

Schwartz Value Fund

.....
VALUE INVESTING SINCE 1984



.....
ANNUAL REPORT

.....
DECEMBER 31, 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 Shareowner:

The meltdown of financial markets in 2008 resulted in the worst year for equity returns since 1931. There was virtually no place to hide for U.S. equity investors. Nearly every market sector and investment strategy suffered. Consumer, energy, financial, technology, value, growth, small-cap, large-cap, you name it – it got hammered. The Schwartz Value Fund (the “Fund”) did not escape the carnage. For 2008 the Fund had a total return of -35.9% compared to -33.8% for the Russell 2000 Index. Stocks which contributed positively to performance during the year included Weyco Group, Inc. (footwear), Diebold Incorporated (ATM machines), and ADTRAN, Inc. (telecom equipment). Stocks which had a negative impact on performance included AmTrust Financial Corporation (banking), Gannett Company, Inc. (newspapers), and Sparton Corporation (electronic manufacturing services).

A root cause of the credit crisis was the simple fact that too many companies and individuals borrowed too much money. Low interest rates, lax lending standards, and excessive leverage helped foster an era of easy credit, which manifested itself in the form of numerous financial asset bubbles. In hindsight, it now seems so obvious that a collapse was inevitable. Although the Fund had little exposure to the hardest hit sectors, we severely underestimated the collateral damage the broader economy would endure as a result of the credit crisis. Corporations and consumers are now de-leveraging. This process will be painful in the near-term as economic activity contracts, but we believe it will ultimately lead to a healthier economy and more stable financial markets in the long-run.

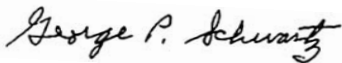
History tells us there will be another bull market, even though it may not look like it now, as investors are currently gripped with fear. Such periods of extreme uncertainty create tremendous opportunities on which we are attempting to capitalize, by purchasing shares of what we consider to be great companies at bargain prices. When economic prospects are bleak and pessimism is rampant, the future returns from equity investments can be excellent. Many investors don't realize that there is an inverse relationship between the price paid for an investment and its future rate of return – the lower the price paid, the higher the rate of return will be in the future. The low confidence and widespread fearfulness of investors today will potentially lead to outsized gains in the future. One of the world's most

successful investors, Sir John Templeton used to say, “Buy at the point of maximum pessimism. That’s when the bargains are the greatest.” Would you say that investors today are at the point of maximum pessimism?

In managing the portfolio, we are emphasizing quality. The current recession and bear market has afforded the opportunity to purchase some companies that we consider to be extremely high quality at compelling prices. Recently initiated positions include 3M Company (diversified manufacturing), Federated Investors, Inc. (investment management), Coach, Inc. (retailing), Cisco Systems, Inc. (network equipment), and eBay, Inc. (internet services). These fine companies have fortress balance sheets, with little or no debt, which allows them flexibility and the ability to control their own destiny. During economic downturns we believe they are positioned to take market share from weaker competitors struggling under debt burdens. The aforementioned companies possess strong brand names, wonderful businesses, generate high returns on capital, and produce excess cash flow each year. With fear and pessimism widespread, even these truly exceptional companies can be found in the bargain bin. From currently depressed share prices, patient, long-term investors should be richly rewarded.

Thanks for being a shareholder of the Schwarz Value Fund.

