

# SCHWARTZ VALUE FOCUSED FUND

*value investing since 1984*

TICKER SYMBOL: RCMFX

*unaudited*

SEMI-ANNUAL REPORT

.....

JUNE 30, 2017



# Schwartz Value Focused Fund

## Shareholder Services

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

## Investment Adviser

Schwartz Investment Counsel, Inc.  
801 W. Ann Arbor Trail  
Suite 244  
Plymouth, MI 48170

Dear Fellow Shareowners:

The Schwartz Value Focused Fund (the “Fund”) had a total return of 1.60% for the six-month period ended June 30, 2017 compared to 8.87% for the S&P 1500 Index and 9.27% for the Russell 1000 Index. The Fund’s underperformance can primarily be attributed to: 1) declining commodity prices and the negative impact on energy-related stocks; 2) value stocks continued underperformance vs. growth stocks; and 3) weakness in small-cap stocks.

After a strong year in 2016, our energy-related holdings have performed poorly so far in 2017. Since peaking in early January, oil prices have been on a steady downward trajectory due to a combination of factors, including increased U.S. shale production, weaker than expected global demand, and concerns about the sustainability of OPEC’s ongoing production cuts. While trying to forecast the near-term price of any commodity is a fool’s errand, we believe oil prices are headed higher over time. And we are confident that our high-quality energy related companies are well positioned in the current environment. As mentioned, value stocks, including many of ours, are out of favor. For the first 6 months of 2017, the S&P 500 Value component returned 4.85% compared to 13.32% for the Growth component. Since 2009, growth stocks have vastly outperformed value stocks. We believe value stocks are due. Also, the Fund’s exposure to small-cap companies hurt relative performance, as the S&P 600 Small-Cap Index was up only 2.79% for the first 6 months.

The Fund’s five worst performing securities so far this year are as follows:

<u>Company</u>	<u>Industry</u>	<u>YTD Return</u>
Devon Energy Corporation	Oil/Gas Exploration and Production	-29.76%
Noble Energy, Inc.	Oil/Gas Exploration and Production	-29.12%
Apache Corporation	Oil/Gas Exploration and Production	-22.41%
Avnet, Inc.	Technology Distribution	-19.39%
Schlumberger Limited	Oil/Gas Equipment and Services	-18.81%

The Fund’s best performing stock this year is Liberty Interactive Corporation, which owns and operates QVC Group. QVC is a multinational corporation that sells consumer goods through its television networks and online. As we outlined in last year’s annual report, the stock price had come under pressure due to what we believed were transitory factors and we took advantage by substantially increasing our position earlier this year. Since then, some of the concerns weighing on the stock have alleviated and the share price is up more than 30% YTD. Recently, Liberty Interactive announced its intention to acquire the remaining 62% of HSN, Inc. (owner of The Home Shopping Network) that it did not already own. This merger should produce significant synergies, as the combined companies will dominate the market for TV-based consumer product sales. Even though the stock is up sharply since year-end, we continue to believe the intrinsic value of Liberty Interactive is substantially higher than the current share price. It is now the Fund’s largest holding.

The Fund's five best performing securities so far this year are as follows:

Company	Industry	YTD Return
Liberty Interactive Corporation	Consumer Retail	+30.23%
Moody's Corporation	Business Services	+29.97%
AMETEK, Inc.	Diversified Machinery	+25.02%
Graham Holdings Company	Diversified Holding Companies	+17.50%
Axalta Coating Systems Ltd.	Specialty Chemicals	+12.93%

During the past six months, we liquidated a number of stocks that had reached our estimate of intrinsic value, including: Baker Hughes, Inc. (oil & gas equipment and services), Colfax Corporation (diversified machinery), Discovery Communications (media), MSC Industrial Direct Co., Inc. (industrial equipment), Nordstrom, Inc. (apparel retailing), and W.W. Grainger, Inc. (industrial equipment). Proceeds from these sales were used to establish new positions in five securities that meet our criteria of owning shares of high-quality businesses run by experienced management teams, in sound financial condition, that are selling at prices below our estimate of intrinsic value:

