

First Commonwealth Financial Advisors, Inc

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Disclosure Brochure

This Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of First Commonwealth Financial Advisors, Inc. ("FCFA," "we" or "us"). If you have any questions about the contents of this Brochure, please contact us at 412-562-3232. This Brochure will be filed with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Act"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about FCFA is available on the SEC's website at www.adviserinfo.sec.gov, or on our website shown above.

Although we are a registered investment adviser with the SEC, our registration does not imply any level of skill or training. The information and disclosures we provide to you, including the disclosures in this Brochure, are information that you may use as part of your decision to initially hire us or to continue to maintain our existing investment advisory relationship.

Material Changes

Material Changes from the last annual update include:

Filing Date: March 31, 2011

In this Item 2, we are required to identify and discuss all material changes since our last annual update of our previous Part II of Form ADV, or to include these changes in a separate document accompanying this Brochure.

For each subsequent year, we will deliver to you a summary of all material changes, if any, that have occurred since the date of the last Brochure, together with an offer to provide a copy of the updated Brochure, and information on how you may obtain the updated Brochure (either by e-mail or in hard copy form by mail).

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact our Chief Compliance Officer, James Nardelli, at 724-463-4782 or jnardelli@fcbanking.com.

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Advisory Business

A. Corporate Structure and History

FCFA is a wholly owned affiliate of First Commonwealth Financial Corporation, a Pennsylvania corporation and registered bank holding company. The registered investment advisor was acquired by First Commonwealth in 2002 from Richard Applegate who had operated the firm as Strategic Capital Concepts, Inc. since 1996. The name was changed to First Commonwealth Advisors in the fall of 2002 with Mr. Applegate serving as the president and chief executive officer of FCFA since its merger with First Commonwealth.

B. FCFA Services

We provide fee-based advisory services to our clients. This includes financial planning services, individual investment advisory services, investment recommendation and monitoring services for pension plan fiduciaries, and investment consultation for specific and finite needs.

1. Financial Planning

We offer financial plans to clients, depending on their needs, that may encompass the following:

- Personal Financial Planning
- Insurance and Estate Planning
- Capital Needs Analysis
- Tax and Cash Flow
- Retirement Planning,
- Investment Analysis and Planning
- Education Fund Planning

Financial planning information is obtained through personal interviews with each client to fully understand the client's current financial status, future goals, and attitude toward risk. Related documents supplied by the client are carefully reviewed, along with data gathered from the client. Upon completion, a written report is issued.

We can implement any recommendations of the plan upon the client's request. However, our implementation of the recommendations is not a requirement of the Financial Plan. Once the completed Plan is presented and reviewed with the client, the client takes ownership of the plan, which can be implemented by others at the client's discretion. FCFA is available for any subsequent evaluation, analysis function, or specific investment-related advice thereafter.

2. **Investment Advisory and Monitoring Services**

We offer fee-based investment advisory and monitoring services to clients in accordance with the client's objectives, risk tolerance, and financial perspectives. The general program involves the following process:

- We consult with the client to organize detailed financial information and other pertinent data into an investor profile, enabling us to determine the client's appropriate investment guidelines, risk tolerance, and other factors that determine the suitability of an asset management account.
- We provide ongoing investment portfolio guidance based upon the client's investor profile and individualized needs. As part of this service, nationally recognized non-affiliated investment advisors ("Sub-Advisors"), including without limitation Manning & Napier Advisory Advantage, Inc. ("Manning") and Genworth Financial Wealth Management, Inc ("Genworth"), are engaged to provide asset allocation and portfolio management services to our clients. These Sub-Advisors, and not FCFA, will have investment discretion over the assets in your account.
- After a client selects a Sub-Advisor, FCFA provides direct client services for the portfolio. Duties include assisting the client in choosing the investment objective and appropriate investment manager, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and answering client questions. Although we assist in selecting the Sub-Advisor, we do not have any investment discretion over the assets in client accounts.
- FCFA, the Sub-Advisor and you will sign an agreement which sets forth the responsibilities of each party; the responsibilities of the Sub-Advisor and FCFA are set forth in their respective ADV brochures which are also given to you before you sign this agreement.
- Clients may participate in the, Advisory Advantage Program, an asset allocation program offered by Manning & Napier. This Program is more fully described in Manning's Form ADV. All investment discretion under this Program is exercised by Manning. Different models of tactical portfolios with varying degrees of risk/return assumptions are offered under this Program.