With best regards,



George P. Schwartz, CFA
Co-Portfolio Manager



Timothy S. Schwartz, CFA
Co-Portfolio Manager

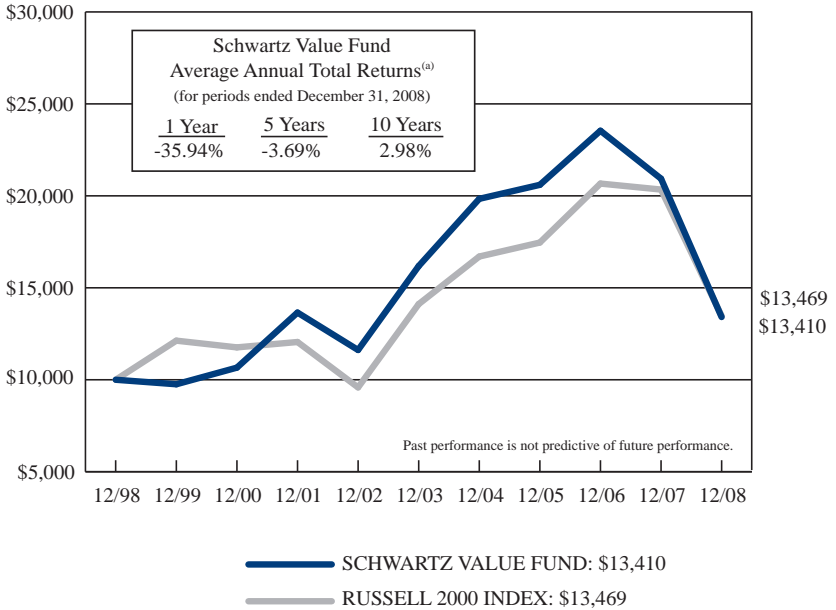
Past performance is not predictive of future performance. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Performance data, current to 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 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 Schwarz Value Fund is distributed by Ultimus Fund Distributors, LLC.

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

SCHWARTZ VALUE FUND PERFORMANCE (Unaudited)

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



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

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

SCHWARTZ VALUE FUND

ANNUAL TOTAL RATES OF RETURN

COMPARISON WITH MAJOR INDICES (Unaudited)

	SCHWARTZ VALUE FUND ^(a)	RUSSELL 2000 INDEX	RUSSELL 2000 VALUE INDEX	RUSSELL 2000 GROWTH INDEX	NASDAQ COMPOSITE ^(b)	VALUE LINE COMPOSITE ^(b)	S&P 500 INDEX
1984	11.1%	-7.3%	2.3%	-15.8%	-11.2%	-8.4%	6.1%
1985	21.7%	31.1%	31.0%	31.0%	31.4%	20.7%	31.6%
1986	16.4%	5.7%	7.4%	3.6%	7.4%	5.0%	18.7%
1987	-0.6%	-8.8%	-7.1%	-10.5%	-5.3%	-10.6%	5.3%
1988	23.1%	24.9%	29.5%	20.4%	15.4%	15.4%	16.8%
1989	8.3%	16.2%	12.4%	20.2%	19.3%	11.2%	31.6%
1990	-5.3%	-19.5%	-21.8%	-17.4%	-17.8%	-24.3%	-3.2%
1991	32.0%	46.1%	41.7%	51.2%	56.8%	27.2%	30.4%
1992	22.7%	18.4%	29.1%	7.8%	15.5%	7.0%	7.6%
1993	20.5%	18.9%	23.8%	13.4%	14.7%	10.7%	10.1%
1994	-6.8%	-1.8%	-1.6%	-2.4%	-3.2%	-6.0%	1.3%
1995	16.9%	28.4%	25.8%	31.0%	39.9%	19.3%	37.5%
1996	18.3%	16.5%	21.4%	11.3%	22.7%	13.4%	22.9%
1997	28.0%	22.4%	31.8%	13.0%	21.6%	21.1%	33.4%
1998	-10.4%	-2.5%	-6.5%	1.2%	39.6%	-3.8%	28.6%
1999	-2.5%	21.3%	-1.5%	43.1%	85.6%	-1.4%	21.0%
2000	9.3%	-3.0%	22.8%	-22.4%	-39.3%	-8.7%	-9.1%
2001	28.1%	2.5%	14.0%	-9.2%	-21.0%	-6.1%	-11.9%
2002	-14.9%	-20.5%	-11.4%	-30.3%	-31.5%	-28.6%	-22.1%
2003	39.3%	47.3%	46.0%	48.5%	50.0%	37.4%	28.7%
2004	22.6%	18.3%	22.3%	14.3%	8.6%	11.5%	10.9%
2005	3.8%	4.6%	4.7%	4.2%	1.4%	2.0%	4.9%
2006	14.3%	18.4%	23.5%	13.4%	9.5%	11.0%	15.8%
2007	-11.1%	-1.6%	-9.8%	7.1%	9.8%	-3.8%	5.5%
2008	-35.9%	-33.8%	-28.9%	-38.5%	-40.5%	-48.7%	-37.0%

AVERAGE ANNUAL TOTAL RETURNS

As of December 31, 2008 (Unaudited)

