

ITEM 1. COVER PAGE

FCA CORP

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FORM ADV PART 2A BROCHURE

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This brochure (“Brochure”) provides information about the qualifications and business practices of FCA Corp (“FCA”). You should review this Brochure in conjunction with FCA’s brochure supplement (“Supplement”). The Supplement(s) has been prepared to provide information about the qualifications and background of the supervised person(s) working with you or on your behalf or who may otherwise participate in the advisory services provided to you. If you have any questions about the contents of this Brochure, please contact FCA’s Chief Compliance Officer, William LeVay, at wlevay@fcacorp.com or (713) 260-1440.

Additional information about FCA is also available on the Securities and Exchange Commission’s website www.adviserinfo.sec.gov. (click on the link, select “investment adviser search” and type in FCA’s name or CRD Number.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Reference to FCA as a registered investment adviser should not be interpreted to imply any particular level of skill or training.

ITEM 2. MATERIAL CHANGES

There were no material changes to report in this Brochure.

This ADV Part 2 Brochure is prepared in accordance with the requirements set forth by the Securities and Exchange Commission’s (“SEC”) Release No. IA-3060, titled, “Amendments to Form ADV.” The SEC requires that specific information be disclosed to clients in a consistent manner. The presentation of this document is mandated by the SEC and, as such, the table of contents appears after this “Material Change” page.

All references to the “Advisers Act” are references to the Investment Advisers Act of 1940, as amended.

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ITEM 4. ADVISORY BUSINESS

FCA provides portfolio management, financial planning and consulting services to individuals, managed entities and open-ended mutual funds. FCA was incorporated in Texas in 1983 and through its predecessor company, has been in business since 1975. FCA is wholly owned by First Commonwealth Holdings Corp. (hereinafter, “FCHC”), which in turn is owned by Robert W. Scharar, President of FCA, and others. Below is a summary of the services FCA provides:

A. Portfolio Management Services

FCA provides portfolio management services to clients. Portfolio management is defined as providing continuous advice to a client or making investment decisions for a client, as appropriate, regarding investment of client funds based on the individual needs of the client. FCA provides portfolio management services to clients’ accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client such as: balanced, balanced income or balanced growth.

1. Separately Managed Accounts

For separately managed accounts, a client’s goals and objectives are established through personal discussions. Separately managed accounts are typically created as a result of a financial planning client deciding to implement the investment recommendations made by FCA through its portfolio management services. In general, portfolios are customized and managed to meet the individual investment needs of each client.

2. Adviser to Commonwealth International Series Trust

FCA is the investment adviser to the Commonwealth International Series Trust (hereinafter the “Commonwealth Funds”), an open-end investment company registered under the Investment Company Act of 1940.

3. Adviser to Managed Entities

FCA provides investment management, real estate advisory and administrative services to various entities on a non-discretionary basis. The offering and organizational documents of these entities along with FCA’s management or advisory agreements govern these relationships.

4. Types of Investments

FCA identifies and investigates appropriate public and private investments which meet the client’s varied needs, such as risk tolerance, liquidity, time horizon, tax implications and investment objectives, as well as FCA’s views on investment options. FCA, when appropriate, will allocate the client’s assets among various investment products and create a portfolio consisting of one or more of the following:

- a) Equity securities – stock, options, warrants,
- b) Debt securities – government, agency, corporate, municipal,
- c) Convertible and non-convertible preferred stock,
- d) Fixed income securities,
- e) Investment company securities
 - (1) Mutual funds (open and/or closed funds),
 - (2) Exchange-traded funds, and
 - (3) Variable life insurance and annuities
- f) Cash equivalents and other investment products,
- g) Interests in real estate investment trust or real estate corporations, partnerships or limited liability companies, and
- h) Alternative investments.

5. Advice on Pre-Existing Investments

When the client directs FCA to retain assets in the account held by the client prior to the hiring of FCA, FCA will not be held accountable for the performance of those assets even when those fees are “charged” on the value of those assets.