- Axalta Coating Systems Ltd. (AXTA) – Axalta designs, manufactures, and sells a diverse line of automotive paints and industrial coatings in more than 130 countries. The primary users of its products are automotive repair shops and auto manufacturers. The company holds a dominant market position with the #1 or #2 position in 90% of their product offerings. As such, Axalta generates high profit margins, a high return on invested capital, and substantial free cash flow.
- Brown-Forman Corporation (BFB) – Brown-Forman is engaged in the production and marketing of wine and premium spirits, including its flagship brand, Jack Daniels. This high-quality company has a long history of increasing sales, earnings, and free cash flow. The company generates prodigious cash flow and requires minimal capital expenditures to grow. Free cash is used to repurchase shares and pay dividends, which have been increased every year since 1985.
- Interactive Brokers Group, Inc. (IBKR) – Interactive Brokers is an automated electronic broker in 120 electronic exchanges and market centers worldwide. The company was founded 40 years ago by Thomas Peterfy, a Hungarian immigrant. The company utilizes its technological expertise to be the most efficient, low cost provider in the industry. The company's competitive advantage is very difficult for competitors to replicate because its automated systems have been built up over many years and consist of thousands of routines covering thousands of individual situations and thousands of securities. We believe the company has a long runway for growth in the years ahead.
- Tractor Supply Company (TSCO) – Tractor Supply operates rural lifestyles stores in the U.S. The company offers a broad selection of unique merchandise in differentiated categories including livestock & pet, hardware & tools, clothing & footwear, agricultural products, seasonal, gifts & toys. Tractor Supply has strong brand equity built by establishing a reputation for superior customer service and by offering high quality products not found at big-box retailers. The company has a strong track record of sales, earnings, and cash flow growth.

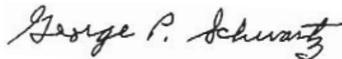
- Ubiquiti Networks, Inc. (UBNT) – Ubiquiti Networks develops wireless networking technology for service providers, enterprises, and consumers worldwide. The company’s founder, majority owner, and CEO is Robert Pera, a former Apple Inc. engineer. Ubiquiti’s core competency is R&D and product design. The company has a structural, low cost advantage compared to its competitors, in that it has no sales and marketing personnel, no customer support staff, and no manufacturing facilities. With its low cost operation, Ubiquiti is able to undercut competitors on price, yet still generate high margins and high returns on invested capital.

The Fund has a contrarian-concentrated, value-oriented approach that has the potential to achieve superior investment returns over the long-term. In our view, the Fund contains a large number of under-valued and under-appreciated stocks, many of which are like coiled springs. We are enthusiastic about the Fund’s future investment prospects. Accordingly, each of us has recently purchased additional shares of this Fund.

Thank you for being a shareholder in the Schwartz Value Focused Fund.



Timothy S. Schwartz, CFA  
Lead Portfolio Manager



George P. Schwartz, CFA  
Co-Portfolio Manager

**SCHWARTZ VALUE FOCUSED FUND**  
**TEN LARGEST EQUITY HOLDINGS**  
**June 30, 2017 (Unaudited)**

<b>Shares</b>	<b>Security Description</b>	<b>Market Value</b>	<b>% of Net Assets</b>
80,000	Liberty Interactive Corporation QVC Group - Series A	\$ 1,963,200	9.5%
161,030	Unico American Corporation	1,505,631	7.3%
50,000	ARRIS International plc	1,401,000	6.8%
3,500	Texas Pacific Land Trust	1,028,230	5.0%
30,000	Axalta Coating Systems Ltd.	961,200	4.7%
70,000	Goldcorp, Inc.	903,700	4.4%
20,000	Avnet, Inc.	777,600	3.8%
3	Berkshire Hathaway, Inc. - Class A	764,100	3.7%
2,000	AMERCO	732,120	3.5%
15,000	Brown-Forman Corporation - Class B	729,000	3.5%

**ASSET ALLOCATION (Unaudited)**

<b>Sector</b>	<b>% of Net Assets</b>
Consumer Discretionary .....	23.3%
Consumer Staples .....	3.5%
Energy .....	4.8%
Financials .....	23.9%
Industrials .....	7.0%
Information Technology .....	18.9%
Materials .....	13.4%
Open-End Funds .....	0.1%
Money Market Funds, Liabilities in Excess of Other Assets .....	5.1%
	<u>100.0%</u>