	SCHWARTZ VALUE FUND ^(a)	RUSSELL 2000 INDEX	RUSSELL 2000 VALUE INDEX	RUSSELL 2000 GROWTH INDEX	NASDAQ COMPOSITE ^(b)	VALUE LINE COMPOSITE ^(b)	S&P 500 INDEX
3 Years	-13.3%	-8.3%	-7.5%	-9.3%	-10.6%	-18.2%	-8.4%
5 Years	-3.7%	-0.9%	0.3%	-2.4%	-4.7%	-9.0%	-2.2%
10 Years	3.0%	3.0%	6.1%	-0.8%	-3.2%	-6.4%	-1.4%
25 Years	8.5%	7.9%	10.3%	5.0%	7.2%	0.6%	9.8%

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

^(b) Excluding dividends.

SCHWARTZ VALUE FUND
TEN LARGEST EQUITY HOLDINGS
December 31, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
182,700	Unico American Corporation	\$ 1,609,587	5.9%
25,000	Mohawk Industries, Inc.	1,074,250	3.9%
10	Berkshire Hathaway, Inc. - Class A	966,000	3.5%
150,000	Meadowbrook Insurance Group, Inc.	966,000	3.5%
50,000	Sun Hydraulics Corporation	942,000	3.4%
15,000	Johnson & Johnson	897,450	3.3%
10,000	SPDR Gold Trust.....	865,500	3.2%
15,000	3M Company	863,100	3.1%
25,000	Weyco Group, Inc.	826,250	3.0%
40,000	Microsoft Corporation.....	777,600	2.8%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	14.5%
Consumer Staples	0.7%
Energy	16.4%
Financials.....	20.7%
Health Care	8.0%
Industrials	16.4%
Information Technology	14.6%
Exchange-Traded Funds	3.2%
Cash Equivalents, Other Assets and Liabilities	5.5%
	<u>100.0%</u>

SCHWARTZ VALUE FUND

SCHEDULE OF INVESTMENTS

December 31, 2008

COMMON STOCKS — 91.3%	Shares	Market Value
Consumer Discretionary — 14.5%		
<i>Auto Components — 1.6%</i>		
Gentex Corporation	50,000	\$ 441,500
<i>Automobiles — 1.2%</i>		
Harley-Davidson, Inc.	20,000	339,400
<i>Diversified Consumer Services — 0.4%</i>		
Strayer Education, Inc.	500	107,205
<i>Household Durables — 3.9%</i>		
Mohawk Industries, Inc. *	25,000	1,074,250
<i>Media — 2.0%</i>		
Gannett Company, Inc.	70,000	560,000
<i>Specialty Retail — 1.2%</i>		
Signet Jewelers Ltd.	36,760	318,709
<i>Textiles, Apparel & Luxury Goods — 4.2%</i>		
Coach, Inc. *	15,000	311,550
K-Swiss, Inc. - Class A	1,000	11,400
Weyco Group, Inc.	25,000	826,250
		<u>1,149,200</u>
Consumer Staples — 0.7%		
<i>Beverages — 0.7%</i>		
Coca-Cola Company (The)	4,000	181,080
Energy — 16.4%		
<i>Energy Equipment & Services — 10.1%</i>		
Atwood Oceanics, Inc. *	20,000	305,600
ENSCO International, Inc.	10,000	283,900
Halliburton Company	25,000	454,500
Nabors Industries Ltd. *	20,000	239,400
National Oilwell Varco, Inc. *	10,000	244,400
Patterson-UTI Energy, Inc.	37,500	431,625
Rowan Companies, Inc.	25,000	397,500
Schlumberger Ltd.	10,000	423,300
		<u>2,780,225</u>
<i>Oil, Gas & Consumable Fuels — 6.3%</i>		
Forest Oil Corporation *	8,000	131,920
Holly Corporation	15,000	273,450
Peabody Energy Corporation	15,000	341,250
Rosetta Resources, Inc. *	100,000	708,000
Southwestern Energy Company *	4,000	115,880
XTO Energy, Inc.	5,000	176,350
		<u>1,746,850</u>

