

First Commonwealth Financial Advisors, Inc.

Frick Building, Suite 1600
437 Grant Street
Pittsburgh, PA 15219

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

Filing Date: March 31, 2013

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

Since March 31, 2012, the date of our last annual update, we have not had any material changes to our Disclosure 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, Victor M. DiBattista, at 724-935-6789 or vdb@vmdlegal.com.

Contents

Material Changes	2
Table of Contents	3
Advisory Business	4
Fees and Compensation	10
Performance-Based Fees and Side-by-Side Management	14
Types of Clients	14
Methods of Analysis, Investment Strategies and Risk of Loss	15
Disciplinary Information	155
Other Financial Industry Activities and Affiliations	16
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	177
Brokerage Practices	18
Review of Accounts	18
Client Referrals and Other Compensation	19
Custody	19
Investment Discretion	20
Voting Client Securities	20
Financial Information	20

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 (“FCFC”). FCFA 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 Financial Advisors in the fall of 2002 with Mr. Applegate serving as the president and chief executive officer of FCFA since its acquisition by 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, investment advice to plan participants of company sponsored retirement plans, 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
- Benefits for Select Executives

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 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 Services

We offer fee-based investment advisory 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 on-going 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.. In addition, annuity products and services are provided by Jefferson National Insurance Company ("Jefferson National"). . Other than recommending these providers, FCFA will not have investment discretion over these assets.
- 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 disclosure 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 is to be invested in accordance with the terms of the IPS. All investments and allocations 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. Under this program, neither Genworth nor the investment strategist makes any analysis of the individual client's circumstances or objectives. 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 or Jefferson National, 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 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. Specifically, FCFA will provide the following services:
 - Serving 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. Investment recommendations will be implemented per the approval and direction of the client. The report encompasses the review and comparison of a plan's funds to indices and peers and recommends

watchlisting or replacing funds when appropriate.

- Serving as a discretionary investment advisor, FCFA can assist the trustee or plan sponsor with actions needed to acquire or remove funds without client direction. FCFA will monitor the client's portfolio and based on FCFA's analysis will implement the addition, removal, or changes via FCFA's discretion over the investments 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 the option for a "negative vote" when FCFA informs the trustee or plan sponsor of an upcoming discretionary change.
- 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).
- FCFA can provide investment advice to plan participants in self-directed pension, profit-sharing, 401(k) and ERISA 403(b) plans with respect to designated plan assets.
- FCFA may also provide investment advice to plan participants with respect to assets held outside of their retirement plan. Disclosures are provided to plan participants and services are contracted directly with plan participants.

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 \$300 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 and Discretionary Investment Management

As of the date of this Brochure, FCFA has approximately \$215,818,108 total assets under non-discretionary advisory agreements for which a fee as a percentage of the assets is charged. As of this time, no 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 \$2,111,213,646.

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 paid by advisory clients based upon assets under management; these fees are generally deducted from client accounts by the Sub-Advisors, and paid to FCFA. In the case of annuity products with Jefferson National, the advisory fees are paid by the client.
- Advisory fees charged to fiduciaries of certain retirement plans are directly billed quarterly or deducted by the record-keeper monthly.
- 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.
- Sales commissions are received by registered representatives of FCFA in connection with any securities brokerage trades executed through Essex National Securities, Inc. (“ENSI”), a non-affiliated broker-dealer. For a description of how we address any conflicts of interests, please refer to either the “Code of Ethics” section of this document and the Brochure Supplements for FCFA registered representatives.

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 \$300.

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 prior to the inception of the account. Written disclosures are also included with each advisory contract. Fees are generally paid to FCFA in advance by the custodian of the assets managed by the Sub-Advisors. With respect to certain fee only annuities, FCFA receives its fees directly from the client. The fee for FCFA service as an advisor ranges from 50 to 100 basis points (.50% to 1.00 %), and are separate from the Sub-Advisor's fees or other service providers fees. Fees are lower with respect to fixed income/municipal portfolios. All 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 based on the account value and disclosed to the client. 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 and Jefferson National'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 charges the following fees for Fiduciary Services:

- a) An annual fee based upon the percentage of plan assets, ranging from .25 to 1.25%, subject to a minimum fee of \$2,400 per year, is billed quarterly.
- b) A flat fee negotiated with the plan's fiduciaries, retirement committee or assignees is billed quarterly.
- c) Some combination of the above two fees is 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 300 per hour are due and payable as earned and billed by FCFA.