**SCHWARTZ VALUE FOCUSED FUND**  
**SCHEDULE OF INVESTMENTS**  
**June 30, 2017 (Unaudited)**

<b>COMMON STOCKS — 94.8%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 23.3%</b>		
<i>Diversified Consumer Services — 4.8%</i>		
Graham Holdings Company - Class B .....	1,000	\$ 599,650
ServiceMaster Global Holdings, Inc. * .....	10,000	391,900
		<u>991,550</u>
<i>Household Durables — 2.5%</i>		
Garmin Ltd. ....	10,000	<u>510,300</u>
<i>Internet &amp; Direct Marketing Retail — 9.5%</i>		
Liberty Interactive Corporation		
QVC Group - Series A * .....	80,000	<u>1,963,200</u>
<i>Media — 2.2%</i>		
Liberty Global plc - Series C * .....	15,000	<u>467,700</u>
<i>Specialty Retail — 4.3%</i>		
TJX Companies, Inc. (The) .....	5,000	360,850
Tractor Supply Company .....	10,000	542,100
		<u>902,950</u>
<b>Consumer Staples — 3.5%</b>		
<i>Beverages — 3.5%</i>		
Brown-Forman Corporation - Class B .....	15,000	<u>729,000</u>
<b>Energy — 4.8%</b>		
<i>Energy Equipment &amp; Services — 1.0%</i>		
Schlumberger Limited .....	3,000	<u>197,520</u>
<i>Oil, Gas &amp; Consumable Fuels — 3.8%</i>		
Apache Corporation .....	6,000	287,580
Devon Energy Corporation .....	7,000	223,790
Noble Energy, Inc. ....	10,000	283,000
		<u>794,370</u>
<b>Financials — 23.9%</b>		
<i>Capital Markets — 5.6%</i>		
Interactive Brokers Group, Inc. - Class A .....	15,000	561,300
Moody's Corporation .....	5,000	608,400
		<u>1,169,700</u>
<i>Diversified Financial Services — 7.3%</i>		
MasterCard, Inc. - Class A .....	4,000	485,800
Texas Pacific Land Trust .....	3,500	1,028,230
		<u>1,514,030</u>

**SCHWARTZ VALUE FOCUSED FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 94.8% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Financials — 23.9% (Continued)</b>		
<i>Insurance — 11.0%</i>		
Berkshire Hathaway, Inc. - Class A * .....	3	\$ 764,100
Unico American Corporation * .....	161,030	<u>1,505,631</u>
		<u>2,269,731</u>
<b>Industrials — 7.0%</b>		
<i>Electrical Equipment — 3.5%</i>		
AMETEK, Inc. ....	12,000	<u>726,840</u>
<i>Road &amp; Rail — 3.5%</i>		
AMERCO .....	2,000	<u>732,120</u>
<b>Information Technology — 18.9%</b>		
<i>Communications Equipment — 9.3%</i>		
ARRIS International plc * .....	50,000	1,401,000
Ubiquiti Networks, Inc. * .....	10,000	<u>519,700</u>
		<u>1,920,700</u>
<i>Electronic Equipment, Instruments &amp; Components — 6.4%</i>		
Arrow Electronics, Inc. * .....	7,000	548,940
Avnet, Inc. ....	20,000	<u>777,600</u>
		<u>1,326,540</u>
<i>IT Services — 3.2%</i>		
Cognizant Technology Solutions Corporation - Class A .....	10,000	<u>664,000</u>
<b>Materials — 13.4%</b>		
<i>Chemicals — 4.7%</i>		
Axalta Coating Systems Ltd. * .....	30,000	<u>961,200</u>
<i>Metals &amp; Mining — 8.7%</i>		
Barrick Gold Corporation .....	20,000	318,200
Goldcorp, Inc. ....	70,000	903,700
Pan American Silver Corporation .....	35,000	<u>588,700</u>
		<u>1,810,600</u>
<b>Total Common Stocks (Cost \$16,352,246) .....</b>		<b>\$ 19,652,051</b>
<b>OPEN-END FUNDS — 0.1%</b>	<b>Shares</b>	<b>Market Value</b>
Sequoia Fund, Inc. * (Cost \$11,438) .....	81	\$ 14,266

**SCHWARTZ VALUE FOCUSED FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>MONEY MARKET FUNDS — 5.2%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.76% <sup>(a)</sup> .....	953,776	\$ 953,776
Federated Treasury Obligations Fund - Institutional Shares, 0.83% <sup>(a)</sup> .....	121,937	121,937
<b>Total Money Market Funds</b> (Cost \$1,075,713) .....		<u>\$ 1,075,713</u>
<b>Total Investments at Market Value — 100.1%</b> (Cost \$17,439,397) .....		\$ 20,742,030
<b>Liabilities in Excess of Other Assets — (0.1%)</b> .....		<u>(16,140)</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 20,725,890</u>

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of June 30, 2017.

