



THE
BERWYN
FUNDS

BERWYN FUND • BERWYN INCOME FUND • BERWYN CORNERSTONE FUND
(BERWX) (BERIX) (BERCX)

PROSPECTUS MAY 1, 2012

NO LOAD MUTUAL FUNDS

Shareholder Services

c/o Ultimus Fund Solutions, LLC

P.O. Box 46707 | Cincinnati, Ohio 45246-0707

1 (800) 992-6757

These securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

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RISK/RETURN SUMMARIES

BERWYN FUND

Investment Objective

Berwyn Fund seeks to achieve long-term capital appreciation; current income is a secondary consideration.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (Fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends	None
Redemption Fee (on shares redeemed within 180 days of purchase)	1.00%
Exchange Fee	None
Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	1.00%
Distribution (12b-1) Fees	None
Other Expenses	0.21%
Acquired Fund Fees and Expenses	0.01%
Total Annual Fund Operating Expenses	1.22%

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as set forth in the table above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
\$124	\$387	\$670	\$1,477

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 30% of the average value of its portfolio.

Principal Investment Strategies

The Berwyn Fund invests primarily in equity securities that offer potential for capital appreciation. Under normal market conditions, at least 80% of the value of the Fund's net assets will be invested in equity securities. The principal strategy of the Fund is to achieve long-term growth through investments in equity securities that The Killen Group, Inc., the Fund's investment advisor (the "Advisor"), believes are undervalued. The Advisor believes finding value in the marketplace is dependent upon many factors, including the level of inflation, price-to-earnings ratios, interest rates, stock market psychology and political factors. The value approach followed by the Advisor can often result in the Fund holding securities that are out of favor with most other investors. In addition, this approach can often result in the selection of securities of lesser-known companies. The Advisor, however, invests the Fund's assets only in securities listed on national securities exchanges or quoted on the over-the-counter market.

The Advisor generally selects common stock investments for the Fund based on one of three broad criteria: (1) stocks of companies selling substantially below their book value; (2) stocks of companies that, in the opinion of the Advisor, are selling at an attractive valuation to their present earnings level; and (3) stocks of companies judged by the Advisor to have above-average growth prospects over the next three-to-five year period and to be selling, in the opinion of the Advisor, at small premiums to their book values or at modest valuations to their present earnings levels.

The Fund is considered non-diversified which means the Fund is permitted to invest a greater percentage of its assets in a particular issuer. When managing the Fund's portfolio the Advisor also uses these two basic guidelines: (1) the initial investment in any single issuer will comprise less than 5% of the total value of the assets in the portfolio, and (2) the initial investment in any one industry will comprise less than 20% of the total value of the assets in the portfolio. Under normal market conditions, the Fund intends to follow these 5% and 20% investment guidelines of the Advisor. The maximum that the Fund will invest in any one industry will be 25% of the value of its total assets; this is a fundamental policy adopted by the Fund and therefore can only be changed with shareholder approval.

Principal Risks

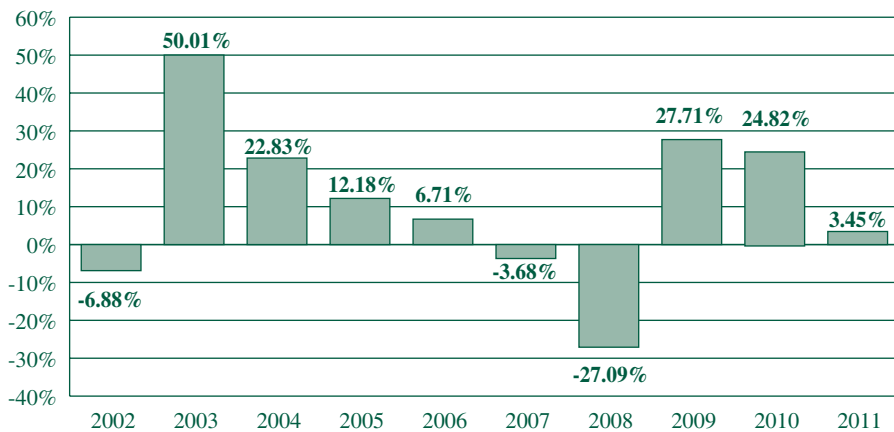
- There is no assurance that the Fund will achieve its investment objective. Market, economic and business risks affect the prices of common stocks and other equity securities and cause them to fluctuate over time. While common stocks have historically been a leading choice of long term investors, stock prices may decline over short or even extended periods. Therefore, the value of an investment in the Fund may decline and you may lose money.
- Equity securities such as common stocks and preferred stocks carry the potential for unpredictable drops in value and periods of lackluster performance. Many factors can change the value of equity securities, including the issuer's historical and prospective earnings, the value of its assets, general economic, geographic, environmental and political conditions, interest rates, investor perceptions and

market liquidity. Different parts of the market and different types of equity securities can react differently to these developments. For example, large-cap stocks can react differently from small-cap stocks, and “growth” stocks can react differently from “value” stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. In general, the smaller the company’s size, the more susceptible it is to rapid decreases in the value of its securities. Smaller companies may be more unstable or inexperienced than larger companies so that these investments may pose greater investment risks. Therefore, the value of securities of small-cap, less well-known issuers can be more volatile than the stocks of large-cap companies.

- The securities selected for investment are subject to industry and security risk. Industry and security risk is the risk that the value of securities in a particular industry or value of an individual stock will decline due to changing expectations for the performance of that industry or for the individual company issuing the stock.
- The Fund’s investment approach may result in investments in securities that are not currently in favor with most other investors and in investments in securities of lesser-known companies. The Fund’s investment success depends on the skill of the Advisor in evaluating, selecting, and monitoring the Fund’s investments. If the Advisor’s conclusions about growth rates or stock values are incorrect, the Fund may not perform as anticipated.
- The Fund is considered a “non-diversified” investment company under federal laws and regulations. This means that the Fund may invest a greater portion of its net assets in the securities of individual companies than a diversified fund could. Changes in the financial condition or market assessment of these companies may cause greater fluctuations in the share price of the Fund than in the share price of a diversified fund.

PERFORMANCE SUMMARY

The bar chart and performance table that follow provide some indication of the risks and variability of investing in the Berwyn Fund by showing the changes in the Fund's performance from year to year for each of the last 10 calendar years, and by showing how the Fund's average annual total returns compare with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of the Fund's future performance. Updated performance information, current through the most recent month end, is available at www.theberwynfunds.com/PricesPerformance.asp or by calling (800) 992-6757.



Best Quarter: 3Q '09 +24.58%

Worst Quarter: 4Q '08 -24.46%

Average Annual Total Returns for Periods Ended December 31, 2011

The performance table below presents the impact of taxes on the Fund's returns. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. If you own the Fund in a tax-deferred account, such as an individual retirement account ("IRA") or 401(k) plan, after-tax returns are not relevant to your investment because such accounts are subject to taxes only upon distribution.

Berwyn Fund	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Returns Before Taxes	3.45%	2.98%	9.05%
Returns After Taxes on Distributions	3.19%	2.45%	8.16%
Returns After Taxes on Distributions and Sale of Fund Shares	2.60%	2.41%	7.78%
Russell 2000 Index (reflects no deduction for fees, expenses, or taxes)	-4.18%	0.15%	5.62%

MANAGEMENT OF THE FUND

Investment Advisor

The Killen Group, Inc. is the Fund's investment advisor.

Investment Management Committee

Name	Title	Length of Service to the Fund
George Cipolloni III	Committee Member	Since 2005
Lee S. Grout	Committee Member	Since 2002
Robert E. Killen	Committee Member	Since 1984
Raymond J. Munsch	Committee Member	Since 2005

For important information about purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Information Relevant to All Funds" on page 20 of this Prospectus.

BERWYN INCOME FUND

Investment Objective

The investment objective of Berwyn Income Fund is to provide investors with current income while seeking to preserve capital by taking, in the opinion of the Advisor, reasonable investment risks.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (Fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends	None
Redemption Fee (on shares redeemed within 180 days of purchase)	1.00%
Exchange Fee	None
Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	0.50%
Distribution (12b-1) Fees	None
Other Expenses	0.15%
Acquired Fund Fees and Expenses	0.02%
Total Annual Fund Operating Expenses	0.67%

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as set forth above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
\$68	\$214	\$373	\$835

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 71% of the average value of its portfolio.

Risk/Return Summaries - Berwyn Income Fund

Principal Investment Strategies

The Berwyn Income Fund may invest in corporate bonds, U.S. Treasury bills, bonds and notes, debt securities issued by U.S. Government agencies, preferred stocks, asset-backed securities, mortgage-backed securities, municipal bonds and dividend-paying common stocks. Certain of the Fund's investments in corporate bonds and preferred stocks may be convertible into common stocks. The Fund may invest any percentage of its net assets in the foregoing securities as the Advisor deems appropriate, except common stocks. The Advisor will not purchase a common stock if it would cause the aggregate value of the common stocks that the Fund owns to exceed 30% of the Fund's net assets. The Advisor is not required to sell any common stocks owned by the Fund if the value of the common stocks exceeds 30% of net assets due to appreciation of the common stocks or depreciation of the Fund's other securities.

When selecting corporate bonds, the Advisor will consider the rating the bond has received from Standard and Poor's Ratings Group ("S&P") and Moody's Investors Service, Inc. ("Moody's"). The Advisor has the discretion to invest in bonds with any rating as long as the issuer is not in default in the payment of interest or principal. The Advisor may also invest in unrated bonds and may purchase bonds in private transactions that qualify under Rule 144A of the Securities Act of 1933.

The Fund invests only in the corporate bonds of those issuers that, in the opinion of the Advisor, have sufficient net worth and operating cash flow to repay principal and make timely interest payments. A corporate bond is an interest-bearing debt security issued by a corporation. For fixed rate bonds, the issuer has a contractual obligation to pay interest at a stated rate on specific dates and to repay principal (the bond's face value) on a specified date. An issuer may have the right to redeem (call) a bond before maturity.