6. Assets under Management

As of the September 30, 2020, FCA’s assets under management consisted of the following

Discretionary:	\$400,081,062
Non-Discretionary:	\$52,128,867
Total:	\$452,209,929

7. Disclosure Regarding Financial Planning and Non-Investment Services

To the extent requested by the client, FCA provides consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither FCA, nor any of its representatives, serves as an attorney, CPA, or insurance agent to any FCA client, and no portion of FCA’s services should be construed as such. To the extent requested by a client, FCA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, CPAs, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FCA.

Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

8. Client Obligations

In performing its services, FCA is not required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. It remains the client's responsibility to promptly notify FCA if there is ever any change in his/her/its financial situation or investment objectives for reviewing/evaluating/revising FCA's previous recommendations and/or services.

B. Financial Planning Services

FCA provides comprehensive financial planning services which represent a core service provided to clients. Clients utilizing this service will typically receive a written Financial Plan designed to achieve the client's stated financial goals and objectives ("Financial Plan" or "Plan"). The primary objective is typically to obtain a level of financial independence in case of disability, retirement or death while meeting current lifestyle financial needs.

In general, the Financial Plan addresses one or more of the following areas of concern:

1. Personal: Family records, budgeting, personal financial inventory, estate information and financial goals.
2. Tax and Cash Flow: Income tax and spending analysis of past, current and future years.
3. Death and Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
4. Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
5. Investments: Analysis of investment alternatives and their impact on a client's portfolio.

The Financial Plan is based on information FCA obtains through in-depth client interviews. These interviews typically address the client's current financial status and future goals and attitude towards risk. FCA generally reviews relevant documents provided by the client including a client questionnaire. Should a client choose to implement the recommendations contained in the Financial Plan, FCA suggests the client work closely with his/her attorney, accountant, insurance agent or other advisor. Implementation of the Financial Plan's recommendations is at the client's discretion.

FCA may prepare tax returns for clients and for some clients this is the only service provided.

C. Consulting Services

FCA also provides other types of advice on a more limited basis which fall within FCA's consulting services. This includes advice regarding specific area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, advice on matters such as insurance or annuity purchases, general business matters and other topics. FCA also provides specific consultation and administrative services regarding investment and financial concerns of the client.

D. Recommendations of Specific Products and Services

Financial planning and consulting services are not limited to any specific product or service offered by a broker-dealer or insurance company.

ITEM 5 FEES AND COMPENSATION

Below is a general description of the fees charged to clients based on the various services provided.

A. Fee for Portfolio Management Services Only

The fee for portfolio asset management services, exclusive of other services, is a percentage of net value of assets in the account(s) under management applied at a negotiated rate. For assets of \$1,000,000 or less, the rate would be 1.0% per annum. For assets greater than \$1,000,000, a percentage less than 1% per annum.

A minimum of \$100,000 of assets under management is required for this service. The minimum account size, as well as the rate, is negotiable. Client accounts will be invoiced or debited in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter.

B. Financial Planning and Consulting Fees

Financial planning and consulting fees will be charged by one or a combination of the following:

1. A negotiated percentage rate to be applied as a portfolio asset management fee. (where Portfolio Management Services are also included)
2. An annual fixed fee based upon an estimate of services needed to complete the work, meet with the clients, anticipated travel, complexity of the engagement and the level

of asset management fees charged. For certain clients, their accounts will be invoiced or debited a quarterly amount of the fixed fee.

3. An hourly rate that ranges from \$60 to \$550 per hour. If appropriate, an estimate for total hours will be determined at the start of the advisory relationship.

The actual rate(s) will depend upon the level and scope of portfolio management, financial planning and consulting services to be rendered in the relationship as well as size of the portfolio.

The length of time it will take to provide and implement a Financial Plan will depend on each client's personal situation and how timely the client provides the information needed to prepare the Financial Plan.

C. Waived, Discounted, Adjusted or Blended Fees and Fee Differentials

FCA may, at its discretion, waive, discount, adjust or blend the fees for portfolio management, financial planning and consulting services.

Note: FCA's annual investment advisory fee varies upon the level and scope of the overall services to be rendered. The fee determination is based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under the FCA's management, the level and scope of financial planning and consulting services to be rendered, including tax preparation services, and the complexity of the engagement. As a result, FCA's clients could pay diverse fees based upon these factors. All clients and prospective clients should be guided accordingly.