See accompanying notes to financial statements.

**SCHWARTZ VALUE FOCUSED FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**June 30, 2017 (Unaudited)**

**ASSETS**

Investments, at market value (cost of \$17,439,397) (Note 1) .....	\$ 20,742,030
Cash .....	5,100
Dividends receivable .....	4,734
Other assets .....	8,613
<b>TOTAL ASSETS</b> .....	<u>20,760,477</u>

**LIABILITIES**

Payable to Adviser (Note 2) .....	20,369
Payable to administrator (Note 2) .....	3,000
Other accrued expenses .....	11,218
<b>TOTAL LIABILITIES</b> .....	<u>34,587</u>

<b>NET ASSETS</b> .....	<u>\$ 20,725,890</u>
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**NET ASSETS CONSIST OF:**

Paid-in capital .....	\$ 16,523,660
Accumulated net investment loss .....	(57,839)
Accumulated net realized gains from security transactions .....	957,436
Net unrealized appreciation on investments .....	3,302,633
<b>NET ASSETS</b> .....	<u>\$ 20,725,890</u>

Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value) .....	<u>815,492</u>
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Net asset value, offering price and redemption price per share (Note 1) .....	<u>\$ 25.42</u>
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See notes to financial statements.

**SCHWARTZ VALUE FOCUSED FUND**  
**STATEMENT OF OPERATIONS**  
**For the Six Months Ended June 30, 2017 (Unaudited)**

<b>INVESTMENT INCOME</b>	
Dividends (Net of foreign tax of \$863) .....	\$ 73,047
<b>EXPENSES</b>	
Investment advisory fees (Note 2) .....	99,474
Trustees' fees and expenses (Note 2) .....	32,121
Legal and audit fees .....	21,809
Administration, accounting and transfer agent fees (Note 2) .....	18,000
Registration and filing fees .....	7,602
Postage and supplies .....	4,972
Printing of shareholder reports .....	3,751
Custodian and bank service fees .....	3,341
Insurance expense .....	641
Compliance service fees and expenses (Note 2) .....	242
Other expenses .....	4,518
TOTAL EXPENSES .....	<u>196,471</u>
Less fee reductions by the Adviser (Note 2) .....	<u>(65,585)</u>
NET EXPENSES .....	<u>130,886</u>
<b>NET INVESTMENT LOSS</b> .....	<u>(57,839)</u>
<b>REALIZED AND UNREALIZED GAINS</b>	
<b>(LOSSES) ON INVESTMENTS</b>	
Net realized gains from security transactions .....	1,466,693
Net change in unrealized appreciation (depreciation) on investments .....	<u>(1,079,702)</u>
<b>NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS</b> ..	<u>386,991</u>
<b>NET INCREASE IN NET ASSETS RESULTING</b>	
<b>FROM OPERATIONS</b> .....	<u>\$ 329,152</u>

See notes to financial statements.

# SCHWARTZ VALUE FOCUSED FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016
<b>FROM OPERATIONS</b>		
Net investment loss .....	\$ (57,839)	\$ (67,763)
Net realized gains from security transactions .....	1,466,693	29,217
Net change in unrealized appreciation (depreciation) on investments .....	<u>(1,079,702)</u>	<u>3,288,843</u>
Net increase in net assets resulting from operations .....	<u>329,152</u>	<u>3,250,297</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	30,108	1,533,951
Payments for shares redeemed .....	<u>(645,224)</u>	<u>(2,544,502)</u>
Net decrease in net assets from capital share transactions ...	<u>(615,116)</u>	<u>(1,010,551)</u>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS ...</b>	(285,964)	2,239,746
<b>NET ASSETS</b>		
Beginning of period .....	21,011,854	18,772,108
End of period .....	<u>\$ 20,725,890</u>	<u>\$ 21,011,854</u>
<b>ACCUMULATED NET INVESTMENT LOSS .....</b>	<u>\$ (57,839)</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	1,178	65,097
Shares redeemed .....	<u>(25,451)</u>	<u>(111,549)</u>
Net decrease in shares outstanding .....	(24,273)	(46,452)
Shares outstanding, beginning of period .....	<u>839,765</u>	<u>886,217</u>
Shares outstanding, end of period .....	<u>815,492</u>	<u>839,765</u>

See notes to financial statements.