While a bond's annual interest income established by the coupon rate may be fixed for the life of the bond, its yield (income as a percent of current price) will reflect current interest rate levels. The bond's price rises and falls so that its yield remains reflective of current market conditions.

The Advisor will select corporate bonds primarily on the basis of current yield and secondarily on the basis of anticipated long term return. The duration of bonds purchased by the Fund will usually vary from three to seven years. The Advisor has the discretion to vary the duration of the portfolio in order to take advantage of prevailing trends in interest rates. The weighted average maturity of the bonds in the Fund's portfolio was 4.37 years and the duration was 3.20 years as of December 31, 2011.

The Fund may invest in common stocks, subject to the 30% limit described above, and in preferred stocks when the Advisor deems it appropriate. The portfolio allocations to preferred and common stocks are determined by the Advisor based upon the market valuation of these securities relative to corporate bonds. The outlook for the economy is also a consideration. During periods of economic strength, greater emphasis may be placed on preferred and common stocks. Preferred stocks are generally selected based on one of two criteria: (1) preferred stocks that the Advisor believes are offering

an above average yield, in comparison to preferred stocks of the same quality; and (2) preferred stocks offering the potential for capital appreciation due to the business prospects of the issuers. The Fund may also purchase preferred stocks in private transactions that qualify under Rule 144A of the Securities Act of 1933.

Common stocks are generally selected based on one of three criteria: (1) stocks selling substantially below their book values; (2) stocks selling at low valuations to their present earnings levels; and (3) stocks judged by the Advisor to have above average growth prospects and to be selling at small premiums to their book values or at modest valuations to their present earnings levels.

In addition, the Fund will only purchase common stocks that pay cash dividends. Preferred stocks that have a cumulative feature do not have to be paying current dividends in order to be purchased. If a common stock stops paying dividends after its purchase by the Fund, the Fund would not be required to sell the stock.

The method of stock selection used by the Fund may result in the Fund selecting stocks that are currently out of favor with most other investors. The Fund may invest in the securities of lesser-known companies. The Advisor believes, however, that the risks involved with specific stocks selected for the Fund will be lessened by diversification of the Fund's portfolio. In addition, the Fund invests only in stocks listed on national securities exchanges or quoted on the over-the-counter market.

Principal Risks

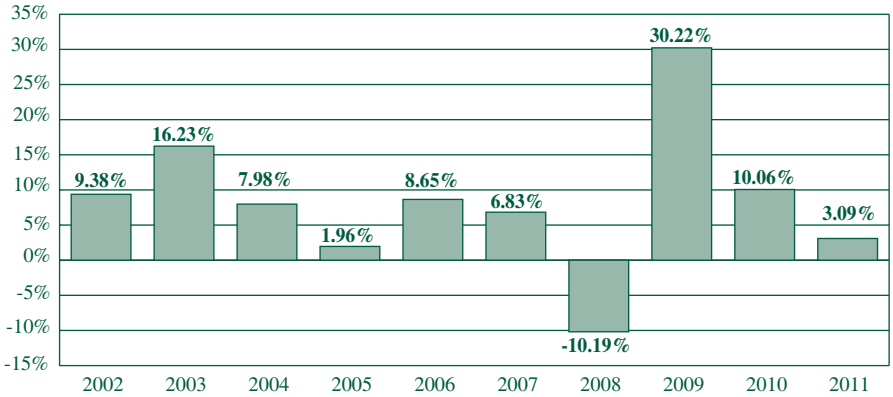
- There is no assurance that the Fund will achieve its investment objective. The value of the Fund's investments will fluctuate with market conditions and, as a result, the value of an investment in the Fund will fluctuate. An investment in the Fund may lose money and the Fund could underperform other investments.
- The securities selected for investment are subject to industry and security risk. Industry and security risk is the risk that the value of securities in a particular industry or value of an individual stock or bond will decline due to changing expectations for the performance of that industry or for the individual company issuing the stock or bond.
- Interest rate risk is the chance that bond prices will fall as interest rates rise. Securities held by the Fund with longer durations are generally more sensitive to interest rate changes.
- Call risk is the risk that during periods of falling interest rates a bond that is subject to a call may be called prior to maturity, forcing the Fund to invest the proceeds at lower market rates.
- High yield bonds ("junk bonds") entail greater risks than those found in higher rated bonds. High yield bonds are considered to be below investment grade based on significant risk of issuer default. High yield bonds and other fixed income securities are sensitive to interest rate changes. Generally, when interest rates rise, the prices of fixed income securities fall. The longer the maturity of fixed income securities, the greater the price impact from interest rate changes. The value of the Fund's

investments will also vary with bond market conditions. Other risks of high yield bonds include price volatility, sensitivity to economic changes, limited liquidity and valuation difficulties.

- Unrated bonds are bonds that are not rated by a rating service such as S&P and Moody's. These securities may or may not be more speculative than investment grade securities. The risks of investing in unrated bonds depend upon the creditworthiness of the issuer, changes in interest rates and economic and market factors. The Advisor will evaluate the creditworthiness of an unrated bond and the issuer's ability to meet the interest and principal obligations of such bond.
- Equity securities such as common stocks and preferred stocks carry the potential for unpredictable drops in value and periods of lackluster performance. Many factors can change the value of equity securities, including the issuer's historical and prospective earnings, the value of its assets, general economic, geographic, environmental and political conditions, interest rates, investor perceptions and market liquidity. Different parts of the market and different types of equity securities can react differently to these developments. For example, large-cap stocks can react differently from small-cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. In general, the smaller the company's size, the more susceptible it is to rapid decreases in the value of its securities. Smaller companies may be more unstable or inexperienced than larger companies so that these investments may pose greater investment risks. Therefore, the value of securities of small-cap, less well-known issuers can be more volatile than the stocks of large-cap companies.

PERFORMANCE SUMMARY

The bar chart and performance table that follow provide some indication of the risks and variability of investing in the Berwyn Income Fund by showing the changes in the Fund's performance from year to year for each of the last 10 calendar years, and by showing how the Fund's average annual total returns compare with those of broad measures of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of the Fund's future performance. Updated performance information, current through the most recent month end, is available at www.theberwynfunds.com/PricesPerformance.asp or by calling (800) 992-6757.



Best Quarter: 2Q '09 +12.44%

Worst Quarter: 4Q '08 -8.09%

Average Annual Total Returns for Periods Ended December 31, 2011

The performance table below presents the impact of taxes on the Fund's returns. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. If you own the Fund in a tax-deferred account, such as an individual retirement account ("IRA") or 401(k) plan, after-tax returns are not relevant to your investment because such accounts are subject to taxes only upon distribution.

Berwyn Income Fund	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Returns Before Taxes	3.09%	7.23%	7.98%
Returns After Taxes on Distributions	1.69%	5.50%	6.22%
Returns After Taxes on Distributions and Sale of Fund Shares	2.74%	5.35%	5.97%
Citigroup Broad Investment Grade Bond Index (reflects no deduction for fees, expenses, or taxes)	7.85%	6.69%	5.89%
ML HYMII (reflects no deduction for fees, expenses, or taxes) ¹	4.38%	7.34%	8.59%
Lipper Income Fund Index ²	1.98%	2.78%	4.60%

¹ The Merrill Lynch High Yield Master II Index (ML HYMII) is included as an additional index for comparison because the Advisor may invest a significant portion of the Fund's assets in high yield securities.

² The Lipper Income Fund Index is included as an additional index for comparison because it is an index of funds with similar investment objectives as the Fund.

MANAGEMENT OF THE FUND

Investment Advisor

The Killen Group, Inc. is the Fund's investment advisor.

Investment Management Committee

Name	Title	Length of Service to the Fund
George Cipolloni III	Committee Member	Since 2005
Lee S. Grout	Committee Member	Since 2005
Robert E. Killen	Committee Member	Since 2005
Raymond J. Munsch	Committee Member	Since 2005

For important information about purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Information Relevant to All Funds" on page 20 of this Prospectus.

BERWYN CORNERSTONE FUND

Investment Objective

Berwyn Cornerstone Fund seeks to achieve long-term capital appreciation; current income is a secondary consideration.

FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (Fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends	None
Redemption Fee (on shares redeemed within 180 days of purchase)	1.00%
Exchange Fee	None
Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	0.85%
Distribution (12b-1) Fees	None
Other Expenses	1.10%
Acquired Fund Fees and Expenses	0.01%
Total Annual Fund Operating Expenses	1.96%
Management Fee Waivers and Expense Reimbursements ^(a)	0.70%
Total Annual Fund Operating Expenses After Management Fee Waivers and Expense Reimbursements	1.26%

^(a) The Advisor has entered into an Expense Limitation Agreement where the Advisor has contractually agreed until at least May 1, 2013 to waive Management Fees and/or reimburse Fund expenses so that the Fund's Total Annual Fund Operating Expenses (excluding taxes, interest, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses) do not exceed 1.25% of the Fund's average daily net assets. Upon the expiration of the Expense Limitation Agreement and pursuant to the terms of the Contract for Investment Advisory Services the Advisor has agreed for the life of the Fund to waive all or a portion of its Management Fees in any fiscal year in order to limit Total Annual Fund Operating Expenses (excluding taxes, interest, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses) to 2.00% when the Fund's net assets are \$100 million or less, or 1.50% of the Fund's average daily net assets when the Fund's net assets exceed \$100 million. Both arrangements may be terminated by either party upon 60 days advance written notice, provided, however, that (1) the Advisor may not terminate the arrangements without the approval of the Board of Trustees, and (2) the arrangements will terminate automatically if the Advisor ceases to serve as investment adviser to the Fund.

Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and takes into account the Advisor's contractual arrangements to maintain the Fund's expenses at the agreed upon levels. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
\$128	\$547	\$992	\$2,229

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 22% of the average value of its portfolio.