- FCFA assists the client in choosing an investment allocation which best suits the client's objectives as summarized in the client's Investment Policy Statement (IPS). The client signs a contract and specifically directs that his account to be invested in accordance with the terms of the IPS. The client further directs that the account be automatically adjusted to reflect the purchase or sale as determined appropriate for the allocation model by the sub-advisor. These investment transactions are made without any further authorization by the client and occur at such time as the sub-advisor changes the compositions of the investment allocations.
- Clients may also participate in Genworth's asset allocation program which is more fully described in Genworth's Schedule H-Disclosure Brochure. Strategic or tactical model portfolios, composed by a group of independent investment strategists, are offered under this Program. Different models are designed to satisfy a gradient of risk/return assumptions. Genworth's independent investment strategists have no direct relationship with FCFA or the client. Under this Program, neither Genworth nor the investment strategist makes any analysis of the individual client's circumstances or objectives; rather, client investments are aligned to the program's selected portfolio models. All investment direction under this program is exercised by Genworth or its independent investment managers.

FCFA assists the client in selecting the Model Portfolio(s) that best suit the client's objectives. The client signs a contract which specifically directs the account to be invested in the Model portfolio. The client further directs that the account be automatically adjusted by the independent strategists to reflect the purchase or sale of investment securities or certain mutual funds as determined appropriate for the allocation model.

- As part of any investment management program provided by FCFA through a Sub-Advisor, the client receives direct monthly confirmation of all transactions in the account from a separate custodian. The client can terminate their participation in any program at any time. FCFA has no direct authority to cause the purchase or sale of securities in the client account, change any investment model, or direct

the account to be invested in any manner other than as previously authorized by the client. Furthermore, FCFA has no authority to remove assets, proceeds of sales, or terminate the investment advisory contract between the client and Sub-Advisor.

3. **Investment Recommendations and Monitoring for Fiduciaries**

FCFA provides investment recommendations and monitoring services which can be provided separately or combined with other services. While the primary clients for these services will be fiduciaries for pension, profit sharing, 401(k) and ERISA 403(b) plans, FCFA also offers these services, where appropriate to individuals and trusts, estates and charitable organizations. Investment recommendations and monitoring services are offered through four distinct services. Clients may choose to use any or all of these services:

- FCFA will meet with the client to determine the client's investment needs and goals. If the client has no existing Investment Policy Statement ("IPS"), FCFA can assist in preparing a written IPS stating the needs and goals. The IPS provides a policy under which fiduciary process is established and monitored. The IPS will also list the criteria for the selection of investment vehicles. Lastly, the IPS will dictate the procedures and timing interval for monitoring investment performance of selected funds in the plan or account.
- FCFA will review various investments, particularly regulated investments such as mutual funds, to determine which funds are appropriate to implement the client's IPS. The number and type of investments to be implemented will be determined by the client's overall objectives, based upon their IPS and type of account.
- FCFA will provide monitoring reports to the client based upon the procedures and timing intervals delineated in the IPS and/or client contract. As a non-discretionary investment advisor, FCFA can assist the trustee or plan sponsor with actions needed to acquire or remove funds as directed. FCFA will monitor the client's portfolio and will offer recommendations to the client as market factors, fund performance, management fees, and the client's needs may necessitate. The report encompasses the review and comparison of a plan's funds to indices and peers and recommends watchlisting or replacing funds when appropriate.
- FCFA may also provide employers with periodic educational support and investment workshops designed for

plan participants in pension, profit-sharing, 401(k) and ERISA 403(b) plans where participants exercise control over the assets in their own account. The nature of the topics covered will be determined by FCFA and the client so that the plan participants have more information on which they can make informed decisions regarding their investment choices. The educational support and investment workshops will NOT provide plan participants with individualized, tailored asset allocation recommendations or specific investment advice.