D. Fees Received from Commonwealth Funds

FCA earns a fee for the portfolio management services provided to the Commonwealth Funds in addition to the fee charged to a client for portfolio management services. This additional compensation creates an inherent conflict of interest because it could influence investment decisions made on behalf of client portfolios. Therefore, FCA excludes the value of any common shares held in an account from the calculation of the percentage of asset fee applied to an account. Clients should refer to the prospectus and statement of additional information for information regarding compensation FCA receives. The prospectus for the Commonwealth Funds is available online at www.commonwealthfunds.com.

See Item 10, A of this document for more information regarding FCA's conflict of interest in recommending the Commonwealth Funds.

E. Fees Received from Managed Entities

FCA provides investment management, real estate advisory and administrative services to various entities based on percentage of assets under management as of the beginning of each fiscal year, a flat fee and/or an hourly rate. These fees are typically paid in equal quarterly installments at the beginning of each fiscal quarter. The fee is identified in the management or advisory agreement and/or the organizational documents. Clients invested or considering an investment in such entities can request a copy of the advisory or management agreement FCA has with these entities. FCA excludes the value of any managed entity from the calculation as of any percentage of asset fee applied to an account.

F. Cancellation of Advisory Agreements

Typically, a separately managed client account can be canceled at any time by either party for any reason upon receipt of 30 days' prior written notice. Upon termination of any separately managed client account, any prepaid, unearned fees will be promptly refunded, and any earned unpaid fees will be due and payable. A separately managed client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Termination provisions for the Commonwealth Funds are included in its prospectus.

The management and/or advisory agreements for managed entities require 30 days' advance notice of termination of the agreement by the board of directors and 120 days' advance notice of termination by FCA. The contract should be referenced to determine the specific rights and obligations of each party.

G. Fees and Expenses Charged by Mutual Funds

All fees paid to FCA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, including the Commonwealth Funds. These fees and expenses are described in each funds' prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client will pay an initial or deferred sales charge. Client should also review Item 8, D, E and F for additional information regarding investing in mutual funds.

H. Fees Charged by Others

In addition to FCA's fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers. Such fees include, but are not limited to, transaction charges, fees for duplicate statements and transaction confirmations, debit card fees, check writing fees and fees for electronic data feeds and reports.

I. Fee Adjustments for ERISA Compliance

Advisory fees will be adjusted for fees earned from entities advised by FCA and recommended to clients for investment through a profit-sharing, 401(k), or other client accounts if this would otherwise constitute a prohibited transaction under the provisions of ERISA or the Internal Revenue Code and where an exception does not apply.

ITEM 6. PERFORMANCE – BASED FEES AND SIDE BY SIDE MANAGEMENT

FCA does not accept performance-based fees for Portfolio Management Services. FCA does not charge based on a share of capital gains or appreciation except as permitted by Section 205(a)(1) of the Advisers Act with reference to a percentage of assets under management.

ITEM 7. TYPES OF CLIENTS

FCA offers a combination of services, where appropriate, to individuals, investment companies, trusts, estates, charitable organizations, corporations and other business entities.

As previously disclosed at Item 5 of this Brochure, FCA has a minimum account size requirement for establishing and maintaining a managed account.

A. Adviser to Specific Clients

1. Adviser to Commonwealth International Series Mutual Trust

FCA is the investment adviser to the Commonwealth International Series Trust (“Commonwealth Funds”) an open-end investment company registered under the Investment Company Act of 1940.

2. Adviser to Managed Entities

FCA provides investment management, real estate advisory and administrative services to real estate investment trusts, private equity entities and private debt entities (generally referred to as “Managed Entities”) on a non-discretionary basis. The offering and organizational documents of these entities and the management or advisory agreement entered into with FCA by these entities govern these relationships.

Investors in these entities include both clients and non-clients of FCA.

Should any entity make an offering, potential investors should refer to the relevant offering and subscription documents for important information regarding the objectives and investment strategies of the entity as well as the risks involved in

making an investment. FCA recommends such investments to the client after considering the general marketplace and when consistent with the client's stated investment objectives, risk tolerance and liquidity. *See* Item 10, A and B for information regarding FCA's conflict of interest with these entities.