Principal Investment Strategies

The Fund intends to achieve its investment objective through investments in equity and fixed income securities, such as common stocks, preferred stocks and corporate bonds, that offer potential for long-term capital appreciation. The Fund invests in securities that the Advisor believes are undervalued. The Advisor believes finding value in the marketplace is dependent upon many factors, including the level of inflation, price-to-earnings ratios, interest rates, stock market psychology and political factors. The Advisor determines the percentage of each type of security to hold based upon the prevailing economic and market conditions. Normally, the Fund will invest primarily in equity securities, the majority of which will be issued by large-capitalization and/or mid-capitalization companies (those with market capitalizations greater than the smallest capitalization company included in the S&P MidCap 400 Index at the time the security is purchased). The Advisor has the discretion to invest up to 100% of the Fund's net assets in common stocks, preferred stocks, or fixed income securities. The Advisor may invest in fixed income securities with any credit rating or maturity date. If the Advisor decides it is appropriate, the Advisor may invest all or a portion of the Fund's assets in lower rated, high yield, high risk bonds, known as "junk bonds." The Advisor will invest in corporate bonds and preferred stocks when it believes that prevailing interest rates offer the potential for these instruments to achieve long term capital appreciation or during periods of stock market adversity. The Fund will invest primarily in securities issued by domestic entities.

The Advisor generally selects common stock investments based on one of three broad criteria: (1) stocks of companies selling substantially below their book value; (2) stocks of companies that, in the opinion of the Advisor, are selling at an attractive valuation to their present earnings level; and (3) stocks of companies judged by the Advisor to

have above-average growth prospects over the next three-to-five year period and to be selling, in the opinion of the Advisor, at small premiums to their book values or at modest valuations to their present earnings levels.

The Fund is considered non-diversified which means the Fund is permitted to invest a greater percentage of its assets in a particular issuer. When managing the Fund's portfolio the Advisor also uses two basic guidelines: (1) the initial investment in any single issuer will comprise less than 5% of the total value of the assets in the portfolio; and (2) the initial investment in any one industry will comprise less than 20% of the total value of the assets in the portfolio. Under normal market conditions, the Fund intends to follow these 5% and 20% investment guidelines of the Advisor. The maximum that the Fund will invest in any one industry will be 25% of the value of its total assets; this is a fundamental policy adopted by the Fund and therefore can only be changed with shareholder approval.

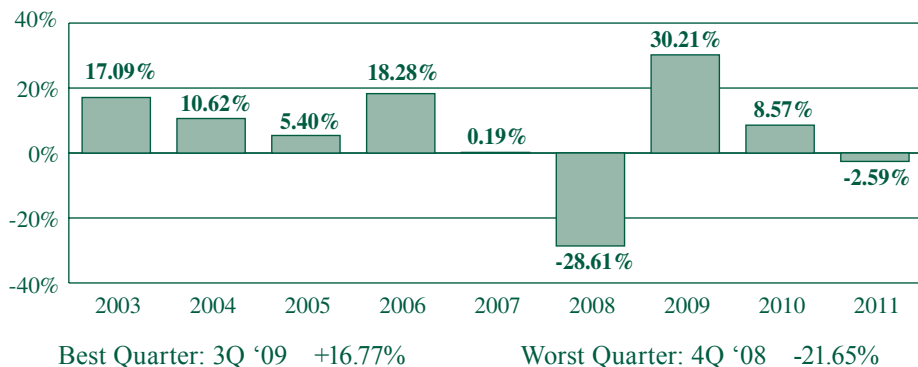
Principal Risks

- There is no assurance that the Fund will achieve its investment objective. Market, economic and business risks affect the prices of common stocks and other equity securities and cause them to fluctuate over time. While common stocks have historically been a leading choice of long term investors, stock prices may decline over short or even extended periods. Therefore, the value of an investment in the Fund may decline and you may lose money.
- Equity securities such as common stocks and preferred stocks carry the potential for unpredictable drops in value and periods of lackluster performance. Many factors can change the value of equity securities, including the issuer's historical and prospective earnings, the value of its assets, general economic, geographic, environmental and political conditions, interest rates, investor perceptions and market liquidity. Different parts of the market and different types of equity securities can react differently to these developments. For example, large-cap stocks can react differently from mid-cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. In general, the smaller the company's size, the more susceptible it is to rapid decreases in the value of its securities. Smaller companies may be more unstable or inexperienced than larger companies so that these investments may pose greater investment risks. Therefore, the value of securities of mid-cap (medium size), less well-known issuers can be more volatile than the stocks of large-cap companies.
- The securities selected for investment are subject to industry and security risk. Industry and security risk is the risk that the value of securities in a particular industry or value of an individual stock or bond will decline due to changing expectations for the performance of that industry or for the individual company issuing the stock or bond.

- The Fund’s investment approach may result in investments in securities that are not currently in favor with most other investors and in investments in securities of lesser-known companies. The Fund’s investment success depends on the skill of the Advisor in evaluating, selecting, and monitoring the Fund’s investments. If the Advisor’s conclusions about growth rates or stock values are incorrect, the Fund may not perform as anticipated.
- Interest rate risk is the chance that bond prices will fall as interest rates rise. Securities held by the Fund with longer durations are generally more sensitive to interest rate changes.
- Call risk is the risk that during periods of falling interest rates a bond that is subject to a call may be called prior to maturity, forcing the Fund to invest the proceeds at lower market rates.
- High yield bonds (“junk bonds”) entail greater risks than those found in higher rated bonds. High yield bonds are considered to be below investment grade based on significant risk of issuer default. High yield bonds and other fixed income securities are sensitive to interest rate changes. Generally, when interest rates rise, the prices of fixed income securities fall. The longer the maturity of fixed income securities, the greater the price impact from interest rate changes. The value of the Fund’s other investments may also vary with bond market conditions. Other risks of high yield bonds include price volatility, sensitivity to economic changes, limited liquidity and valuation difficulties.
- Unrated bonds are bonds that are not rated by a rating service such as S&P and Moody’s. These securities may or may not be more speculative than investment grade securities. The risks of investing in unrated bonds depend upon the creditworthiness of the issuer, changes in interest rates and economic and market factors. The Advisor will evaluate the creditworthiness of an unrated bond and the issuer’s ability to meet the interest and principal obligations of such bond.
- The Fund is considered a “non-diversified” investment company under federal laws and regulations. This means that the Fund may invest a greater portion of its net assets in the securities of individual companies than a diversified fund could. Changes in the financial condition or market assessment of these companies may cause greater fluctuations in the share price of the Fund than in the share price of a diversified fund.

PERFORMANCE SUMMARY

The bar chart and performance table that follow provide some indication of the risks and variability of investing in the Berwyn Cornerstone Fund by showing the changes in the Fund's performance from year to year for each full calendar year over the lifetime of the Fund, and by showing how the Fund's average annual total returns compare with those of broad measures of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of the Fund's future performance. Updated performance information, current through the most recent month end, is available at www.theberwynfunds.com/PricesPerformance.asp or by calling (800) 992-6757.



Note: Returns reflect fee waivers by the Advisor and without such fee waivers returns would have been lower.

Average Annual Total Returns for Periods Ended December 31, 2011

The performance table below presents the impact of taxes on the Fund's returns. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. If you own the Fund in a tax-deferred account, such as an individual retirement account ("IRA") or 401(k) plan, after-tax returns are not relevant to your investment because such accounts are subject to taxes only upon distribution.

	<u>1 Year</u>	<u>5 Years</u>	<u>Since Inception (May 1, 2002)</u>
Berwyn Cornerstone Fund			
Returns Before Taxes	-2.59%	-0.30%	4.80%
Returns After Taxes on Distributions	-2.75%	-0.65%	4.48%
Returns After Taxes on Distributions and Sale of Fund Shares	-1.47%	-0.26%	4.18%
Standard & Poor's MidCap 400 Index (reflects no deduction for fees, expenses, or taxes)	-1.73%	3.32%	6.58%
Standard & Poor's 500 Index (reflects no deduction for fees, expenses, or taxes) ¹	2.11%	-0.25%	3.57%

¹ The Standard & Poor's 500 Index is included as an additional index for comparison because the Advisor may invest a significant portion of the Fund's assets in large-capitalization companies, such as those contained in the S&P 500 Index. The S&P 500 Index is an unmanaged index of the common stocks of 500 widely held U.S. companies.

MANAGEMENT OF THE FUND

Investment Advisor

The Killen Group, Inc. is the Fund's investment advisor.

Investment Management Committee

Name	Title	Length of Service to the Fund
George Cipolloni III	Committee Member	Since 2005
Lee S. Grout	Committee Member	Since 2002
Robert E. Killen	Committee Member	Since 2002
Raymond J. Munsch	Committee Member	Since 2005

For important information about purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Information Relevant to All Funds" on page 20 of this Prospectus.

INFORMATION RELEVANT TO ALL FUNDS

PURCHASE, SALE, AND EXCHANGE OF FUND SHARES

Minimum Initial Investment Requirements

\$3,000 for all types of taxable accounts *(may be divided among different types of taxable accounts and Funds)*

\$1,000 for Individual Retirement Accounts (“IRA”)

\$250 for Spousal IRAs

Minimum Additional Investment Requirement

\$250 for all types of taxable and non-taxable accounts

To Place Purchase, Redemption or Exchange Orders

By Mail: The Berwyn Funds
c/o Ultimus Fund Solutions, LLC
P.O.Box 46707
Cincinnati, Ohio 45246-0707

By Bank Wire: Call 1-800-992-6757 for assistance.

General Information

You may purchase, redeem (sell), or exchange shares of each Fund on each day that the New York Stock Exchange is open for business. Transactions may be initiated by written request, by wire transfer or through your financial intermediary.