- FCFA can assist plan fiduciaries with the disclosure of information under ERISA Sec. 404 (a), and, if elected, 404(c).

4. **Investment Consultations**

- FCFA can provide plan sponsors and/or their retirement committee with a detailed report analyzing their fiduciary processes and procedures. The written report will highlight strengths and weaknesses of plan operation, investment offerings and fiduciary actions. Recommendations for improving fiduciary process are offered.
- FCFA can provide clients with an analysis of their current investment allocation its historical risk and rewards, along with recommendations and alternatives to their investment strategy. These are specific and finite services for which fees may be charged at a rate ranging from \$125 to \$200 per hour.

C. **Tailored Client Service**

FCFA is a fee-based service advisor. FCFA can provide service to clients, such as helping them determine which Sub-Advisor and which portfolio best suits the needs of the client based upon the objectives, time horizon, risk tolerance, and other factors unique to each client. Both in client meetings and written reports, FCFA explains how current economic conditions may be affecting the performance of the client's portfolio. When appropriate FCFA stands ready to assist any client in the process of changing investment portfolios or managers. This could occur when the current client portfolio is no longer appropriate for the client based upon a change in a client's time horizon, objectives or risk tolerance. A client using the portfolios of Sub-Advisors who manage to a broader investment objective instead of a client specific objective, will have limitations on how the restrictions they can impose on investing in certain securities or types of securities. The client can select portfolios which may limit or exclude certain securities as defined by the portfolio manager.

D. Wrap Fee Program

FCFA does not manage any wrap fee programs and is not compensated for providing any wrap fee services. Genworth, however, provides clients with a wrap fee program. The wrap fee program is more fully disclosed in Genworth's ADV Schedule H and should be read and understood prior to a client signing a contract with Genworth.

E. Non-Discretionary Investment Management

As of the date of this Brochure, FCFA has approximately \$180,219,244 total assets under non discretionary advisory agreements for which a fee as a percentage of the assets is charged. None of the assets under these agreements are engaged on a discretionary basis. FCFA also provides consulting services to qualified plans on contracted fee arrangement where assets as of the date of this brochure are in excess of \$19,140,277.

Fees and Compensation

A. How FCFA is Compensated

FCFA is compensated in several ways:

- Financial Planning fees are paid by the client based upon the complexity and scope of the needed plan.
- Advisory fees are part of every three-party contract between the client, FCFA, and Sub-Advisor.
- Advisory fees charged to fiduciaries of certain retirement plans are billed quarterly.
- Fees for specific and finite investment consultation are paid based upon an agreed flat dollar amount or on the number of hours needed to complete the contracted services. Fees are based upon the entire client relationship and the amount of service hours required. Fees are negotiable and reviewed for appropriateness prior to the engagement by the President of FCFA.

1. Financial Planning fees

- FCFA charges a fee that typically ranges from \$1,500 to \$10,000 for a comprehensive written financial plan. Fees are determined according to the complexity of the plan, the scope of the areas to be addressed, and the projected number of hours for completion. Fees are discussed with the client and are agreed upon prior to the execution of a financial planning contract. The client pays one-half of the estimated fee when the Financial Planning Contract is signed, and pays the remainder upon completion of the written plan.

Clients who do not need of a full financial plan but rather advice in one or more planning areas, or on specific securities issues, may be charged an hourly rate ranging from \$125 to \$200.

- Annual updates to comprehensive written financial plans may be performed for a fee. One-half of the estimated fee is paid when the client engages FCFA to perform the Financial Planning annual update and the remainder is due upon completion of the update.

