

Important in the relationship with clients is the manner in which Schwartz Investment Counsel, Inc. (The Firm) is compensated. Fees are determined as a percentage of assets under management. The Firm does not receive commissions either directly or indirectly on the purchase or sale of securities, but derives income solely from client fees. This ensures absolute objectivity in making portfolio decisions and guarantees that our interests are consistent with those of clients.

The Firm is 100% employee owned and dedicated exclusively to the investment counsel profession with no ancillary involvement in brokerage, custody or banking.

Our service is limited to clients with \$2 million minimum in equity and balanced accounts and \$5 million minimum in fixed-income accounts.

As of September 30, 2011, our fee schedule is as follows:

<u>Assets Under Management</u>	<u>Fee (% of market value)</u>
Under \$5,000,000	1.00%
Over \$5,000,000	0.50%

Fees are billed quarterly on an after-the-service basis. The minimum fee is \$20,000 annually.