TAX INFORMATION

Each Fund expects to distribute substantially all of its net investment income and net realized gains to its shareholders at least annually. The Funds’ distributions are generally taxable as ordinary income or capital gains.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase the Funds through a broker-dealer or other financial intermediary (such as a bank), the Funds and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Funds over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

OTHER INVESTMENT STRATEGIES AND RELATED RISKS

BERWYN FUND

Small Capitalization Stocks – The Fund may invest in small capitalization companies. When investing in small capitalization companies the Advisor is generally seeking companies that are considered to offer above average growth prospects over the next three-to-five year period and to be selling, in the opinion of the Advisor, at attractive valuations. The Advisor has, more often than not, found that small-capitalization stocks offer more value than large-capitalization stocks. Consequently, the performance of the Fund is most often compared to the Russell 2000 Index, an index of smaller capitalization stocks. As of February 29, 2012, the average weighted market capitalization for the companies in the Fund’s portfolio was approximately \$646 million, which is smaller than that of the Russell 2000 Index (\$1.33 billion).

Preferred Stock – Shares of preferred stock may be purchased by the Fund. Preferred stock is a share of stock issued by a corporation that usually has rights or preferences superior to those of common stock. Preferred stock may have a fixed dividend, and the issuer of preferred stock may have the right to redeem (call) the stock in accordance with a specified redemption price and/or date. Preferred stocks are generally selected based on one of two criteria: (1) preferred stocks the Advisor believes are offering an above average yield, in comparison to preferred stocks of the same quality; and (2) preferred stocks offering the potential for capital appreciation due to the business prospects of the issuer.

Exchange Traded Funds – Shares of exchange traded funds (“ETFs”) and other similar instruments may be purchased by the Fund. An ETF is an investment company registered under the Investment Company Act of 1940 (the “1940 Act”) that holds a portfolio of securities designed to track the performance of a particular index. ETFs sell and redeem their shares at net asset value in large blocks (typically 50,000 shares or more) called “creation units.” Shares representing fractional interests in these creation units are listed for trading on national securities exchanges and can be purchased and sold in the secondary market in lots of any size at any time during the trading day. The Fund will use ETFs primarily when it wishes to invest in certain markets or segments of markets, as represented by the particular ETF, in a diversified (as to number of companies or securities) manner. When the Fund invests in ETFs, the Fund will pay a management fee on the assets invested in the ETF in addition to the operating expenses of the Fund. The Fund will not invest (measured at the time of purchase) more than 10% of its net assets in shares of ETFs.

Fixed Income Securities – The Fund may invest in fixed income securities. When investing in fixed income securities the Fund will primarily invest in corporate bonds. A corporate bond is an interest bearing debt security issued by a corporation. The issuer has a contractual obligation to pay interest at a stated rate on specific dates and to repay principal (the bond’s face value) on a specified date. An issuer may have the right to redeem (call) a bond before maturity.

Some of the fixed income securities (or preferred stocks) in which the Fund invests may be convertible into common stocks. While the annual income paid on a fixed income security may be constant for the life of the instrument, its yield (income as a percent of current price) will reflect current interest rate levels. The price of a fixed income security rises and falls so that its yield remains reflective of current market conditions. The price of a fixed income security usually rises when interest rates fall and usually falls when interest rates rise. If a fixed income security (or preferred stock) has a conversion feature, its price will generally rise if the price of the underlying common stock appreciates above the conversion price. If the underlying common stock trades below the conversion price, the fixed income security will generally trade based upon current interest rate levels. If a fixed income security is subject to call and is called before maturity, the Fund may have to reinvest the proceeds at lower market rates.

While the Fund emphasizes investments in equity securities, the Fund may invest under normal market conditions up to 20% of the value of its net assets in fixed income securities. The Fund invests in fixed income securities when the Advisor believes that, based upon prevailing interest rates, fixed income securities offer the potential for long-term capital appreciation or during periods of stock market adversity. The fixed income securities selected may include securities within any of the rating categories of S&P and Moody's, including securities with an S&P D rating, a Moody's C rating and unrated securities that are determined by the Advisor to be of equivalent quality. (See Appendix A in the Statement of Additional Information for S&P and Moody's descriptions of bond ratings.) Fixed income securities rated A or higher by S&P and Moody's are considered high-grade securities and have one of the three highest ratings for creditworthiness. Fixed income securities rated BBB by S&P or Baa by Moody's are defined as medium grade securities. These securities are considered creditworthy and of investment quality, but there is a possibility that the ability of the issuer of the securities to pay interest or repay the principal in the future may be impaired by adverse economic conditions or changing circumstances. Fixed income securities rated lower than BBB (S&P rating) or Baa (Moody's rating) are less creditworthy than investment grade securities with the same maturity and, as a consequence, may pay higher income. Fixed income securities rated BB, B, CCC or CC by S&P or Ba, B or Caa by Moody's are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal.

Temporary Defensive Positions – Although the Fund will normally invest according to its investment objective as outlined herein, the Fund may, for temporary defensive purposes, invest all or a portion of its assets in cash, cash equivalents, high quality money market instruments, money market funds and other short-term debt instruments. Investment in a money market fund will result in the Fund paying a management fee on the money invested in such fund in addition to the operating expenses of the Fund. When the Fund invests for temporary defensive purposes, the Fund may not achieve its investment objective.

Related Risks

The following table highlights other risks associated with investing in the Berwyn Fund:

Risks
<p>Small Capitalization Company Risk includes the risks of greater volatility and less liquidity than investments in larger capitalization companies. The securities of small capitalization companies may be traded in lower volumes, which can increase volatility.</p>
<p>Interest Rate Risk is the chance that bond prices will fall as interest rates rise. Securities held by the Fund with longer durations are generally more sensitive to interest rate changes.</p>
<p>Call Risk is the risk that during periods of falling interest rates a bond, subject to a call, may be called prior to maturity, forcing the Fund to invest the proceeds at lower market rates.</p>
<p>High Yield Bond (“junk bonds”) Investing Risk includes the general risks of investing in bonds such as market, economic and business risk, interest rates, and the creditworthiness of the issuer. These securities have a much greater risk of default and may be more volatile than higher-rated securities. High yield bonds and other fixed income securities are sensitive to interest rate changes. Generally, when interest rates rise, the prices of fixed income securities fall. The longer the maturity of fixed income securities, the greater the price impact from interest rate changes. The value of the Fund’s other investments may also vary with bond market conditions. Other risks of high yield bonds include price volatility, limited liquidity and valuation difficulties.</p>
<p>ETF Investment Risk involves certain inherent risks generally associated with investments in a broadly-based portfolio of securities including risks that: (1) the general level of securities prices may decline, thereby adversely affecting the value of shares of the ETF; (2) an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of securities held; (3) an ETF may be adversely affected by the performance of the specific index, market sector or group of industries on which it is based; and (4) an ETF may not track an index as well as a traditional index mutual fund. In addition, there may be a difference between the ETF’s market value on the securities exchange and the ETF’s net asset value.</p>

Risks

Market Disruption Risk is the risk that during periods of extreme market volatility, prices of securities held by the Fund may be negatively impacted due to imbalances between market participants seeking to sell the same or similar securities and market participants willing or able to buy such securities. As a result, the market prices of securities held by the Fund could go down, at times without regard to the financial condition of or specific events impacting the issuer of the security.

During periods of instability in the financial markets the U.S. Government may take a number of actions designed to support certain financial institutions and segments of the financial markets. Federal, state, and other governments, their regulatory agencies, or self regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective.

Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation and performance of the Fund's portfolio holdings. Furthermore, volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund. The Fund has established procedures to assess the liquidity of portfolio holdings and to value instruments for which market prices may not be readily available. The Advisor will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment goals, but there can be no assurance that it will be successful in doing so.

For additional information about the Fund's investment strategies, please see the Statement of Additional Information.

BERWYN INCOME FUND

Real Estate Investment Trusts – The Fund may invest in real estate investment trusts (“REITs”). These are companies that invest in real estate, mortgages and construction loans. These companies normally do not pay federal income taxes but distribute their income to their shareholders who then become liable for the tax. The Fund may invest in REITs that generate income and which, in the opinion of the Advisor, have a potential for capital appreciation. Some REITs own properties and earn income from leases and rents. These types of REITs are termed Equity REITs. Other REITs hold mortgages and earn income from interest payments. These REITs are termed Mortgage REITs. Finally, there are Hybrid REITs that own properties and hold mortgages. The Fund may invest in any of the three types of REITs and may purchase common stocks, preferred stocks and bonds issued by REITs. The Fund intends to limit its investments in REITs to 15% of the value of its net assets. When investing in the common stocks of REITs, the Fund will also be bound by the 30% maximum limitation on common stock investments discussed above.

Exchange Traded Funds – Shares of exchange traded funds (“ETFs”) and other similar instruments may be purchased by the Fund. An ETF is an investment company registered under the 1940 Act that holds a portfolio of securities designed to track the performance of a particular index. ETFs sell and redeem their shares at net asset value in large blocks (typically 50,000 shares or more) called “creation units.” Shares representing fractional interests in these creation units are listed for trading on national securities exchanges and can be purchased and sold in the secondary market in lots of any size at any time during the trading day. The Fund will use ETFs primarily when it wishes to invest in certain markets or segments of markets, as represented by the particular ETF, in a diversified (as to number of companies or securities) manner. When the Fund invests in ETFs, the Fund will pay a management fee on the assets invested in the ETF in addition to the operating expenses of the Fund. The Fund will not invest (measured at the time of purchase) more than 15% of its net assets in shares of ETFs.

Temporary Defensive Positions – Although the Fund will normally invest according to its investment objective as outlined above, the Fund may, for temporary defensive purposes, invest all or a portion of its assets in cash, cash equivalents, high quality money market instruments, money market funds and other short-term debt instruments. Investment in a money market fund will result in the Fund paying a management fee on the money invested in such fund in addition to the operating expenses of the Fund. When the Fund invests for temporary defensive purposes, the Fund may not achieve its investment objective.