2. **Investment Advisory and Monitoring fees**

FCFA receives compensation from individuals based upon a percentage of the account's market value. The fees applicable to each party are presented and agreed upon within the client's contracts with the Sub-Advisor, as well as with FCFA. FCFA discloses all of its fees and those fees of the Sub-Advisor, custodian or other service providers for account management and operation prior to the inception of the account. Written disclosures are included as part of each advisory contract. Fees are paid to FCFA directly from the custodian of the assets. The fee for FCFA service as an advisor in the contractual relationship ranges from 50 to 100 basis points (.5% to 1.00 %), and are separate from the Sub-Advisor's fees or other service providers fees. FCFA fees are subject to negotiation and are based upon the total of assets under management as well as the total client relationship. Other fees, which are charged to the client by both the Sub-Advisor and the custodian, are provided within each client contract on a separate fee schedule page. Generally a client's total fee, paid to both FCFA and the Sub-Advisor will range from 1.35% to 2.25% per year. Fees for investment advisory and monitoring services are deducted at least quarterly in advance. Manning's fees are calculated based upon the market value of the account on the last day of the prior quarter end. Genworth's fees are based on the average balance of the account during the previous quarter for fee calculations.

3. **Fiduciary Service fees**

FCFA's fees for Fiduciary Services which may include Fund Selection and Monitoring may be charged as:

- a) A percentage of the plan's assets averaging .50 to 1.25% subject to a minimum fee of \$2,400 per year, billed quarterly.
- b) A flat fee as negotiated with the plan's fiduciaries, retirement committee or assignees billed quarterly.
- c) A combination of a percentage fee based on plan assets and a set amount to be billed quarterly.

Fees are negotiated and based upon a number of factors including size of the assets, number of investment options, the requested and/or necessary details of reporting, the number of participants, and portfolio asset allocation. Fees based on a percentage of assets may be billed in advance or arrears. Hourly fees ranging from \$125 to 200 per hour are due and payable as earned and billed by FCFA.

4. **Investment Consultations**

- FCFA charges hourly fees ranging from \$125 to \$200 per hour for any specific and finite advisory consultative service. Fees are negotiated at

the beginning of any engagement, and are paid when the services are rendered.

- Flat fees for services can be set as agreed upon with clients. Such fees are based on a number of factors including time projected, scope of service, complexity, delivery expectations, etc.

B. Payment and or Deduction of Client Fees

FCFA advisory fees are generally debited from client accounts. Fiduciary clients may be billed quarterly with fees paid by remitting checks payable to First Commonwealth Financial Advisors. An FCFA client who has a contract with a Sub-Advisor agrees to the quarterly distribution of FCFA and other management and custodial fees directly from the client's account. Per contract, FCFA receives quarterly fees for all accounts managed by the Sub-Advisor from the custodian of the client's assets. Monthly and/or quarterly custodian account statements are sent directly to each client and itemize fees deducted by the custodian and the recipient of the deducted fees.

C. Other Client Management and Custodial Fees

FCFA is compensated through fees paid by the client. FCFA receives no compensation from:

- Any Sub-Advisor or custodian of any client accounts
- 12b1 fees from any mutual fund
- Soft dollars from any broker/dealer trading client assets

The client who has a contract with a Sub-Advisor will have contractually disclosed management and custodial fees deducted from their account. Clients utilizing mutual funds in their investment accounts, retirement plans or other trusts will incur mutual fund internal management charges, which are disclosed in the prospectus of each fund. The client must carefully review all mutual fund internal fees as an important aspect of a fund's appropriateness for their investment arrangement. FCFA provides detailed reports to fiduciaries so they can understand and evaluate each mutual fund selected for use in either a participant-directed or other type of retirement plan or trust.

D. Prepayment of Fees and Refunding of Prepaid Fees

FCFA Financial Planning contracts provide the payment of one half of the agreed upon fee at the time the contract is signed. If the client provides a written request for termination of the Financial Planning contract, FCFA will refund prorated fees based upon the amount of work completed and the contract rate charged to the client. Clients who terminate the Financial Planning contract within five (5) business days will receive a full refund of fees paid to FCFA.