# SCHWARTZ VALUE FOCUSED FUND

## FINANCIAL HIGHLIGHTS

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

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2013	Year Ended Dec. 31, 2012
Net asset value at beginning of period .....	\$ 25.02	\$ 21.18	\$ 25.06	\$ 28.54	\$ 23.31	\$ 22.33
Income (loss) from investment operations:						
Net investment income (loss) .....	(0.07)	(0.08)	(0.11)	(0.08)	(0.04)	0.23
Net realized and unrealized gains (losses) on investments .....	0.47	3.92	(3.77)	(1.26)	5.80	0.98
Total from investment operations ...	0.40	3.84	(3.88)	(1.34)	5.76	1.21
Less distributions:						
From net investment income .....	—	—	—	—	—	(0.23)
From net realized gains on investments .....	—	—	—	(2.14)	(0.53)	—
Total distributions .....	—	—	—	(2.14)	(0.53)	(0.23)
Net asset value at end of period .....	\$ 25.42	\$ 25.02	\$ 21.18	\$ 25.06	\$ 28.54	\$ 23.31
Total return <sup>(a)</sup> .....	1.6% <sup>(b)</sup>	18.1%	(15.5%)	(4.7%)	24.7%	5.4%
Ratios/Supplementary Data:						
Net assets at end of period (000's) ..	\$ 20,726	\$ 21,012	\$ 18,772	\$ 28,129	\$ 32,030	\$ 30,573
Ratio of total expenses to average net assets .....	1.88% <sup>(d)</sup>	1.80%	1.59%	1.46%	1.45%	1.41%
Ratio of net expenses to average net assets .....	1.25% <sup>(c)(d)</sup>	1.25% <sup>(c)</sup>	1.35% <sup>(c)</sup>	1.46%	1.45%	1.41%
Ratio of net investment income (loss) to average net assets .....	(0.55%) <sup>(c)(d)</sup>	(0.35%) <sup>(c)</sup>	(0.40%) <sup>(c)</sup>	(0.28%)	(0.13%)	0.90%
Portfolio turnover rate .....	33% <sup>(b)</sup>	48%	104%	72%	57%	62%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the period 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>(b)</sup> Not annualized.

<sup>(c)</sup> Ratio was determined after advisory fee reductions (Note 2).

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

See notes to financial statements.

# SCHWARTZ VALUE FOCUSED FUND

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017 (Unaudited)

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### 1. Significant Accounting Policies

Schwartz Value Focused Fund (the “Fund”) is a 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. Other series of the Trust are not incorporated in this report. The Fund is registered under the Investment Company Act of 1940 and commenced operations on July 20, 1993. At a meeting held on June 29, 2016, the shareholders of the Fund voted to change the classification of the Fund from a diversified fund to a non-diversified fund.

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 (“NAV”). To calculate the NAV, 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 NAV per share.

In October 2016, the U.S. Securities and Exchange Commission (the “SEC”) adopted amendments to Regulation S-X which will impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact, management believes that many of the Regulation S-X amendments are consistent with the Fund’s current financial statement presentation and expects that the Fund will be able to comply with the amendments by the August 1, 2017 compliance date.

The following is a summary of significant accounting policies followed by the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). As an investment company, as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2013-08, the Fund follows accounting and reporting guidance under FASB Accounting Standards Codification Topic 946, “Financial Services – Investment Companies.”

**(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 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 or, if an official close price is not available, at the most recently quoted bid 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 shares of other open-end investment companies are valued at their NAV 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, and will be classified as Level 2 or 3 within the fair value hierarchy (see below), depending on the inputs used. Fair

# SCHWARTZ VALUE FOCUSED FUND

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

value pricing may be used, for example, in situations where (i) a portfolio security is so thinly traded that there have been no transactions for that stock over an extended period of time; (ii) the exchange on which the portfolio security is principally traded closes early; or (iii) trading of the portfolio security is halted during the day and does not resume prior to the Fund's NAV calculation. A portfolio security's "fair value" price may differ from the price next available for that portfolio security using the Fund's normal pricing procedures.

GAAP establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements.