Related Risks

The following table highlights other risks associated with investing in the Fund:

Risks
<p>REIT Investment Risk involves the risk that the property owned by a REIT could decrease in value and the mortgages and loans held by a REIT could become worthless.</p>
<p>ETF Investment Risk involves certain inherent risks generally associated with investments in a broadly-based portfolio of securities including risks that: (1) the general level of securities prices may decline, thereby adversely affecting the value of shares of the ETF; (2) an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of securities held; (3) an ETF may be adversely affected by the performance of the specific index, market sector or group of industries on which it is based; and (4) an ETF may not track an index as well as a traditional index mutual fund. In addition, there may be a difference between the ETF's market value on the securities exchange and the ETF's net asset value.</p>

Risks

Market Disruption Risk is the risk that during periods of extreme market volatility, prices of securities held by the Fund may be negatively impacted due to imbalances between market participants seeking to sell the same or similar securities and market participants willing or able to buy such securities. As a result, the market prices of securities held by the Fund could go down, at times without regard to the financial condition of or specific events impacting the issuer of the security.

During periods of instability in the financial markets the U.S. Government may take a number of actions designed to support certain financial institutions and segments of the financial markets. Federal, state, and other governments, their regulatory agencies, or self regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective.

Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation and performance of the Fund's portfolio holdings. Furthermore, volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund. The Fund has established procedures to assess the liquidity of portfolio holdings and to value instruments for which market prices may not be readily available. The Advisor will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment goals, but there can be no assurance that it will be successful in doing so.

For additional information about the Fund's investment strategies, please see the Statement of Additional Information.

BERWYN CORNERSTONE FUND

Exchanged Traded Funds – Shares of exchange traded funds (“ETFs”) and other similar instruments may be purchased by the Fund. An ETF is an investment company registered under the 1940 Act that holds a portfolio of securities designed to track the performance of a particular index. ETFs sell and redeem their shares at net asset value in large blocks (typically 50,000 shares or more) called “creation units.” Shares representing fractional interests in these creation units are listed for trading on national securities exchanges and can be purchased and sold in the secondary market in lots of any size at any time during the trading day. The Fund will use ETFs primarily when it wishes to invest in certain markets or segments of markets, as represented by the particular ETF, in a diversified (as to number of companies or securities) manner. When the Fund invests in ETFs, the Fund will pay a management fee on the assets invested in the ETF in addition to the operating expenses of the Fund. The Fund will not invest (measured at the time of purchase) more than 25% of its net assets in shares of ETFs.

Temporary Defensive Positions – Although the Fund will normally invest according to its investment objective as outlined above, the Fund may, for temporary defensive purposes, invest all or a portion of its assets in cash, cash equivalents, high quality money market instruments, money market funds and other short-term debt instruments. Investment in a money market fund will result in the Fund paying a management fee on the money invested in such fund in addition to the operating expenses of the Fund. When the Fund invests for temporary defensive purposes, the Fund may not achieve its investment objective.

Related Risks

The following table highlights other risks associated with investing in the Fund.

Risks
<p>ETF Investment Risk involves certain inherent risks generally associated with investments in a broadly-based portfolio of securities including risks that: (1) the general level of securities prices may decline, thereby adversely affecting the value of shares of the ETF; (2) an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of securities held; (3) an ETF may be adversely affected by the performance of the specific index, market sector or group of industries on which it is based; and (4) an ETF may not track an index as well as a traditional index mutual fund. In addition, there may be a difference between the ETF's market value on the securities exchange and the ETF's net asset value.</p>
<p>Market Disruption Risk is the risk that during periods of extreme market volatility, prices of securities held by the Fund may be negatively impacted due to imbalances between market participants seeking to sell the same or similar securities and market participants willing or able to buy such securities. As a result, the market prices of securities held by the Fund could go down, at times without regard to the financial condition of or specific events impacting the issuer of the security.</p> <p>During periods of instability in the financial markets the U.S. Government may take a number of actions designed to support certain financial institutions and segments of the financial markets. Federal, state, and other governments, their regulatory agencies, or self regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective.</p> <p>Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation and performance of the Fund's portfolio holdings. Furthermore, volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund. The Fund has established procedures to assess the liquidity of portfolio holdings and to value instruments for which market prices may not be readily available. The Advisor will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment goals, but there can be no assurance that it will be successful in doing so.</p>

For additional information about the Fund's investment strategies, please see the Statement of Additional Information.

MANAGEMENT OF THE FUNDS

Each Fund is a series of The Berwyn Funds (the “Trust”), an open-end management investment company organized as a Delaware statutory trust. The Board of Trustees supervises the business activities of the Funds. Like other mutual funds, the Trust retains various organizations to perform specialized services for the Funds.

The Killen Group, Inc. is the investment advisor to each Fund. The Advisor is a Pennsylvania corporation that was formed in September 1982. Its address is 1189 Lancaster Avenue, Berwyn, Pennsylvania 19312. Robert E. Killen is Chairman, Chief Executive Officer and majority shareholder of the Advisor.

The Investment Management Committee

The Advisor has an Investment Management Committee (the “Committee”) of portfolio managers and analysts dedicated to managing the Funds. The Committee became responsible for managing the Funds in 2005. Prior to that time, certain individuals were designated as portfolio manager or co-portfolio managers for each Fund. The Committee meets regularly to review portfolio holdings and discuss purchase and sale activity. Committee members make decisions to buy and sell securities for the Funds as they see fit, guided by each Fund’s investment objective and strategies.

The Committee members, who are jointly and primarily responsible for the day-to-day management of the Funds, are identified below:

George Cipolloni III – Mr. Cipolloni is a Vice President, Research Analyst and a shareholder of the Advisor. He has been a Committee member since 2003. Mr. Cipolloni’s primary responsibilities within the Committee include research, fixed income trading and portfolio analysis. Mr. Cipolloni joined the Advisor in 2002. He is a Chartered Financial Analyst.

Lee S. Grout – Mr. Grout is an Executive Vice President, Head of Research and a shareholder of the Advisor. He has been a Committee member since 1997. Mr. Grout’s primary responsibilities within the Committee include research and portfolio analysis, with emphasis on fundamental equity research. Mr. Grout joined the Advisor in 1997. He is a Chartered Financial Analyst.

Robert E. Killen – Mr. Killen is Chairman, Chief Executive Officer and majority shareholder of the Advisor. He has been a Committee member since 1984. Mr. Killen’s primary responsibilities within the Committee include research and technical analysis, with emphasis on fundamental equity research. Mr. Killen is also President and Chairman of the Board of the Trust. Mr. Killen founded the Advisor in 1982 and has over 40 years of investment management experience.

Raymond J. Munsch – Mr. Munsch is President and Chief Operating Officer of the Advisor. He has been a Committee member since 1998. Mr. Munsch’s primary responsibilities within the Committee include portfolio analysis and operations. Mr. Munsch joined the Advisor in 1998 and has over 40 years of investment management experience.

Purchase and sale decisions are made by a majority of the Committee members based upon company-specific research, prospects for the company and its industry sector, and the perceived value of the company's securities. The price at which trades are executed is determined for Berwyn Fund primarily by Messrs. Killen or Grout, for Berwyn Cornerstone Fund primarily by Messrs. Grout or Cipolloni and for Berwyn Income Fund primarily by Messrs. Cipolloni or Munsch. Actual trades may be placed by any of the Committee members, or by other employees of the Advisor at the direction of the Committee members.

The Statement of Additional Information provides additional information about the Committee members' compensation, other accounts managed by the Committee members, and the Committee members' ownership of shares of the Funds.

Investment Advisory Contracts

Pursuant to investment advisory contracts between the Trust and the Advisor, the Advisor provides the Funds with investment management services. These services include advice and recommendations with respect to investments, investment policies, the purchase and sale of securities and the management of the Funds. Each Fund is permitted to pay brokerage commissions to brokers who are affiliated with the Advisor or the Trust.

For its investment advisory services to the Berwyn Fund, the Advisor receives a fee at the annual rate of 1.00% of the Fund's average daily net assets. During the fiscal year ended December 31, 2011, the Berwyn Fund paid the Advisor Management Fees equal to 1.00% of its average daily net assets. The advisory fee payable to the Advisor by the Berwyn Fund is higher than that of many other mutual funds.

For its investment advisory services to the Berwyn Income Fund, the Advisor receives a fee at the annual rate of 0.50% of the Fund's average daily net assets. During the fiscal year ended December 31, 2011, the Berwyn Income Fund paid the Advisor Management Fees equal to 0.50% of its average daily net assets.

For its investment advisory services to the Berwyn Cornerstone Fund, the Advisor receives a fee at the annual rate of 0.85% of the Fund's average daily net assets. During the fiscal year ended December 31, 2011, the Berwyn Cornerstone Fund paid an advisory fee (after fee waivers) equal to 0.15% of its average daily net assets. In addition, the Advisor has entered into an Expense Limitation Agreement where the Advisor has contractually agreed until at least May 1, 2013 to waive Management Fees and/or reimburse Fund expenses so that the Berwyn Cornerstone Fund's Total Annual Fund Operating Expenses (excluding taxes, interest, brokerage commissions, extraordinary expenses and Acquired Fund Fees and Expenses) do not exceed 1.25% of the Fund's average daily net assets. Upon the expiration of the Expense Limitation Agreement the Advisor will continue to limit the Fund's expenses in accordance with the terms of the Contract for Investment Advisory Services.

Under each Contract for Investment Advisory Services, the Advisor's fee will be reduced in any fiscal year by the amount necessary to limit a Fund's expenses (excluding taxes, interest, brokerage commissions, Acquired Fund Fees and Expenses

and extraordinary expenses, but inclusive of the Advisor's fee payable by the Fund) to 2.00% of the Fund's average daily net assets when the Fund's net assets are \$100 million or less, or 1.50% of the Fund's average daily net assets when the Fund's net assets exceed \$100 million. In addition, the contracts provide that the Advisor is not responsible for reimbursing operating expenses exceeding its advisory fee payable under the contracts. However, the Advisor presently intends to reimburse any Fund, if necessary, for operating expenses exceeding the amount of its advisory fee in order to maintain the Fund's total operating expenses at 2.00%. The Advisor may, however, discontinue any such reimbursement of these expenses at any time in its discretion.