SCHWARTZ VALUE FUND

SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 91.3% (Continued)	Shares	Market Value
Financials — 20.7%		
<i>Capital Markets — 0.4%</i>		
Federated Investors, Inc. - Class B	6,000	\$ 101,760
<i>Commercial Banks — 2.2%</i>		
Comerica, Inc.	30,000	595,500
<i>Diversified Financial Services — 1.0%</i>		
PICO Holdings, Inc. *	10,000	265,800
<i>Insurance — 16.3%</i>		
Alleghany Corporation *	1,500	423,000
Berkshire Hathaway, Inc. - Class A*	10	966,000
Brown & Brown, Inc.	10,000	209,000
Markel Corporation *	1,000	299,000
Meadowbrook Insurance Group, Inc.	150,000	966,000
Unico American Corporation *	182,700	1,609,587
		4,472,587
<i>Real Estate Management & Development — 0.7%</i>		
I. Gordon Corporation *	16,499	187,264
<i>Thrifts & Mortgage Finance — 0.1%</i>		
AmTrust Financial Corporation	237	36,735
Health Care — 8.0%		
<i>Health Care Equipment & Supplies — 2.9%</i>		
Kinetic Concepts, Inc. *	25,000	479,500
Neogen Corporation *	5,000	124,900
Stryker Corporation	5,000	199,750
		804,150
<i>Pharmaceuticals — 5.1%</i>		
Eli Lilly & Company	10,000	402,700
Johnson & Johnson	15,000	897,450
Pfizer, Inc.	5,000	88,550
		1,388,700
Industrials — 16.4%		
<i>Aerospace & Defense — 4.4%</i>		
Boeing Company (The)	5,000	213,350
General Dynamics Corporation	3,000	172,770
Precision Castparts Corporation	4,000	237,920
Rockwell Collins, Inc.	15,000	586,350
		1,210,390
<i>Air Freight & Logistics — 0.4%</i>		
Forward Air Corporation	5,000	121,350
<i>Electrical Equipment — 0.5%</i>		
AZZ, Inc. *	6,000	150,600

SCHWARTZ VALUE FUND

SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 91.3% (Continued)	Shares	Market Value
Industrials — 16.4% (Continued)		
<i>Industrial Conglomerates — 4.0%</i>		
3M Company	15,000	\$ 863,100
Raven Industries, Inc.	10,000	241,000
		<u>1,104,100</u>
<i>Machinery — 5.9%</i>		
Graco, Inc.	5,000	118,650
Hurco Companies, Inc. *	20,000	240,000
Sun Hydraulics Corporation	50,000	942,000
Terex Corporation *	10,000	173,200
Trinity Industries, Inc.	10,000	157,600
		<u>1,631,450</u>
<i>Professional Services — 1.2%</i>		
Sparton Corporation *	192,104	318,892
Information Technology — 14.6%		
<i>Communications Equipment — 0.9%</i>		
Cisco Systems, Inc. *	15,000	244,500
<i>Computers & Peripherals — 2.7%</i>		
Dell, Inc. *	50,000	512,000
Teradata Corporation *	15,000	222,450
		<u>734,450</u>
<i>Electronic Equipment, Instruments & Components — 4.1%</i>		
Arrow Electronics, Inc. *	10,000	188,400
Avnet, Inc. *	10,000	182,100
Ingram Micro, Inc. - Class A*	30,000	401,700
MTS Systems Corporation	6,000	159,840
ScanSource, Inc. *	10,000	192,700
		<u>1,124,740</u>
<i>Internet Software & Services — 0.5%</i>		
eBay, Inc. *	10,000	139,600
<i>IT Services — 1.2%</i>		
Accenture Ltd. - Class A	10,000	327,900
<i>Office Electronics — 1.8%</i>		
Zebra Technologies Corporation - Class A*	25,000	506,500
<i>Software — 3.4%</i>		
Manhattan Associates, Inc. *	10,000	158,100
Microsoft Corporation	40,000	777,600
		<u>935,700</u>
Total Common Stocks (Cost \$28,931,085)		<u>\$ 25,101,087</u>

SCHWARTZ VALUE FUND SCHEDULE OF INVESTMENTS (Continued)

EXCHANGE-TRADED FUNDS — 3.2%	Shares	Market Value
SPDR Gold Trust * (Cost \$758,264)	10,000	\$ 865,500
OPEN-END FUNDS — 0.0%	Shares	Market Value
Sequoia Fund (Cost \$7,906).....	60	\$ 5,763
MONEY MARKET FUNDS — 5.9%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% ^(a)	1,158,393	\$ 1,158,393
Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 0.38% ^(a)	475,743	475,743
Total Money Market Funds (Cost \$1,634,136)		<u>\$ 1,634,136</u>
Total Investments at Market Value — 100.4% (Cost \$31,331,391)		\$ 27,606,486
Liabilities in Excess of Other Assets — (0.4%)		<u>(116,678)</u>
Net Assets — 100.0%		<u>\$ 27,489,808</u>

* Non-income producing security.