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 risks associated with investing in those securities. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

The following is a summary of the inputs used to value the Fund's investments, by security type, as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Common Stocks .....	\$ 19,652,051	\$ —	\$ —	\$ 19,652,051
Open-End Funds .....	14,266	—	—	14,266
Money Market Funds ..	1,075,713	—	—	1,075,713
Total .....	<u>\$ 20,742,030</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,742,030</u>

Refer to the Fund's Schedule of Investments for a listing of the securities by industry type. As of June 30, 2017, the Fund did not have any transfers into or out of any Level. There were no Level 2 or 3 securities or derivative instruments held by the Fund as of June 30, 2017. It is the Fund's policy to recognize transfers into or out of any Level at the end of the reporting period.

**(b) Income taxes** — The Fund has qualified and intends to continue to qualify as a regulated investment company under the Internal Revenue Code of 1986 (the "Code"). Qualification generally will relieve the Fund of liability for federal income taxes to the extent 100% of its net investment income and net realized capital gains are distributed in accordance with the Code.

# SCHWARTZ VALUE FOCUSED 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 98.2% of its net realized capital gains plus undistributed amounts from prior years.

The following information is computed on a tax basis for each item as of June 30, 2017:

Federal income tax cost .....	<u>\$ 17,439,397</u>
Gross unrealized appreciation .....	\$ 3,754,204
Gross unrealized depreciation .....	<u>(451,571)</u>
Net unrealized appreciation .....	3,302,633
Accumulated ordinary loss .....	(57,839)
Capital loss carryforwards .....	(509,257)
Other gains .....	<u>1,466,693</u>
Accumulated earnings .....	<u>\$ 4,202,230</u>

As of December 31, 2016, the Fund had a short-term capital loss carryforward of \$509,257 for federal income tax purposes. This capital loss carryforward, which does not expire, may be utilized in the current and future years to offset net realized capital gains, if any, prior to distributing such gains to shareholders.

The Fund recognizes the tax benefits or expenses of uncertain tax positions only when the position is "more-likely-than-not" to be sustained assuming examination by tax authorities. Management has reviewed the tax positions taken on federal income tax returns for the current and all open tax years (tax years ended December 31, 2013 through December 31, 2016) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements.

**(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 capital gains and losses on security transactions are determined on the identified cost basis. Withholding taxes on foreign dividends have been recorded in accordance with the Fund's understanding of the appropriate country's rules and tax rates.

**(d) Dividends and distributions** — Dividends from net investment income and distributions of net realized capital gains, if any, are declared and paid annually in December. Dividends and distributions to shareholders are recorded on the ex-dividend date. There were no distributions paid to shareholders during the periods ended June 30, 2017 and December 31, 2016.

**(e) Estimates** — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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 FOCUSED FUND

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

(f) **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 Chairman and President of the Trust is also the Chairman and Chief Executive 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 0.95% per annum of the Fund’s average daily net assets.

The Adviser has contractually agreed to reduce its advisory fees or reimburse a portion of the Fund’s expenses until at least May 1, 2018 so that the ordinary operating expenses of the Fund do not exceed 1.25% per annum of average daily net assets. Accordingly, during the six months ended June 30, 2017, the Adviser reduced its investment advisory fees by \$65,585.

Any fee reductions or expense reimbursements by the Adviser are subject to repayment by the Fund for a period of three years after such fees and expenses were incurred, provided repayment to the Adviser does not cause the ordinary operating expenses of the Fund to exceed 1.25% per annum of average daily net assets. As of June 30, 2017, the Adviser may seek recoupment of investment advisory fee reductions totaling \$229,069 no later than the dates stated below:

December 31, 2018	December 31, 2019	June 30, 2020	Total
\$ 56,616	\$ 106,868	\$ 65,585	\$ 229,069

The Chief Compliance Officer of the Trust (the “CCO”) is an employee of the Adviser. The Trust pays the Adviser a fee for providing CCO services, of which the Fund pays its proportionate share along with the other series of the Trust. In addition, the Trust reimburses the Adviser for out-of-pocket expenses incurred, if any, for providing these services.

Pursuant to a Mutual Fund Services Agreement between the Trust and Ultimus, Ultimus supplies regulatory and compliance services, calculates the daily NAV 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 these services Ultimus receives fees computed as a percentage of the average daily net assets of the Fund, subject to a minimum monthly fee.

# **SCHWARTZ VALUE FOCUSED FUND**

## **NOTES TO FINANCIAL STATEMENTS**

### **(Continued)**

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Pursuant to a Distribution Agreement between the Trust 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.