The FCFA advisory fee, which is part of the client's contract with a Sub-Advisor, is initially billed on a prorated basis to the end of the quarter in which the account is initially invested. From that point forward, accounts are billed quarterly in advance. Payment of such fees is made directly to FCFA and the Sub-Advisor by the account custodian. The custodian facilitates the deduction

from the client's account assets on a monthly or quarterly basis, unless other payment arrangements have been agreed upon between FCFA and the client.

If the client terminates an account, fees paid in advance will be refunded to the client. The refund will exclude a pro-rated amount equal to the number of days in the billing cycle in which the client received the services. Generally, a contract may be terminated by written notice from the client. However, compensation arrangements and termination provisions will also be disclosed in the Sub-Advisor's disclosure brochure. Fees, payments and refund policies will vary depending on the Sub-Advisor's fee schedule and terms.

FCFA Fiduciary Service Client agreements may be cancelled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable, based on the number of days in the billing cycle or the hours of work completed by FCFA. The client has the right to terminate without penalty within five business days after entering into an agreement.

FCFA investment consultations have the fee negotiated at the beginning of any engagement and are paid when services are rendered. A client can terminate the contract within five (5) business days and receive a full refund. If the client terminates the contract after five days, any prepaid, unearned fees will be promptly returned to the client. Any earned, unpaid fees will be due and payable to FCFA.

E. Fee Compensation by Registered Representatives of Essex National Securities, Inc.

Certain FCFA employees are registered and licensed to sell securities and insurance products through a non-affiliated broker/dealer, Essex National Securities, Inc., member FINRA/SIPC and SEC registered investment advisor. This activity is not part of the FCFA advisory services.

1. The client should be aware that certain compensation such as commissions and bonuses could be generated by such employees if they sell products to clients as a registered and licensed representative of Essex National Securities, Inc. Each representative is required to ensure that all recommendations and products are suitable to a client's needs. However, the payment of a commission could present a conflict of interest between the client's best interest and the interest of the registered representative. Essex National Securities Inc. is required to supervise the securities trading activities and insurance sales of its representatives. As such, all transactions are reviewed by an Essex Principal for suitability prior to processing client purchases.

2. Clients are under no obligation to engage FCFA for the implementation of advisory recommendations and are advised as such. Clients may implement the advice provided by FCFA representatives through any broker/dealer or advisor they may choose. The FCFA delivery of advice does not require the client to obtain brokerage or advisory services through an affiliate or related party. The implementation of advisory recommendations is solely at the discretion of the client. Clients should be aware that the receipt of additional compensation by an FCFA employee who offers insurance and investment products and advisory accounts creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. FCFA, as part of its fiduciary duty, endeavors at all times to place the interest of the client first.
3. FCFA's primary source of compensation is derived from advisory services.
4. FCFA does not charge commissions or markups for securities sales, and thus, advisory fees are not reduced to offset these types of fees.

Performance-Based Fees and Side-by-Side Management

Neither FCFA nor any associated persons accept performance based fees for client accounts.

Types of Clients

FCFA generally provides advice to individuals, trusts or charitable organizations, corporations or other business entities, and pension and profit sharing plans. FCFA delivers advice to either the individuals' or organizations' needs and fees for the advice are discussed prior to the engagement. While the client is under no obligation to implement any of the advice through FCFA personnel, there may be minimum account size requirements by Sub-Advisors to open and maintain accounts. The investment manager's minimum requirements for assets will be discussed prior to a client signing any contract.

Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

FCFA uses several methods of analysis and investment strategies in formulating investment advice. Advice is based upon fundamental, technical and cyclical analysis. For those clients obtaining investment management services from the Advisory Advantage service provided by Manning, all security selection and asset allocation functions are handled by Manning. Advisory Advantage provides FCFA with the primary source of investment advisory information regarding Advisory Advantage accounts. Regular communication provides FCFA with the sub-advisor's economic overview, portfolio transactions and strategies, and individual securities purchased for FCFA client accounts. FCFA, as an advisor in

the relationship, meets with the client regularly to communicate such information, as well as, to confirm client goals and objectives are still aligned with the selected investment portfolio. Conversations with clients disclose that investing in securities involves risk of loss that the client should be prepared to bear.