The arrangements discussed in the preceding paragraphs may be terminated by either party upon 60 days advance written notice, provided, however, that (1) the Advisor may not terminate the arrangements without the approval of the Board of Trustees, and (2) the arrangements will terminate automatically if the Advisor ceases to serve as investment adviser to the Fund.

A discussion regarding the factors considered by the Board of Trustees in its most recent approval of the Funds' investment advisory contracts, including its conclusions with respect thereto, will be available in the Funds' semi-annual report for the period ending June 30, 2012.

Other Service Providers

Ultimus Fund Solutions, LLC ("Ultimus"), 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, serves as the Funds' administrator, transfer agent and fund accounting agent. Management and administrative services of Ultimus include (i) providing office space, equipment, officers and clerical personnel to the Funds, (ii) obtaining valuations, calculating net asset values and performing other accounting, tax and financial services, (iii) recordkeeping, (iv) regulatory, compliance and reporting services, (v) processing shareholder account transactions and disbursing dividends and distributions, and (vi) supervising custodial and other third party services.

Ultimus Fund Distributors, LLC (the "Distributor") serves as the principal underwriter of the Funds. The Distributor is located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246 and is a wholly-owned subsidiary of Ultimus. The Funds may be offered by other broker-dealers as well.

The Statement of Additional Information has more detailed information about the Advisor, Ultimus, the Distributor and other service providers to the Funds.

SHAREHOLDER INFORMATION

Calculation of NAV

The net asset value of each Fund's shares ("NAV") is calculated as of the close of regular trading on the New York Stock Exchange (generally 4:00 p.m., Eastern time) on each day that the Exchange is open for business. To calculate NAV, a Fund's assets are valued and totaled, liabilities are subtracted, and the balance is divided by the number of shares outstanding. The Funds' securities are valued each day at their market value, which usually means the last quoted sales price on a security's principal exchange. Securities not traded on the valuation date and securities not listed on an exchange are valued at the last quoted bid price. All other securities, including securities in which the quotations are considered by the Advisor to be unreliable due to significant market or other events, are priced at their fair value as determined in good faith pursuant to procedures adopted by the Board of Trustees. This most commonly would occur with a Fund's investments in junk bonds, small capitalization companies and/or illiquid securities, but may occur in other cases as well. When fair value pricing is employed, the prices of the securities used by a Fund to calculate its NAV may differ from quoted or published prices for the same securities.

To the extent a Fund invests in shares of other open-end investment companies registered under the Investment Company Act of 1940, the Fund's NAV with respect to those shares is calculated based upon the net asset values of such registered open-end investment companies, and the prospectuses for these companies explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing.

Your order to purchase or redeem shares of a Fund is priced at the next NAV calculated after your order is received in proper form by the Funds. Redemptions and exchanges of shares of the Funds may be subject to a redemption fee (see "Redeeming Shares" for details).

Purchasing Shares

The Funds are no-load which means that shares of each Fund may be purchased without imposition of a sales charge. Shares of the Funds are available for purchase every day the New York Stock Exchange is open for business, at the NAV next calculated after receipt of a purchase order in proper form. The Funds reserve the right to reject any purchase request. Investors who purchase and redeem shares through a brokerage firm or other financial intermediary may be charged a fee by such brokerage firm or intermediary.

Minimum Initial Investment

The minimum initial investment in the Funds is \$3,000, except for an IRA or a gift to minors account, for which the minimum initial investment is \$1,000. The minimum initial investment for a spousal IRA is \$250. These requirements may be satisfied by investments made in one or more of the Funds. There are no minimum

investment requirements for an investment by a pension or profit-sharing plan or a custodial account established for the benefit of a minor. These minimum investment requirements may be waived or reduced for certain other types of retirement accounts.

Opening an Account

An account may be opened by mail or bank wire, as follows:

By Mail. To open a new account by mail:

- Complete and sign the account application.
- Enclose a check payable to The Berwyn Funds.
- Mail the application and the check to the Funds' transfer agent, Ultimus Fund Solutions, LLC (the "Transfer Agent"), at the following address:

The Berwyn Funds
c/o Ultimus Fund Solutions, LLC
P.O. Box 46707
Cincinnati, Ohio 45246-0707

All purchases must be made in U.S. dollars and checks must be drawn on U.S. financial institutions. The Funds do not accept cash, drafts, "starter" checks, traveler's checks, credit card checks, post-dated checks, cashier's checks under \$10,000, or money orders. In addition, to protect the Funds from check fraud, the Funds do not accept checks made payable to third parties. When shares are purchased by check, the proceeds from the redemption of those shares may not be paid until the purchase check has been converted to federal funds, which could take up to 15 calendar days. If an order to purchase shares is canceled because your check does not clear, you will be responsible for any resulting losses or other fees incurred by the Funds or the Transfer Agent in the transaction.

By sending your check to the Transfer Agent, please be aware that you are authorizing the Transfer Agent to make a one-time electronic debit from your account at the financial institution indicated on your check. Your bank account will be debited as early as the same day the Transfer Agent receives your payment in the amount of your check; no additional amount will be added to the total. The transaction will appear on your bank statement. Your original check will be destroyed once processed, and you will not receive your canceled check back. If the Transfer Agent cannot post the transaction electronically, you authorize the Transfer Agent to present an image copy of your check for payment.

By Wire. To open a new account by wire of federal funds, call the Transfer Agent at 1-800-992-6757. A representative will assist you in obtaining an account application by telecopy or mail, which must be completed, signed and telecopied or mailed to the Transfer Agent before payment by wire may be made.

An order is considered received when US Bank NA, the Funds' custodian, receives payment by wire. If your account application was telecopied to the Transfer Agent, you must also mail the completed account application to the Transfer Agent. See "Opening an Account – By Mail" above. Your financial institution may charge a fee for wiring funds. Shares will be issued at the NAV next computed after receipt of your wire.

Through Your Broker or Financial Institution. Shares of the Funds may be purchased through certain brokerage firms and financial institutions that are authorized to accept purchase orders on behalf of the Funds at the NAV next determined after your order is received by such organization in proper form. These organizations may charge you transaction fees on purchases of Fund shares and may impose other charges or restrictions or account options that differ from those applicable to shareholders who purchase shares directly through the Funds or the Transfer Agent. These organizations may be the shareholders of record of your shares. The Funds are not responsible for ensuring that the organizations carry out their obligations to their customers. Shareholders investing in this manner should look to the organization through which they invest for specific instructions on how to purchase and redeem shares.

Subsequent Investments

Once an account is open, additional purchases of shares of the Funds may be made at any time in minimum amounts of \$250, except for a gifts to minors account, for which there is no minimum subsequent investment amount. Additional purchases may be made:

- By sending a check, made payable to The Berwyn Funds, to The Berwyn Funds, c/o Ultimus Fund Solutions, LLC, P.O. Box 46707, Cincinnati, Ohio 45246-0707. Be sure to note your account number on the memo line of your check. The shareholder will be responsible for any fees incurred or losses suffered by the Funds as a result of any check returned for insufficient funds.
- By wire of federal funds to the Fund account as described under "Opening an Account – By Wire." Shareholders should call the Transfer Agent at 1-800-992-6757 before wiring funds.
- Through your brokerage firm or other financial institution.
- By electronic funds transfer from a financial institution through the Automated Clearing House ("ACH"), as described below.

By Automated Clearing House (ACH). Once an account is open, shares may be purchased or redeemed through ACH in minimum amounts of \$100. ACH is the electronic transfer of funds directly from an account you maintain with a financial institution to the Funds. In order to use the ACH service, the ACH Authorization section of the account application must be completed. For existing accounts, an ACH Authorization Form may be obtained by calling the Transfer Agent at 1-800-992-6757. Allow at least two weeks for processing before using ACH. To place a purchase or redemption order by ACH, call the Transfer Agent at 1-800-992-6757. There are no charges for ACH transactions imposed by the Funds or the Transfer Agent. ACH

share purchase transactions are completed when payment is received, approximately two business days following the placement of your order. When shares are purchased through ACH, the proceeds from the redemption of those shares may not be paid until the ACH transfer has been converted to federal funds, which could take up to 15 calendar days. The shareholder will be held responsible for any fees incurred or losses suffered by the Funds as a result of any ACH transaction rejected for insufficient funds. Failure to notify the Funds in advance of an ACH transfer could result in a delay in completing your transaction.

ACH may be used to make direct investments into a Fund of part or all of recurring payments made to a shareholder by his or her employer (corporate, federal, military, or other) or by the Social Security Administration.

Automatic Investment Plan

You may make automatic monthly investments in shares of the Funds from your bank, savings and loan or other depository institution account. The minimum subsequent investments must be \$100 under the plan. The Transfer Agent currently pays the costs of this service, but reserves the right, upon 30 days' written notice, to make reasonable charges. Your depository institution may impose its own charge for making transfers from your account. To set your account up for automatic monthly investments, please call the Transfer Agent at 1-800-992-6757 and service representative will assist you.

Customer Identification and Verification

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations. As a result, the Funds must obtain the following information for each person that opens a new account:

- Name;
- Date of birth (for individuals);
- Residential or business street address (although post office boxes are still permitted for mailing); and
- Social security number, taxpayer identification number, or other identifying number.

You may also be asked for a copy of your driver's license, passport, or other identifying document in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification information with a consumer report or other electronic database. Additional information may be required to open accounts for corporations and other entities. *Federal law prohibits the Funds and other financial institutions from opening a new account unless they receive the minimum identifying information listed above.*

After an account is opened, the Funds may restrict your ability to purchase additional shares until your identity is verified. The Funds also may close your account or take other appropriate action if it is unable to verify your identity within a reasonable time. If your account is closed for this reason, your shares will be redeemed at the NAV next calculated after the account is closed.