Trustees and officers affiliated with the Adviser or Ultimus are not compensated by the Trust for their services. Each Trustee who is not an affiliated person of the Adviser or Ultimus ("Independent Trustee") receives from the Trust an annual retainer of \$40,000 (except that such fee is \$50,000 for the Lead Independent Trustee and \$44,000 for the Chairman of the Audit Committee), payable quarterly; a fee of \$6,000 for attendance at each meeting of the Board of Trustees; plus reimbursement of travel and other expenses incurred in attending meetings. The Fund pays its proportionate share of Independent Trustees' fees and expenses along with the other series of the Trust.

### **3. Investment Transactions**

During the six months ended June 30, 2017, cost of purchases and proceeds from sales and maturities of investment securities, excluding short-term investments and U.S. government securities, amounted to \$6,493,713 and \$6,423,989, 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. Subsequent Events**

The Fund is required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statement of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Fund is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has noted no such events.

# SCHWARTZ VALUE FOCUSED 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, 2017) and held until the end of the period (June 30, 2017).

The table below illustrates the Fund's ongoing 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 ongoing 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 SEC requires all mutual funds to calculate expenses based on a 5% return. You can assess the Fund's ongoing 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, 2017	Ending Account Value June 30, 2017	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,016.00	\$6.25
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,018.60	\$6.26

\* Expenses are equal to the Fund's annualized net expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# SCHWARTZ VALUE FOCUSED FUND

## APPROVAL OF ADVISORY AGREEMENT

### (Unaudited)

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At an in-person meeting held on February 11, 2017 (the “Board Meeting”), the Board of Trustees, including the Independent Trustees voting separately, approved the continuation of the Fund’s Advisory Agreement with the Adviser.

The Independent Trustees were advised and assisted throughout their evaluation by independent legal counsel experienced in matters relating to the investment management industry. The Independent Trustees received advice from their independent legal counsel, including a legal memorandum, on the standards and obligations in connection with their consideration of the continuation of the Advisory Agreement. The Independent Trustees also received and reviewed relevant information provided by the Adviser in response to requests of the Independent Trustees and their legal counsel to assist in their evaluation of the terms of the Advisory Agreement, including whether the Advisory Agreement continues to be in the best interests of the Fund and its shareholders. The Independent Trustees also retained an independent consultant (Strategic Insight) to prepare an expense and performance analysis for the Fund and met separately with the consultant prior to the Board Meeting to discuss the methodologies that Strategic Insight used to construct its report. During this meeting, the independent consultant discussed the Morningstar, Inc. (“Morningstar”) category that Strategic Insight identified to base its peer group comparisons for the Fund and other aspects of its report. To further prepare for the Board Meeting, the Independent Trustees met separately with independent counsel to discuss the continuance of the Advisory Agreement, during which time no representatives of the Adviser were present.

The Independent Trustees considered that they meet with the portfolio managers of the Fund at regularly scheduled meetings over the course of the year to discuss the investment results, portfolio composition, and developments affecting the performance of the Fund and the investment management industry in general. They also considered that the portfolio managers had also discussed the overall condition of the economy and the markets, including an analysis of the factors that have influenced the markets, investor preferences and market sentiment.

The Independent Trustees reviewed, among other things: (1) industry data comparing the advisory fee and expense ratio of the Fund with those of comparable investment companies and any model portfolios under the management of the Adviser; (2) comparative performance information; (3) the Adviser’s revenues and profitability from providing services to the Fund; and (4) information about the Adviser’s portfolio managers, research analysts, investment process, compliance program and risk management processes.

As part of this process, the Independent Trustees considered various factors, among them:

- the nature, extent and quality of the services provided by the Adviser;
- the fees charged for those services and the Adviser’s profitability with respect to the Fund (and the methodology by which such profitability was calculated);
- the Fund’s performance;
- the extent to which economies of scale may be realized as the Fund grows; and

# SCHWARTZ VALUE FOCUSED FUND

## APPROVAL OF ADVISORY AGREEMENT

### (Unaudited) (Continued)

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- whether current fee levels reflect these economies of scale for the benefit of the Fund's shareholders.

In their consideration of the nature, extent and quality of services provided to the Fund, the Independent Trustees evaluated the responsibilities of the Adviser under the Advisory Agreement and the investment management process applied to the Fund. The Independent Trustees reviewed the background and experience of the Adviser's key investment, research and operational personnel. The Independent Trustees next considered the Adviser's responsibilities in monitoring the administrative and shareholder services provided to the Fund and the Adviser's various ongoing responsibilities with regard to the compliance program of the Trust. The Independent Trustees considered the strength and stability of the Adviser, its overall compliance record and discussed the efforts of the Adviser to address the risks of cybersecurity threats during the past year.