^(a) Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

SCHWARTZ VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2008

ASSETS

Investments, at market value (cost of \$31,331,391) (Note 1)	\$ 27,606,486
Receivable for capital shares sold	1,178
Receivable for investment securities sold	302,250
Dividends receivable.....	71,744
Other assets	14,790
TOTAL ASSETS	<u>27,996,448</u>

LIABILITIES

Payable for capital shares redeemed	1,322
Payable for investment securities purchased.....	416,523
Payable to Adviser (Note 2)	70,480
Payable to administrator (Note 2)	4,000
Other accrued expenses and liabilities	14,315
TOTAL LIABILITIES	<u>506,640</u>

NET ASSETS	<u>\$ 27,489,808</u>
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NET ASSETS CONSIST OF:

Paid-in capital	\$ 41,152,510
Accumulated net realized losses from security transactions	(9,937,797)
Net unrealized depreciation on investments	(3,724,905)
NET ASSETS	<u>\$ 27,489,808</u>

Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	<u>1,946,663</u>
Net asset value, offering price and redemption price per share	<u>\$ 14.12</u>

See notes to financial statements.

SCHWARTZ VALUE FUND
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2008

INVESTMENT INCOME

Dividends (Net of foreign tax of \$4,280)	\$ 705,497
Interest	<u>712</u>
TOTAL INCOME	<u>706,209</u>

EXPENSES

Investment advisory fees (Note 2)	403,273
Administration, accounting and transfer agent fees (Note 2)	62,171
Trustees' fees and expenses	28,506
Legal and audit fees	26,361
Registration fees	19,797
Custodian and bank service fees	12,595
Postage and supplies	8,385
Insurance expense	4,710
Compliance service fees and expenses (Note 2)	2,238
Other expenses	<u>6,584</u>
TOTAL EXPENSES	<u>574,620</u>

NET INVESTMENT INCOME	<u>131,589</u>
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REALIZED AND UNREALIZED LOSSES ON INVESTMENTS

Net realized losses from security transactions	(9,855,131)
Net change in unrealized appreciation/(depreciation) on investments	<u>(7,432,185)</u>

NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS	<u>(17,287,316)</u>
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NET DECREASE IN NET ASSETS FROM OPERATIONS	<u>\$ (17,155,727)</u>
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See notes to financial statements.

SCHWARTZ VALUE FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income/(loss)	\$ 131,589	\$ (3,165)
Net realized gains/(losses) from security transactions	(9,855,131)	1,295,456
Net change in unrealized appreciation/ (depreciation) on investments	(7,432,185)	(8,248,217)
Net decrease in net assets from operations.....	<u>(17,155,727)</u>	<u>(6,955,926)</u>
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(131,608)	—
From net realized gains on investments.....	(37)	(1,333,716)
Decrease in net assets from distributions to shareholders	<u>(131,645)</u>	<u>(1,333,716)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold.....	1,375,492	2,731,231
Reinvestment of distributions to shareholders.....	108,071	1,132,551
Payments for shares redeemed	(11,569,459)	(9,119,440)
Net decrease in net assets from capital share transactions	<u>(10,085,896)</u>	<u>(5,255,658)</u>
TOTAL DECREASE IN NET ASSETS.....	(27,373,268)	(13,545,300)
NET ASSETS		
Beginning of year	54,863,076	68,408,376
End of year.....	<u>\$ 27,489,808</u>	<u>\$ 54,863,076</u>
ACCUMULATED NET INVESTMENT INCOME	\$ —	\$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	72,827	108,174
Shares issued in reinvestment of distributions to shareholders	7,871	50,787
Shares redeemed	(611,212)	(362,557)
Net decrease in shares outstanding.....	(530,514)	(203,596)
Shares outstanding, beginning of year	2,477,177	2,680,773
Shares outstanding, end of year	<u>1,946,663</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 Year

