and a different and broader set of analytical tools than is required for funds investing in larger capitalization companies that are heavily followed and researched by the investment community. In view of these factors, the Trustees determined to forego implementing break points in the Fund's fee schedule at the current time. The Trustees concluded that, based upon the investment strategies and the long-term performance of the Fund, the advisory fees paid by the Fund are reasonable.

In approving the Advisory Agreement, the Independent Trustees reached the following conclusions: (1) the Trustees noted the qualifications of key personnel of the Adviser that work with the Fund and concluded the Adviser is qualified to continue to manage the Fund's assets in accordance with its investment objective and policies and has provided reasonable services to the Fund; (2) based on the long-term performance of the Fund, the Independent Trustees believe that the nature and quality of services provided to the Fund by the Adviser were satisfactory; and (3) while the advisory fees paid by the Fund are in the higher range of fees for comparably managed funds, they believe that the quality of investment advisory services provided by the Adviser has been appropriate and that a contributing factor to higher expenses is the relatively small size of the Fund. The Independent Trustees also reviewed and considered the "fallout benefits" to, and the profitability of, the Adviser with regards to its management of the Fund, concluding that the Adviser's profitability was not excessive, given the quality and scope of services provided by the Adviser and the investment performance of the Fund.

No single factor was considered in isolation or to be determinative to the decision of the Trustees to approve continuance of the Advisory Agreement. Rather, the Trustees concluded, in light of a weighing and balancing of all factors considered, that it would be in the best interest of the Fund and its shareholders to renew the Advisory Agreement for an additional annual 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**

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George P. Schwartz, CFA  
John E. Barnds  
Peter F. Barry  
Donald J. Dawson, Jr., Lead Independent Trustee  
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