B. Material Risks of Investment Strategies

FCFA works closely with clients who are seeking investment management to assist them in defining objectives and investment parameters. FCFA introduces these clients seeking investment management to the Sub-Advisors, who utilize the client's defined objectives and time horizons to manage assets. Clients who are investing in securities should be willing to invest during a time horizon involving several years, at a minimum. Investing in securities during a shorter time frame exposes the client to additional market timing risk. If the primary strategy involves frequent trading of securities, frequent trading may affect investment performance through increased transactions costs and taxes.

C. Recommending a Particular Security As a non-discretionary advisor, FCFA does not consistently recommend a particular security for a client. Each client is directed to a Sub-Advisor with recommendations based upon their specific circumstances and needs.

Disciplinary Information

There are no disciplinary actions to disclose regarding either FCFA or its management persons.

Other Financial Industry Activities and Affiliations

A. Broker-Dealer Status

Please refer to the response in Item 5(E).

B. Futures and Commodity Dealer Status

Neither FCFA nor any FCFA employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationships with Related Persons

FCFA is wholly owned by First Commonwealth Financial Corporation ("FCFC"), a public company, which is registered as a bank holding company by the Board of Governors of the Federal Reserve System. FCFC provides banking, insurance, trust and wealth management services through the following direct and indirect wholly-owned subsidiaries: First Commonwealth Bank, First Commonwealth Insurance Agency and First Commonwealth Credit Life Insurance Company. Financial advisory representatives of FCFA are not officers of any of these affiliated companies and have no control over any related business activities. The financial advisory representatives of FCFA may

recommend the separate services of these affiliated companies to advisory clients. Recommendations will be made when consistent with the firms' fiduciary duty to act in the best interests of a client.

No FCFA client is obligated to use any recommended services of affiliated companies.

D. Compensation from Other Advisers

FCFA recommends the Sub-Advisors for its clients and does not receive direct compensation directly or indirectly from them. FCFA provides advisory services, which are defined within signed client contracts. The client may also choose to enter into a contract with the Sub-Advisors. This relationship is defined as part of a three-party contract which specific roles of the advisor, investment manager, and custodian. In this relationship, FCFA serves as an investment advisor and is compensated by the client based upon a signed fee schedule. No additional compensation is provided to FCFA by either the investment manager or the custodian of the client's assets.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A FCFA Code of Ethics

FCFA has adopted a Code of Ethics, which is available to clients and prospective clients upon request. To receive a copy of the FCFA Code of Ethics, call 412-562-3232. The Code of Ethics explains FCFA's commitment to maintain high legal and ethical standards in the conduct of its business. It requires each employee to provide annual and quarterly information about his securities accounts and holdings and comply with applicable securities laws. Pursuant to the Code of Ethics, the FCFA Chief Compliance Officer receives copies of statements and confirmations from FCFA employees' and directors' securities account. The Code of Ethics also contains procedures for pre-approval of securities trading by employees and for reporting of violations to the Chief Compliance Officer. Each employee must annually acknowledge receipt of the Code of Ethics and confirm that he or she has read and understands the Code of Ethics, as well as, the FCFA Compliance Manual.

B. Material Financial Interest in Securities

FCFC corporate policy precludes any First Commonwealth employee from providing a client with any advice regarding FCFC equity or debt securities. The policy also prohibits insider trading in accordance with SEC insider trading rules.

C. Conflicts in Personal Trading

FCFA provides advice to clients. FCFA does not manage or trade securities in client accounts. While an advisor and a client may own a similar security within their investment portfolio, the Sub-Advisor, which

manages the client's account, does not communicate portfolio purchases or sales to FCFA personnel prior to client account execution. Therefore, the FCFA advisor cannot take advantage of positioning himself in favor of known client transactions.