The Independent Trustees reviewed information provided by the independent consultant on the advisory fees paid by the Fund and compared such fees to the advisory fees paid by similar mutual funds, as compiled by Morningstar. The Independent Trustees compared the Fund's net advisory fee with the net advisory fees of representative funds within its Morningstar peer group, with the Morningstar information showing that the net advisory fee of the Fund is lower than the median net advisory fees of its Morningstar peers. The Independent Trustees took into account that the fee reductions made by the Adviser on behalf of the Fund had the effect of reducing the net management fee and net operating expenses of the Fund during the 2016 calendar year. The Independent Trustees also compared the Fund's net expense ratio with the net expense ratio of representative funds within its Morningstar peer group, with the Morningstar information showing that the net expense ratio of the Fund is lower than the median net expense ratio of its Morningstar peers. The Independent Trustees concluded that, based upon the investment strategies of the Fund, the advisory fees paid by the Fund are acceptable.

The Independent Trustees reviewed the Adviser's analysis of its profitability in managing the Fund during the 2016 calendar year, including the methodology by which that profitability analysis was calculated. The Independent Trustees considered that the Adviser may receive, in addition to the advisory fee, certain indirect benefits from serving as the Fund's investment adviser, including various research services as a result of the placement of the Fund's portfolio brokerage. The Independent Trustees considered the costs to the Adviser of providing ongoing services to the Fund, including staffing costs and costs to maintain systems and resources that support portfolio trading, research and other portfolio management functions. They also considered that the Adviser bears the shareholder recordkeeping costs to third party intermediaries on behalf of the Fund, in a broader context of the Adviser's overall business. Based upon their review of the Adviser's profitability analysis, the Board concluded that the Adviser's profits are reasonable.

The Independent Trustees considered both the short-term and long-term investment performance of the Fund in light of its primary investment objective of seeking long-term capital appreciation. The Independent Trustees considered that the Fund's performance for the one-year period ended December 31, 2016 exceeded the return of its primary benchmark and similarly managed mutual funds as compiled by Morningstar. The

# **SCHWARTZ VALUE FOCUSED FUND**

## **APPROVAL OF ADVISORY AGREEMENT**

### **(Unaudited) (Continued)**

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Independent Trustees observed that the Fund's longer-term performance for selected periods ended December 31, 2016 fell below the returns of its primary benchmark and similarly managed mutual funds as compiled by Morningstar. The Independent Trustees took into account the recent changes to the investment strategy of the Fund, the Adviser's fundamental approach of identifying good businesses that have the potential to increase in value, and the tendency of a value style of investing to be in and out of favor during certain periods. In view of all the factors considered, the Independent Trustees concluded that the Adviser's commitment to the Fund and its fundamental value investment process supports their view that the Adviser's continued management should benefit the Fund and its shareholders.

The Independent Trustees also considered the existence of any economies of scale and whether those would be passed along to the Fund's shareholders. The Independent Trustees concluded that it is not necessary or appropriate at this time to consider adding fee breakpoints to the advisory fee schedule for the Fund.

No single factor was considered in isolation or to be determinative to the decision of the Independent Trustees to approve the continuance of the Advisory Agreement and each Independent Trustee may have attributed different weights to certain factors. Rather, the Independent Trustees concluded, in light of a weighing and balancing of all factors considered, that it was in the best interests of the Fund and its shareholders to renew the Advisory Agreement for an additional annual period.

# **SCHWARTZ VALUE FOCUSED 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 SEC's 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 at <http://www.sec.gov>.

The Trust files a complete listing of portfolio holdings for the Fund with the SEC as of the end 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 filings 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.

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**Schwartz Value Focused Fund**

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Louis C. Bosco, Jr.  
Donald J. Dawson, Jr., Lead Independent Trustee  
Joseph M. Grace  
John J. McHale, Jr.  
Edward J. Miller

**Executive Officers**

George P. Schwartz, CFA, President  
Richard L. Platte, Jr., CFA, V.P./Secretary  
Robert C. Schwartz, CFP, V.P.  
Timothy S. Schwartz, CFA, Treasurer  
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