Exchange Privilege

You may generally exchange your shares of one Fund for shares of another Fund. The initial minimum investment requirements described above must be met with respect to an exchange.

You may request an exchange by calling (800) 992-6757 between 8:30 a.m. and 5:30 p.m., Eastern time, on any business day or by writing to the Transfer Agent, Ultimus Fund Solutions, LLC, P.O. Box 46707, Cincinnati, Ohio 45246-0707. Exchange requests received after 4:00 p.m. Eastern time will receive the next day's NAV.

You will only be permitted to exchange shares of one Fund for shares of another Fund four times in any twelve-month period. The Trust reserves the right to amend or change the exchange privilege upon 60 days' notice to shareholders. Exchanges are subject to the redemption fee described below if the shares being exchanged were purchased within 180 days of the date of the exchange transaction.

Redeeming Shares

You may redeem your shares at any time. The shares will be redeemed at the next NAV calculated after the Transfer Agent has received your redemption request. You may redeem your shares by sending a written request, signed by the account owner(s) and stating the name of the account, the account number and the Fund name, to the Transfer Agent. If you have selected the telephone redemption option on your application, you may redeem shares having a value of \$100,000 or less by calling the Transfer Agent at (800) 992-6757 on any business day between the hours of 8:30 a.m. and 5:30 p.m., Eastern time. Redemption requests received after 4:00 p.m. Eastern time will receive the next day's NAV. The Transfer Agent will use reasonable procedures to confirm that instructions communicated by telephone are genuine and, if reasonable procedures are followed, neither the Funds nor the Transfer Agent will be liable for any losses due to unauthorized or fraudulent telephone transactions. If the shares redeemed have a value of more than \$100,000, your signature must be guaranteed as set forth below. If the name(s) or address on your account has been changed within the previous 15 days of your redemption request, the request must be made in writing with your signature guaranteed, regardless of the value of the shares being redeemed.

The Trust has elected to be governed by Rule 18f-1 under the 1940 Act, under which the Funds are obligated to redeem the shares of any shareholder solely in cash up to the lesser of 1% of a Fund's net assets or \$250,000 during any 90-day period. Should any shareholder's redemption exceed this limitation, the Fund may, at its option, redeem the excess in cash or in portfolio securities selected solely by the Advisor (and valued as in computing NAV). If a redemption is made in portfolio securities, an investor selling

such securities received in the redemption may incur brokerage charges and there can be no assurance that the prices realized by an investor upon the sale of such securities will not be less than the values used in connection with such redemption.

There are no sales charges imposed for redeeming shares. However, to discourage short term trading, the Funds charge a 1% redemption fee on shares held for less than 180 days. The fee is charged on the proceeds of the redemption. The fee is paid to the Fund from which the shares were redeemed and included in its net assets for the benefit of the remaining shareholders. This fee is waived where the shares of the Fund are offered as an option in a 401(k) or other retirement program. The fee is also waived if an investor establishes a systematic withdrawal plan when opening an account or if an investor is taking a required minimum distribution from an IRA. The Trust reserves the right to waive the redemption fee in other specified circumstances.

Shareholders may buy and sell shares of the Funds through certain broker-dealers, who may charge a fee for such service. If a shareholder redeems shares through the Transfer Agent and requests that the proceeds be wired to the shareholder's financial institution, the Funds' custodian will charge the shareholder a wiring fee (currently \$15).

Signature Guarantee Requirements

To protect you and the Funds against fraud, certain requests require a signature guarantee. A signature guarantee verifies the authenticity of your signature. You will need to have your signature guaranteed under any of the following circumstances:

- If the shares redeemed have a value of more than \$100,000
- If you are changing a shareholder's name of record
- If the payment of the proceeds of a redemption of any amount are to be sent to any person, address or bank account not on record
- If the shares are redeemed from an account where the name(s) or the address on the account has changed within the previous 15 days
- If you are transferring redemption proceeds to another account with a different registration (name/ownership) from yours
- If you are adding or changing wire instructions or any other election in connection with your account

The Funds will accept signatures guaranteed by a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution which participates in the STAMP Medallion signature guarantee program sponsored by the Securities Transfer Association. Signature guarantees from financial institutions which do not participate in the STAMP Medallion program will not be accepted. A notary public cannot provide a signature guarantee. Members of STAMP are subject to dollar limitation which must be considered when requesting their guarantee. A Fund may reject any signature guarantee if it believes the transaction would otherwise be improper.

The Funds and the Transfer Agent reserve the right to require signature guarantees on all redemptions. The Funds and the Transfer Agent reserve the right to amend these standards at any time without notice.

Automatic Withdrawal Plan

If the shares in your account have a value of at least \$5,000, you (or another person you have designated) may receive monthly or quarterly payments in a specified amount of not less than \$100 each. There is currently no charge for this service, but the Transfer Agent reserves the right, upon 30 days' written notice, to make reasonable charges. Telephone the Transfer Agent toll-free at 1-800-992-6757 for additional information.

Abusive Trading Practices

The Funds have been designed as long-term investments and not for frequent or short-term trading ("market timing"). The Funds discourage frequent purchases and redemptions. Accordingly, the Board of Trustees has adopted policies and procedures in an effort to detect and prevent market timing in the Funds. The Funds, through their service providers, monitor shareholder trading activity to ensure it complies with the Funds' policies. The Funds prepare reports illustrating purchase and redemption activity to detect market timing activity. In addition to monitoring shareholder activity, the Board of Trustees has implemented a 1% redemption fee on redemptions within 180 days of purchase and has placed a limit of four exchanges between the Funds per year. These actions, in the Board's opinion, should help reduce the risk of market timing in the Funds. In addition, the Trust also reserves the right to reject any purchase or exchange request that it believes to be market timing or potentially disruptive in nature. The Trust may also modify any terms or conditions of purchase of shares of the Funds or withdraw all or any part of the offering made by this Prospectus.

The Trust believes that market timing activity is not in the best interests of shareholders. Market timing can be disruptive to the portfolio management process and may adversely impact the ability of the Advisor to implement a Fund's investment strategies. In addition to being disruptive, the risks to the Funds presented by market timing are higher expenses through increased trading and transaction costs, forced and unplanned portfolio turnover, large asset swings that decrease a Fund's ability to maximize investment return and potentially diluting the value of a Fund's shares. These risks can have an adverse affect on a Fund's performance.

The Trust relies on intermediaries to help enforce its market timing policies. For example, intermediaries must determine when a redemption occurs within 180 days of a purchase and must enforce the limit on the number of exchanges permitted per year. The Funds reserve the right to reject an order placed from an omnibus account. Although the Funds have taken these steps to discourage market timing, the Funds cannot guarantee that such trading will not occur.

DISTRIBUTIONS AND TAXES

Each Fund has qualified in all prior years and intends to continue to qualify for the special tax treatment afforded a “regulated investment company” under Subchapter M of the Internal Revenue Code by annually distributing substantially all of its net investment income and any net realized capital gains to its shareholders and by satisfying certain other requirements related to the sources of its income and the diversification of its assets. By so qualifying, each Fund will not be subject to federal income tax on that part of its net investment income and net capital gains which it distributes to shareholders. The Berwyn Fund and the Berwyn Cornerstone Fund expect most of their distributions to be in the form of capital gains and the Berwyn Income Fund expects most of its distributions to be in the form of net investment income; however, the nature of each Fund’s distributions could vary in any given year. The Berwyn Fund and the Berwyn Cornerstone Fund will pay their distributions, if any, on an annual basis and the Berwyn Income Fund will pay dividends, if any, on a quarterly basis and capital gains, if any, on an annual basis.

Dividends and distributions paid to shareholders are generally subject to federal income tax. Distributions attributable to net investment income and net realized short-term capital gains, if any, are generally taxed as ordinary income; however, for taxable years beginning before January 1, 2013, certain qualified dividends may be taxed to non-corporate shareholders at long-term capital gains rates. Dividends distributed by the Funds from net investment income may be eligible, in whole or in part, for the dividends received deduction available to corporations.

Distributions of net capital gains (the excess of net long-term capital gains over net short-term capital losses) by the Funds are taxable to you as capital gains, without regard to the length of time you have held your Fund shares. Capital gains distributions may be taxable at different rates depending on the length of time a Fund holds its assets.

By February 15 of each year, you will receive a statement that shows the tax status of distributions you received for the previous year. Distributions declared in December but paid in January are taxable as if they were paid in December.

When you sell your shares of a Fund, you may realize a capital gain or loss. For tax purposes, an exchange of your shares of a Fund for shares of another Fund is the same as a sale.

Distributions and gains from the sale or exchange of your shares may also be subject to state and local taxes. Non-U.S. investors may be subject to U.S. withholding tax, and are subject to special U.S. tax certification requirements. You should consult your tax advisor about the federal, state, local or foreign tax consequences of an investment in the Funds.

By law, the Funds must withhold a percentage (currently at the rate of 28%) of your taxable distributions and redemption proceeds unless you:

- Provide your correct social security or taxpayer identification number,

- Certify that this number is correct,
- Certify that you are not subject to backup withholding, and
- Certify that you are a U.S. person (including a U.S. resident alien).

A Fund must also withhold taxes if the Internal Revenue Service instructs it to do so.

The Emergency Economic Stabilization Act of 2008 requires that mutual fund companies report cost basis information to the Internal Revenue Service (IRS) on Form 1099-B for any sale of mutual fund shares acquired after January 1, 2012 (“Covered Shares”). Under the new regulations, mutual funds must select a default cost basis calculation method and apply that method to the sale of Covered Shares unless an alternate IRS approved method is specifically elected by the shareholder. Average Cost, which is the mutual fund industry standard, has been selected as the Funds’ default cost basis calculation method. If a shareholder determines that an IRS approved cost basis calculation method other than the Funds’ default method of Average Cost is more appropriate, they must contact the Funds at the time of, or in advance of, the sale of Covered Shares that are to be subject to that alternate election. IRS regulations do not permit the change of a cost basis election on previously executed trades.