D. Conflicts in Client Securities Recommendations

FCFA provides advice to clients. FCFA does not manage or trade securities in client accounts. Although an FCFA advisor may choose to enter into a contract with an investment manager, which is also recommended to a client, FCFA employees are not in a position to manipulate their own or client trades in order to take advantage of the client using such prohibited practices as front running or cross trading.

Brokerage Practices

A. Factors for Broker/dealer Recommendations

1. Research and Soft Dollar Benefit

As previously noted, FCFA does not receive soft dollars from any brokerage or investment portfolio manager relationship.

2. Brokerage Client Referrals

FCFA advisors who are registered with Essex National Securities, Inc. may make recommendations to clients regarding retail investment and insurance products. The client is under no obligation but could choose to purchase products through the non-affiliated Essex National Securities, Inc. FCFA does not receive client referrals from Essex National Securities, Inc.

3. Directed Brokerage

FCFA does not routinely recommend, request, or require that a client direct FCFA to execute transactions through a specified broker/dealer.

B. Aggregate Purchase or Sale of Securities for Client Accounts

Because FCFA does not manage client assets or transact securities trades, FCFA does not aggregate the purchase or sale of securities for various client accounts.

Review of Accounts

A. Frequency and Nature of Review

Investment advisory account reviews are offered to the client at least quarterly. At the request of the client, reviews can be done less frequently than quarterly but not less than annually. Clients are provided with a comprehensive economic and portfolio investment review, which may include current recommendations based upon either market conditions or

the client's changed personal circumstances. Each client review is conducted by the FCFA investment advisor assigned to the account.

B. Other Factors That May Trigger a Review

A more frequent review or interim meeting may be triggered by tax law changes, market changes, or market conditions. A client inquiry or meeting request due to a client's personal changes will also initiate a more frequent review.

C. Content and Frequency of Reports

Each quarter, the Sub-Advisors provide FCFA with reports which detail client holdings, values, and performance for the prior quarter. FCFA reviews and then forwards reports from the portfolio managers to clients. The mailing includes a client letter from the President of FCFA, which provides the client with an economic update. Additionally, investors receive monthly statements directly from the custodian of the client assets. These statements provide detailed client transaction and holdings information. Clients are encouraged to compare the statements to verify account balances and transactions are identical.

Client Referrals and Other Compensation

A. Economic Benefit for FCFA from Others

FCFA does not receive any economic benefit, such as sales awards or prizes, from any source. From time to time a Sub-Advisor or mutual fund provider may sponsor educational or informational seminars and other events which are made available and may be acceptable to investment advisory representatives and /or their clients.

B. Compensation for Client Referrals

FCFA may pay a portion of its advisory fees to certain persons and/or entities for referring prospective clients to FCFA. As required by applicable law, all referral arrangements will be evidenced by a written agreement and disclosed to prospective clients. A copy of the FCFA brochure will also be provided at the time of the referral. A client who is referred to FCFA pursuant to this arrangement will not pay any additional expenses as a result of such referral.

Custody

FCFA does not have custody of any FCFA client assets. Clients receive monthly statements directly from the custodian of their assets. Additionally, FCFA provides a statement as part of the quarterly performance packet. The client is encouraged to compare the account statement with the statement he receives directly from the custodian.

Investment Discretion

FCFA has no discretionary authority to manage securities on behalf of clients.

Voting Client Securities

FCFA does not have, nor will accept, authority to vote client securities. Clients will receive their proxies or other solicitations directly from the custodian. Clients can call their FCFA advisor to request advice regarding any securities proxies or solicitations.

Financial Information

FCFA does not require or solicit prepayment of client fees six months or more in advance. FCFA does not have discretionary authority or custody of client funds or securities. FCFA has not been the subject of a bankruptcy petition at any time during the past ten years. Therefore, no balance sheet is included with this brochure.