ITEM 8. METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Fundamental Analysis

FCA primarily uses fundamental analysis in formulating investment advice and/or managing client assets.

FCA attempts to measure the intrinsic value of a security by looking at economic and financial factors including the overall economy, industry conditions and the financial condition and management of the company itself to determine if the security is underpriced indicating a good time to buy or overpriced indicating a time to sell.

Fundamental analysis does not attempt to anticipate short-term market movements. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

In identifying specific companies in which to invest FCA will assess factors deemed relevant and applicable under these circumstances which include:

1. Potential for capital appreciation (to both a company's growth prospects and to other issuers);
2. Earnings growth potential and sustainability;
3. Price of security relative to historical and future cash flow;
4. Sustainable franchise value;
5. Price of a security relative to price of underlying stock, if a convertible security, option, warrant, right, *etc.*;
6. Yield on security relative to yield of other fixed-income securities;
7. Interest or dividend income;
8. Call or put features;
9. Price of a security relative to price of other comparable securities;
10. Size of issue;
11. Impact of security on diversification of the portfolios, and
12. Company management

FCA generally invests in equity securities with the view to hold them long-term, and invests in debt instruments with the view to hold to maturity. FCA will seek to sell a security when it believes the price is unlikely to appreciate longer-term and other comparable investments offer better opportunities for clients. During the holding period there is a risk that the price of a security can move up or down regardless of the factors used to make the decision to buy or sell the stock or bond.

B. Macro-Economic Considerations

In formulating investment advice FCA also considers factors that can influence general market conditions. Some of these factors are general economic conditions of employment, political considerations of stability and support for business development, various monetary conditions, available money for business expansion and the regulatory environment for business investment.

C. Technical Analysis

FCA primarily uses fundamental analysis and does not rely on any technical system or analysis in determining a value during the investment process. Analysis of an instrument's current value versus historical value is not considered a technical system for purposes of this section.

D. Methodology Used for Mutual Funds and ETFS

Mutual funds and ETFs ("funds") selected for a client's account will be selected on any or all of the following applicable criteria:

1. the fund's performance history,
2. the industry- geography or sector in which the fund invests,
3. the fund manager,
4. the fund's investment objectives,
5. the fund's management style and philosophy,
6. the fund's management fee structure,
7. the fund's expense ratio,
8. the fund's management tenure,
9. the underlying assets of the fund,
10. the fund's availability to clients, and
11. whether the fund is a load or no-load fund.

E. Disclosure Regarding Investments in Commonwealth Funds

FCA where appropriate, will select the Commonwealth Funds for clients' accounts. Clients should understand the following:

1. Investment Objectives of the Commonwealth Funds

The investment objective of the Commonwealth Funds is to provide long-term capital appreciation and current income through investment in foreign and domestic equity and debt securities. Prospective investors should refer to the Commonwealth Funds' prospectus and the statement of additional information for important information regarding objectives, investments, time-horizons, risks, fees and additional disclosures. The prospectus and statement of additional information for the Commonwealth Funds is available online at www.commonwealthfunds.com. Because of the potential conflict, clients should review these materials carefully.

2. FCA's Relationship to the Commonwealth Funds

The Commonwealth Funds are managed by FCA for a fee which is separate from and in addition to the advisory fees charged for portfolio management services. This additional compensation creates an inherent conflict of interest because it could influence investment decisions made on behalf of client portfolios. Therefore, FCA excludes the value of any common shares held in an account from the calculation as of any percentage of asset fee applied to an account. FCA as it deems appropriate, will invest a portion of a client's managed portfolio in the Commonwealth Funds. Clients have the opportunity to restrict the purchase of Commonwealth Funds by providing written notifications of such restriction. *See* Item 8, D, E and F this document for more a detailed discussion regarding investing in mutual funds and Item 10, B regarding the conflict of interest.

F. Disclosure Regarding Fees of Mutual Funds and ETFs

Clients can invest in the Commonwealth Funds and in other mutual funds and ETFs directly without FCA's portfolio management service. By investing directly, clients would not receive the portfolio management services provided by FCA, would not benefit from the selection of mutual funds and ETFs which are designed to meet the clients' overall objectives and would not receive other portfolio management benefits such as rebalancing and monitoring. Clients should review the fees charged by FCA and the fees charged by the funds to understand the total fees charged to the clients' account.

