

Investment Commentary December 31, 2011

For the three months ended December 31, 2011, the total return on the Schwartz Value Fund (RCMFX) was 10.71%, lagging the Russell 1000® Index (11.84%). The Fund's performance versus its benchmark as of December 31, 2011 is as follows:

	1 Yr.	3 Yrs. <sup>^</sup>	5 Yrs. <sup>^</sup>	10 Yrs. <sup>^</sup>	Since Inception <sup>^</sup>	Expense Ratio
Schwartz Value Fund	5.59%	16.82%	-1.91%	4.59%	9.35%	1.38%
Russell 1000® Index	1.50%	14.81%	-0.02%	3.34%	10.22%	

<sup>^</sup> Annualized \* Since Inception date is 1-1-1984

***Performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value are historical and may fluctuate so that redemption value may be worth more or less than the original cost. Current performance may be lower or higher than what is quoted. Call 1-800-449-9240 for the most current month-end performance.***

The S&P 500® Index's single-digit gains in 2011 might lead one to assume it was a slow, steady climb upward. It was not. In fact, it was a highly volatile, tumultuous year that saw some sharp rallies and a gut-wrenching decline in the third quarter. Thanks to a fourth quarter rally, by year's end the market was slightly higher from where it began. Even though the major U.S. stock indices posted gains, many mutual fund investors lost money. According to Lipper, the average U.S. equity mutual fund lost 2.9% in 2011. The Schwartz Value Fund's conservative, low-risk, value-oriented investment style clearly worked well. Defensive sectors (healthcare, utilities, consumer staples) outperformed economically sensitive sectors (financials, materials, industrials). Likewise, higher quality large-caps outperformed small and mid-caps for the first time since 2008. As discussed in recent fund commentaries, the Fund's increased focus on larger companies benefitted shareholders accordingly in 2011.

The five stocks that performed best for the Fund during 2011 were:

H&R Block, Inc.	+84.0%
Mastercard, Inc.	+65.1%
Rent-A-Center, Inc.	+55.7%
Unico American Corporation	+31.8%
Exxon Mobil Corporation	+26.9%

The five stocks that performed worst for the Fund during 2011 were:

Cisco Systems Inc.	-15.0%
Nintendo Company, Ltd. ADR	-21.7%
Hewlett-Packard Company	-24.3%
Applied Materials, Inc.	-24.4%
Federated Investors, Inc.	-38.7%

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The enormous monetary stimulus from the Federal Reserve has not significantly boosted economic growth. Chairman Bernanke has pledged to keep fed funds rate near 0% as far as the eye can see, and apparently he's prepared to undertake further measures to "stimulate" the economy. In our opinion, continually expanding the Fed balance sheet by printing trillions of dollars is not a viable long-term cure for what ails this economy. If the Fed stays on this path, we believe it will lead to higher inflation, possibly soon.

In addition, the domestic political gridlock along with the ongoing Euro-zone debt crisis has resulted in a lack of confidence among consumers, investors, and business leaders. Consequently, many individuals are afraid to spend, investors are hesitant to commit, and corporations continue to sit on over \$2 trillion of cash. In our view, these developments have created opportunities we long-term investors have rarely seen in our many years in the investment profession. The most compelling values are amongst large-cap companies, in our view. As an example, recently added to the portfolio, Apple, Inc. meets our strict value criteria. Apple is a consumer technology powerhouse with one of the strongest brands in the world. By introducing revolutionary products such as the iPod, iPhone, and iPad, the company has grown rapidly in recent years to become one of the largest companies in the world. Yet Apple still has tremendous opportunities to grow market share in the U.S. and overseas. It's a money-making machine that generates enormous amounts of free cash flow, as the business requires little in the way of capital re-investment. With its Fort Knox balance sheet (nearly \$100 billion in cash and securities with zero debt), the company could start paying a dividend or repurchase shares, both of which were frowned upon by late Chairman and CEO, Steve Jobs. Our value-laden portfolio contains several issues with similar characteristics – we consider them attractively-priced, highly profitable, superbly-managed, financially sound companies.

As always, the confidence you have shown by your investment in the Fund is most appreciated!

### IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-11, the holding percentages of the stocks mentioned in this commentary are as follows; H&R Block, Inc. (1.8%), Mastercard, Inc. (1.0%), Rent-A-Center, Inc. (3.0%), Unico American Corporation (6.0%), Exxon Mobil Corporation (4.6%), Cisco Systems Inc. (3.0%), Nintendo Company, Ltd. ADR (no longer held), Hewlett-Packard Company (2.5%), Applied Materials, Inc. (2.2%), Federated Investors, Inc. (3.1%) and Apple, Inc. (3.3%). Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. The Fund's top ten holdings as of 12-31-2011: Unico American Corporation (6.0%), Johnson & Johnson (5.2%), Microsoft Corporation (4.9%), Wal-Mart Stores, Inc. (4.9%), Exxon Mobil Corporation (4.6%), SPDR Gold Trust (4.1%), Dell, Inc. (3.4%), Apple, Inc. (3.3%), Enscos International, PLC (3.2%) and Berkshire Hathaway, Inc. - Class A (3.1%).

The most current available data regarding portfolio holdings can be found on our website, [www.schwartzvaluefund.com](http://www.schwartzvaluefund.com).

Performance can be affected by market and investment style risk. The Fund's investments in small- and mid- capitalization companies could experience greater volatility than investments in large-capitalization companies.

The investment performance assumes reinvestment of dividends and capital gains distributions. The quoted performance for the Fund includes performance of RCM Partners Limited Partnership for periods prior to July 20, 1993. It should be noted that: (1) the Fund's performance includes performance for periods before the Fund's registration statement became effective; (2) the Fund was not registered with the Securities and Exchange Commission and, therefore, was not subject to the investment restrictions imposed by law on registered mutual funds; and (3) if the Fund had been registered during such periods, performance may have been adversely affected. The Russell 1000<sup>®</sup> Index is an unmanaged index of the largest 1,000 stocks in the Russell 3000<sup>®</sup> Index. Indexes do not incur fees and it is not possible to invest directly in an index.

***Prospective investors should read the prospectus carefully and consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus, which can be obtained by calling 1-800-449-9240 or online at [www.schwartzvaluefund.com](http://www.schwartzvaluefund.com), contains this and other important information.***

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