4. Investment Consultations

- FCFA charges hourly fees ranging from \$125 to \$300 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 in advance from client accounts, on either a monthly or quarterly basis, by the custodians used by the Sub-Advisors. Fiduciary clients may also pay FCFA directly. For fiduciary services, fees may be paid directly by the plan sponsor, deducted from plan assets by the recordkeeper on a monthly or quarterly basis or paid for by plan participants. 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 solely through fees paid by the client. FCFA receives no compensation from:

- Any Sub-Advisor or custodian of any client accounts
- 12b-1 fees from any mutual fund
- Soft dollars from any broker/dealer trading client assets

The fees charged by the Sub-Advisors and deducted directly from client's accounts will include the FCFA fee. Additional fees and expenses will be charged in connection with investments in mutual funds; these fees and expenses 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 is paid in advance and initially prorated, based on the amount invested. Subsequently, accounts are billed quarterly in advance, based on the amount of assets as of the last day of the preceding quarter. Except as noted above, 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. In the case of Jefferson National, FCFA invoices the client directly, either quarterly or semi-annually, and receives payment from the client.

If the client terminates an account, unearned fees paid in advance will be refunded to the client on a prorated basis. Generally, a contract may be terminated by written notice from the client. 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 ENSI

Certain FCFA registered representatives are registered and licensed to sell securities, investment advisory and certain insurance products and services through ENSI. These activities are separate and apart from the investment advisory services provided through FCFA.

1. Transaction fees and commissions may be paid to FCFA registered representatives who are registered and licensed to sell securities and insurance products through ENSI. Account fees may also be paid by

ENSI to these representatives in connection with investment advisory accounts held by ENSI. Although each representative is required to ensure that all recommendations are suitable to a client's needs, the payment of such transaction fees and commissions by ENSI may influence the recommendations and advice provided by FCFA representatives, and thus could present a conflict of interest. FCFA has instituted policies and procedures, and closely monitors its registered representatives, to ensure that all investment advice and recommendations are suitable for the client, and are not primarily driven by the form of compensation paid to such persons. In addition, ENSI is also required to supervise and monitor the securities activities of FCFA representatives, including any advice or recommendations they make on behalf of FCFA, to further ensure that such recommendations are suitable for the client.

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 implementation of advisory recommendations is solely at the discretion of the client.
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. The client is under no obligation to implement any of the recommendations through FCFA personnel. There may be minimum account size requirements imposed 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 meets with the client regularly to communicate such information, as well as, to confirm that 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

FCFA may act as both a discretionary and non-discretionary advisor, but does not, however, exercise discretion with respect to any assets managed by the Sub-Advisors or Jefferson National.

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 FCFC. 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. Registered representatives of FCFA are not officers of any of these affiliated companies and have no control over any related business activities. The registered 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. 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 negotiated 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

As part of its compliance program, 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 . 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 reports 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 FCFA Compliance Manual and Code of Ethics, and confirm that he or she has read and understands them.

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

Since substantially all client assets are managed by Sub-Advisors, the potential for conflicts in personal trading is not significant. 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

Since substantially all client assets are managed by Sub-Advisors, the potential for conflicts in client securities recommendations is not significant. 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 by using any prohibited or unethical practices.

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

Although FCFA representatives may execute securities trades through ENSI and receive a commission from ENSI in connection with such trade, there is no obligation to effect any particular securities or insurance transaction, and FCFA does not receive client referrals from ENSI.

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 changes in tax law 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. Except for referral arrangements with affiliates, a copy of the FCFA Disclosure 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 is deemed to have custody over certain retirement plan assets as a result of its affiliation with First Commonwealth Bank, who serves as the trustee to such retirement plans. Consequently, as required by law, FCFA will undergo an annual surprise audit by an independent accounting firm, and First Commonwealth Bank will also undergo an internal controls audit by such

accounting firm. A copy of each of these audits will be publicly available. Except for the foregoing, FCFA does not have custody of any FCFA client assets.

To ensure that client fees are properly deducted from their accounts, all such clients will receive monthly statements directly from the custodians used by the Sub-Advisors who manage 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

As previously noted, the Sub-Advisors, and not FCFA, have discretionary authority to manage securities on behalf of clients. FCFA does, however, have discretionary authority to manage retirement plan assets on behalf of plan sponsors. Plan sponsors may limit FCFA's discretion by contract. Discretionary authority for retirement plan assets may include or be limited to the initial selection of investment offerings. In instances where investments no longer meet the initial selection criteria as noted in the Plan's Investment Policy Statement, FCFA can perform a search for a replacement and in their discretion, select the appropriate replacement and facilitate the change with the Plan's record keeper. In performing searches, FCFA uses third party analytical tools in addition to a review of available prospectuses, outside sources and direct conversations with the investment companies' portfolio managers and specialists.

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 custodians. Clients can call their FCFA advisor to request advice regarding any securities proxies or solicitations.

Financial Information

FCFA is the investment advisory arm of a \$6 billion financial organization. As such, there are no financial conditions which are reasonably likely to impair its ability to meet its contractual commitments to clients.