G. Risk that the Methodology Used Is Incorrect

FCA's research and methodology is premised on the accuracy of the information provided by companies that it invests in, the rating agencies, and other publicly available sources. There is always a risk that FCA's analysis will be based on inaccurate or misleading information or will be incorrect because of human or computer error.

H. Investment Strategies

FCA uses several investment strategies to implement the investment advice provided to clients guided by the stated objectives of the client such as: balanced, balanced income or balanced growth. Within the stated objective, strategies could include but are not limited to:

1. Option Writing and Buying

When FCA believes it to be appropriate to the client's needs and keeping with the client's investment objectives, FCA will recommend the use of options. A "call option" is a contract which gives the purchaser of the option the right, but not the obligation, to purchase an asset, including a share of stock, at a specific price on or before a specific date in exchange for the payment of an agreed upon premium. FCA will at times direct that a client's account sell "covered calls" in exchange for a premium payable to the client on securities held and, in addition, FCA will at times have the client's account purchase an option for a premium.

A risk of covered calls is that the buyer does not have to exercise the option. If FCA wants to sell the stock for the client prior to the end of the option agreement, FCA will have the client's account buy the option back from the option buyer for a possible loss to the client's account,

A "put" option is the right to sell an asset at a given price on or before a given date in exchange for a premium payable to the writer of the put. FCA will at times buy put options for the portfolios of certain clients. These are designed to protect against market declines of asset values.

FCA will not engage in the selling of "naked" puts for any clients.

2. Short-term Transactions

Where appropriate to the needs of the client or if market or security specific conditions deem it necessary, FCA will recommend the sale of a security on a short-term basis or the purchase and sale of a security over a shortened period for tax purposes. A risk in a short-term purchase strategy is that, if the anticipated price swing does not materialize, the client is left with the option of having a long-term investment in a security that was designed to be a short-term purchase or potentially taking a loss. This strategy involves more frequent trading than does a longer-term strategy, and could result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

3. Margin Transactions

For certain clients FCA will trade on margin and purchase securities for a client's account with money borrowed against the client's brokerage account through client's broker. This allows clients to purchase more securities than the client would be able to with his or her available cash, and allows FCA to purchase securities in a client's account without selling other holdings. A risk in margin trading is that in volatile markets security prices can fall very quickly.

If the value of the securities in a client's account falls below a certain level the broker will issue a "margin call", and the client will be required to sell his or her position in the security purchased on margin or add more cash to the account.

This trading practice involves a higher degree of risk which includes, but is not limited to, losing more money than invested in the security; having to deposit additional cash or securities in the trading account to cover losses; being forced to sell securities when falling prices reduce the value of securities; and a broker selling some or all of a client's securities without consulting the client to pay off the loan it made to the client. In addition, margin accounts are subject to hypothecation by the brokerage firm and if the broker files for bankruptcy it could be difficult to identify the client's assets.

There are additional risks and other issues associated with margin accounts. Clients should carefully review all material provided by their broker regarding margin accounts.

I. Risk of Loss

Investing in any security involves a risk and clients may lose their money. FCA does not guarantee a client's investment. Each security has its own risks. Below is a summary of the general risk(s) associated with the different investments FCA recommends.

J. Risk with Equity Securities

Equity securities are subject to the systemic and general risks of the markets as a whole. Further, investments made in equity securities generally are made with the prospect of long-term capital appreciation and in certain cases dividend income. However, there is a risk that investments will be stagnant if there is no growth in the issuer and/or that the investment will be lost if the issuer goes into bankruptcy.

K. Risk with Fixed Income

Investments in fixed income are typically made on the premise that the security has income producing qualities. The purchase of fixed income securities include, but are not limited to the following risks: call risk, price risk, reinvestment risk, credit risk, liquidity risk and default risk.