All Covered Shares purchased in non-retirement accounts are subject to the new cost basis reporting legislation. Non-covered shares are mutual fund shares that were acquired prior to the effective date of January 1, 2012. Cost basis information will not be reported to the IRS or shareholder upon the sale of any non-covered mutual fund shares. Non-covered shares will be redeemed first.

This Section is only a summary of some of the important income tax considerations that may affect your investment in the Funds. More information regarding these considerations appears in the Funds’ SAI. You are urged to consult your tax adviser regarding the effects of an investment on your tax situation.

FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand each Fund's financial performance for the past 5 years. Certain information reflects financial results for a single Fund share. The total returns in each table represent the rate that an investor would have earned or lost each period on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by BBD, LLP, whose report, along with each Fund's financial statements, is included in the Funds' Annual Report, which may be obtained at no charge by calling the Funds at 1-800-992-6757 or by download at www.theberwynfunds.com/Literature.asp.

BERWYN FUND

FOR A SHARE OUTSTANDING THROUGHOUT EACH YEAR

	Years Ended				
	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07
Net Asset Value, Beginning of Year	\$ 28.28	\$ 22.66	\$ 17.78	\$ 24.42	\$ 28.81
Income (Loss) from Investment Operations					
Net Investment Income (Loss)	(0.00)*	0.00*	0.05	0.02	0.07
Net Realized and Unrealized Gains (Losses) on Investment Securities	0.97	5.61	4.86	(6.65)	(1.13)
Total Income (Loss) from Investment Operations	0.97	5.61	4.91	(6.63)	(1.06)
Less Distributions					
Dividends from Net Investment Income ..	—	(0.00)*	(0.05)	(0.03)	(0.06)
Distributions from Net Realized Gains from Sales of Investment Securities	(0.50)	—	—	(0.00)*	(3.28)
Total Distributions	(0.50)	(0.00)*	(0.05)	(0.03)	(3.34)
Proceeds from Redemption					
Fees Collected	0.01	0.01	0.02	0.02	0.01
Net Asset Value, End of Year	\$ 28.76	\$ 28.28	\$ 22.66	\$ 17.78	\$ 24.42
Total Return	3.45%	24.82%	27.71%	(27.09%)	(3.68%)
Ratios/Supplemental Data:					
Net Assets, End of Year (000's)	\$ 226,577	\$ 188,720	\$ 137,680	\$ 118,349	\$ 119,403
Ratio of Expenses to Average Net Assets .	1.21%	1.25%	1.31%	1.29%	1.27%
Ratio of Net Investment Income (Loss) to Average Net Assets	(0.02%)	0.01%	0.25%	0.10%	0.22%
Portfolio Turnover Rate	30%	44%	37%	38%	40%

* Amount rounds to less than \$0.01 per share.

BERWYN INCOME FUND**FOR A SHARE OUTSTANDING THROUGHOUT EACH YEAR**

	Years Ended				
	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07
Net Asset Value, Beginning of Year	\$ 13.26	\$ 12.77	\$ 10.30	\$ 12.10	\$ 12.28
Income (Loss) from Investment Operations					
Net Investment Income	0.44	0.49	0.57	0.60	0.59
Net Realized and Unrealized Gains (Losses) on Investment Securities	(0.04)	0.76	2.47	(1.80)	0.24
Total Income (Loss) from Investment Operations	0.40	1.25	3.04	(1.20)	0.83
Less Distributions					
Dividends from Net Investment Income ..	(0.44)	(0.49)	(0.57)	(0.60)	(0.59)
Distributions from Net Realized Gains from Sales of Investment Securities	(0.35)	(0.28)	—	—	(0.42)
Total Distributions	(0.79)	(0.77)	(0.57)	(0.60)	(1.01)
Proceeds from Redemption					
Fees Collected	0.00*	0.01	0.00*	0.00*	0.00*
Net Asset Value, End of Year	\$ 12.87	\$ 13.26	\$ 12.77	\$ 10.30	\$ 12.10
Total Return	3.09%	10.06%	30.22%	(10.19%)	6.83%
Ratios/Supplemental Data:					
Net Assets, End of Year (000's)	\$ 1,311,981	\$ 1,282,085	\$ 691,496	\$ 234,645	\$ 242,681
Ratio of Expenses to Average Net Assets	0.65%	0.66%	0.70%	0.73%	0.70%
Ratio of Net Investment Income to Average Net Assets	3.32%	3.93%	5.33%	5.36%	4.70%
Portfolio Turnover Rate	71%	49%	35%	64%	37%

* Amount rounds to less than \$0.01 per share.

BERWYN CORNERSTONE FUND
FOR A SHARE OUTSTANDING THROUGHOUT EACH YEAR

	Years Ended				
	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07
Net Asset Value, Beginning of Year	\$ 13.42	\$ 12.44	\$ 9.63	\$ 13.62	\$ 14.80
Income (Loss) from Investment Operations					
Net Investment Income	0.14	0.09	0.10	0.09	0.18
Net Realized and Unrealized Gains (Losses) on Investment Securities	(0.49)	0.98	2.81	(3.99)	(0.15)
Total Income (Loss) from Investment Operations	(0.35)	1.07	2.91	(3.90)	0.03
Less Distributions					
Dividends from Net Investment Income	(0.14)	(0.09)	(0.10)	(0.09)	(0.18)
Distributions from Net Realized Gains from Sales of Investment Securities	—	—	—	(0.00)*	(1.03)
Total Distributions	(0.14)	(0.09)	(0.10)	(0.09)	(1.21)
Proceeds from Redemption					
Fees Collected	0.00*	0.00*	0.00*	0.00*	—
Net Asset Value, End of Year	\$ 12.93	\$ 13.42	\$ 12.44	\$ 9.63	\$ 13.62
Total Return	(2.59%)	8.57%	30.21%	(28.61%)	0.19%
Ratios/Supplemental Data:					
Net Assets, End of Year (000's)	\$ 11,020	\$ 10,273	\$ 8,018	\$ 6,076	\$ 7,423
Ratio of Total Expenses to Average Net Assets	1.95%	2.26%	2.72%	2.78%	2.52%
Ratio of Net Expenses to Average Net Assets #	1.25%	1.61%	2.00%	2.00%	2.00%
Ratio of Net Investment Income to Average Net Assets	0.42%	0.08%	0.24%	0.03%	0.66%
Ratio of Net Investment Income to Average Net Assets #	1.12%	0.73%	0.96%	0.81%	1.18%
Portfolio Turnover Rate	22%	39%	33%	46%	38%

* Amount rounds to less than \$0.01 per share.

After advisory fee waivers and expense reimbursements by the Advisor.

Financial Highlights (continued)

PRIVACY NOTICE

FACTS

WHAT DO THE BERWYN FUNDS DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- *Social Security number*
- *Assets*
- *Retirement Assets*
- *Transaction History*
- *Checking Account Information*
- *Purchase History*
- *Account Balances*
- *Account Transactions*
- *Wire Transfer Instructions*

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons The Berwyn Funds chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do The Berwyn Funds share?	Can you limit this sharing?
For our everyday business purposes – Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call 1 (800) 992.6757	

Who we are	
Who is providing this notice?	The Berwyn Funds The Killen Group, Inc. (Investment Adviser) Ultimus Fund Distributors, LLC (Distributor) Ultimus Fund Solutions, LLC (Administrator)
What we do	
How do The Berwyn Funds protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How do The Berwyn Funds collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> ▪ <i>Provide account information</i> ▪ <i>Give us your contact information</i> ▪ <i>Make deposits or withdrawals from your account</i> ▪ <i>Make a wire transfer</i> ▪ <i>Tell us where to send the money</i> ▪ <i>Tell us who receives the money</i> ▪ <i>Show your government-issued ID</i> ▪ <i>Show your driver's license</i> We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> ▪ <i>Sharing for affiliates' everyday business purposes – information about your creditworthiness</i> ▪ <i>Affiliates from using your information to market to you</i> ▪ <i>Sharing for nonaffiliates to market to you</i> State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ <i>The Killen Group, Inc. could be deemed to be an affiliate.</i>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies <ul style="list-style-type: none"> ▪ <i>The Berwyn Funds do not share with nonaffiliates so they can market to you.</i>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> ▪ <i>The Berwyn Funds don't jointly market.</i>

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FOR MORE INFORMATION

Additional Information about the Funds is included in the Statement of Additional Information (“SAI”), which is incorporated by reference in its entirety in this Prospectus. A description of the Trust’s policies and procedures with respect to the disclosure of the Funds’ portfolio securities is available in the SAI. Additional information about the Funds’ investments is available in the Funds’ annual and semi-annual reports to shareholders. In the Funds’ annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the performance of the Funds during the last fiscal year.

To obtain a free copy of the SAI, the annual and semi-annual reports or other information about the Funds, or to make inquires about the Funds, please call 800-992-6757. The Funds also make available the prospectus, SAI and annual and semi-annual reports on the Funds’ website at www.theberwynfunds.com/Literature.asp.

Only one copy of a Prospectus or an annual or semi-annual report will be sent to each household address. This process, known as “Householding,” is used for most required mailings. (It does not apply to confirmations of transactions and account statements, however.) You may, of course, request an additional copy of Prospectus or an annual or semi-annual report or make shareholder inquiries at any time by calling or writing the Funds. You may also request that Householding be eliminated from all your required mailings.

You can find reports and other information about the Funds on the Securities and Exchange Commission’s website (www.sec.gov), or you can get copies of this information, after payment of a duplicating fee, by writing to the Public Reference Section of the SEC, Washington, DC 20549-1520 or by electronic request to the SEC’s e-mail address: publicinfo@sec.gov. Information about the Funds, including the SAI, can be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can get information on the Public Reference Room by calling the SEC at 1-202-502-8090.

Investment Company Act File Number 811-04963



THE
BERWYN
FUNDS

BERWYN FUND • BERWYN INCOME FUND • BERWYN CORNERSTONE FUND

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