	Year Ended Dec. 31, 2008	Year Ended Dec. 31, 2007	Year Ended Dec. 31, 2006	Year Ended Dec. 31, 2005	Year Ended Dec. 31, 2004
Net asset value at beginning of year	\$ 22.15	\$ 25.52	\$ 25.44	\$ 27.04	\$ 25.84
Income/(loss) from investment operations:					
Net investment income/(loss)	0.07	(0.00) ^(a)	(0.09)	(0.17)	(0.21)
Net realized and unrealized gains/ (losses) on investments	(8.03)	(2.82)	3.74	1.23	6.02
Total from investment operations	(7.96)	(2.82)	3.65	1.06	5.81
Less distributions:					
From net investment income	(0.07)	—	—	—	—
From net realized gains on investments..	(0.00) ^(a)	(0.55)	(3.57)	(2.66)	(4.61)
Total distributions	(0.07)	(0.55)	(3.57)	(2.66)	(4.61)
Net asset value at end of year	\$ 14.12	\$ 22.15	\$ 25.52	\$ 25.44	\$ 27.04
Total return ^(b)	(35.9)%	(11.1)%	14.3%	3.8%	22.6%
Ratios/Supplementary Data:					
Net assets at end of year (000's)	\$ 27,490	\$ 54,863	\$ 68,408	\$ 69,486	\$ 76,510
Ratio of expenses to average net assets	1.43%	1.34%	1.38%	1.61%	1.82%
Ratio of net investment income/(loss) to average net assets	0.33%	(0.00)%	(0.35)%	(0.65)%	(0.84)%
Portfolio turnover rate	150%	78%	82%	78%	83%

^(a) Amount rounds to less than \$0.01 per share.

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

See notes to financial statements.

SCHWARTZ VALUE FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 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.

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

SCHWARTZ VALUE FUND

NOTES TO FINANCIAL STATEMENTS (continued)

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

As of December 31, 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 following information is computed on a tax basis for each item as of December 31, 2008:

Net unrealized depreciation	\$ (4,202,467)
Capital loss carryforward	<u>(9,460,235)</u>
Accumulated deficit	<u><u>\$ (13,662,702)</u></u>

For federal income tax purposes, the cost of portfolio investments amounted to \$31,808,953 at December 31, 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	\$ 3,308,415
Gross unrealized depreciation	<u>(7,510,882)</u>
Net unrealized depreciation	<u><u>\$ (4,202,467)</u></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.

As of December 31, 2008, the Fund had a capital loss carryforward for federal income tax purposes of \$9,460,235, which expires on December 31, 2016. This capital loss carryforward may be utilized in future years to offset net realized capital gains, if any, prior to distributing such gains to shareholders.

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.

For the year ended December 31, 2008, the Fund reclassified \$19 of distributions in excess of net investment income against paid-in capital on the Statement of Assets and Liabilities. Such reclassification, the result of permanent differences between the financial statements and income tax reporting requirements, has no effect on the Fund's net assets or net asset value per share.

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

(d) Dividends and distributions — Dividends from net investment income and net capital gains, if any, are declared and paid annually in December. Dividends and distributions to shareholders are recorded on the ex-dividend date. The tax character of distributions paid during the years ended December 31, 2008 and December 31, 2007 was as follows:

Year Ended	Ordinary Income	Long-Term	Total Distributions
		Capital Gains	
December 31, 2008	\$ 131,608	\$ 37	\$ 131,645
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. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited.

SCHWARTZ VALUE FUND

NOTES TO FINANCIAL STATEMENTS (continued)

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

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

2. Investment Advisory Agreement and Transactions with Related Parties

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

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

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. In addition, the Trust reimburses the Adviser for any out-of-pocket expenses incurred for providing these services.

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

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

3. Investment Transactions

During the year ended December 31, 2008, cost of purchases and proceeds from sales and maturities of investment securities, excluding short-term investments and U.S. government securities, amounted to \$57,894,581 and \$67,131,589, respectively.

SCHWARTZ VALUE FUND

NOTES TO FINANCIAL STATEMENTS (continued)

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

RESULTS OF SPECIAL MEETING OF SHAREHOLDERS

December 22, 2008 (Unaudited)

On December 22, 2008, a Special Meeting of Shareholders of the Trust was held to consider the election of seven Trustees for the Trust. The number of shares of the Trust present and voting at the Special Meeting, either in person or by proxy, represented 55.74% of the total shares entitled to vote at the meeting. Each of the seven nominees was elected by the shareholders of the Trust.

The results of the voting with respect to the election of the seven Trustees were as follows:

Nominee/Trustee	Number of Shares	
	Affirmative	Withhold
John E. Barnds	19,557,013.21	234,902.36
Peter F. Barry	19,554,786.33	237,129.24
Louis C. Bosco, Jr.	19,435,048.92	356,866.65
Donald J. Dawson, Jr.	19,650,885.59	141,029.98
Joseph M. Grace	19,632,841.42	159,074.15
George P. Schwartz	19,661,886.42	130,029.15
Gregory J. Schwartz	19,663,861.22	128,054.35

SCHWARTZ VALUE FUND

REPORT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
Schwartz Value Fund:

We have audited the accompanying statement of assets and liabilities of Schwartz Value Fund (the "Fund"), including the schedule of investments, as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Schwartz Value Fund as of December 31, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois
February 20, 2009

SCHWARTZ VALUE FUND

BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

(Unaudited)

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

Trustee/Officer	Address	Age	Position Held with the Trust	Length of Time Served
<i>Interested Trustees:</i>				
* Gregory J. Schwartz	3707 W. Maple Road, Bloomfield Hills, MI	67	Chairman of the Board/Trustee	Since 1992
* George P. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	64	President/Trustee	Since 1992
<i>Independent Trustees:</i>				
John E. Barnds	3707 W. Maple Road, Bloomfield Hills, MI	76	Trustee	Since 2005
Peter F. Barry	3707 W. Maple Road, Bloomfield Hills, MI	81	Trustee	Since 2004
Louis C. Bosco, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	72	Trustee	Since 2008
Donald J. Dawson, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	61	Trustee	Since 1993
Joseph M. Grace	3707 W. Maple Road, Bloomfield Hills, MI	72	Trustee	Since 2007
<i>Executive Officers:</i>				
* Richard L. Platte, Jr., CFA	3707 W. Maple Road, Bloomfield Hills, MI	57	Vice President and Secretary	Since 1993
* Timothy S. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	37	Treasurer	Since 2000
* Becky S. Renaud	3707 W. Maple Road, Bloomfield Hills, MI	36	Chief Compliance Officer	Since 2006

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

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

SCHWARTZ VALUE FUND

BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

(Unaudited) (continued)

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

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

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

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

Louis C. Bosco, Jr. is a partner in Bosco Development Company (a real estate firm).

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

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

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

Timothy S. Schwartz, CFA is Vice President and Treasurer of Schwartz Investment Counsel, Inc. and is the co-portfolio manager of the Fund.

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

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

FEDERAL TAX INFORMATION (Unaudited)

In accordance with federal tax requirements, the following provides shareholders with information concerning distributions made by the Fund during the year ended December 31, 2008. On December 30, 2008, the Fund declared and paid an ordinary income distribution of \$0.0679 per share. As provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003, the ordinary income distribution of \$131,608 and a long-term capital gain distribution of \$37 may be subject to a maximum tax rate of 15%. Early in 2009, as required by federal regulations, shareholders received notification of their portion of the Fund's taxable distribution, if any, paid during the 2008 calendar year.

SCHWARTZ VALUE FUND

ABOUT YOUR FUND'S EXPENSES (Unaudited)

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

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The ongoing costs reflected in the table below are based on an investment of \$1,000 made at the beginning of the most recent semi-annual period (July 1, 2008) and held until the end of the period (December 31, 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 July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	\$ 1,000.00	\$ 763.30	\$ 6.53
Based on Hypothetical 5% Return (before expenses)	\$ 1,000.00	\$1,017.80	\$ 7.48

* Expenses are equal to the Fund's annualized expense ratio of 1.47% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

SCHWARTZ VALUE FUND

OTHER INFORMATION (Unaudited)

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 at <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

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.

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Schwartz Value Fund

series of Schwartz Investment Trust
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Board of Trustees

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

Officers

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

Investment Adviser

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Custodian

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Administrator

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