L. Risk with Cash Equivalents

At times, FCA will strategically increase the cash asset allocation in a client's portfolio because of concern for market conditions, in anticipation of certain upcoming opportunities or obligations and at the clients' request. A client should be aware that there is an opportunity risk involved with this strategy if the market increases and the client was not invested in the market at the time of the increase. There is also a risk that the entity holding the cash equivalent could become insolvent and will not be able to pay the client for the entire balance held with the entity. A client should understand that FCA will bill on all cash positions in managed accounts.

M. Risks with Variable Life Insurance and Annuities

The purchase of variable life insurance and annuities from an insurance company is typically recommended to clients to meet retirement goals for them or their beneficiaries. Variable life insurance and annuities may not be appropriate for meeting short-term goals because of substantial taxes and charges that apply when the client withdraws money early. There is a risk that the investment projections will not materialize, and that the insurance company will become insolvent and not be able to pay its obligations.

N. Risks with Mutual Funds, Closed End Funds, and ETFs

While mutual funds and ETFs ("funds") provide diversification to clients' portfolios, clients should be aware that funds have transactional cost that can impact returns, lack liquidity depending on the fund, and are vulnerable to fund closure by the sponsor. Some Closed end funds (Interval funds) only offer to repurchase their shares at specified intervals which could impact the liquidity of the investors account. FCA, where appropriate, could recommend the purchase of leveraged funds. Such funds at times seek leveraged returns relative to the index on a daily basis. As such, the funds are riskier than non-leveraged

funds and are therefore not suitable for all investors. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. There is also a risk that a manager could deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF inappropriate a client's portfolio. Further, with certain funds' trading can be complex.

FCA cannot guarantee that a client will not be overly concentrated in a particular security held by more than one fund or owned individually by the client.

O. Risks with Investing in Real Estate

Real estate investments in private REITs and limited partnerships are long-term investments. The value of real estate fluctuates and there may be periods when the value will stagnate or decrease. Further, in certain cases the investments are illiquid.

P. Risks with Alternative Investments

Alternative investments may be speculative and illiquid depending on the particular investment and a market for the investment.

Q. Risks with Pooled or Private Investment Vehicles

Private investment in pooled or private investment vehicles generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in offering documents, which should be provided to prospective investors for review and consideration. Unlike other liquid investments that a client maintains, private investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for the investment and acknowledges and accepts the various risk factors that are associated with such an investment.

R. No Obligation to Invest in Private Entities

FCA provides investment advice to private REITs and other real estate entities. FCA, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in such entities. **FCA's clients are under no obligation to consider or make an investment in such entities.**

ITEM 9. DISCIPLINARY INFORMATION

There are no reportable events requiring disclosure.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

A. Description of First Commonwealth Holdings Corp.’s Activities

FCA is wholly owned by First Commonwealth Holdings Corp. (“FCHC”), which is owned by Robert W. Scharar, President of FCA, and other shareholders. Conflicts of Interest arise with Investments by a client in an investment sponsored by other clients of FCA or advised by FCA.

1. Conflicts of Interest Associated with Commonwealth Funds

As disclosed above, FCA may recommend or use its discretion to purchase shares of the Commonwealth Funds for portfolio management clients. FCA earns a fee for management services provided to the Commonwealth Funds separate from and in addition to the fee charged to a client for portfolio management services. This additional compensation creates an inherent conflict of interest because it could influence investment decisions made on behalf of client portfolios. Therefore, FCA excludes the value of any common shares held in an account from the calculation as of any percentage of asset fee applied to an account. Clients can limit the amount of assets invested by FCA in the Commonwealth Funds and restrict such investment in the Commonwealth Funds altogether by providing written notification.

Additionally, clients should be aware that the Commonwealth Funds have a higher expense ratio than other mutual funds and should consider this factor when investing.

2. Conflict of Interest with Managed Entities

Where appropriate, FCA recommends to its client’s investments in specific entities that are also advisory or managed clients of FCA. There is no referral compensation arrangement between FCA and any of the entities recommended to a client. Those entities that compensate FCA based on a percentage of assets may experience an increase in assets resulting from any such referral. This increase in assets, in turn, will result in a corresponding increase in the fee paid to FCA, for the services rendered to the entity which will benefit the owners FCA and FCHC, including Robert W. Scharar as the majority shareholder of FCHC. In some cases, an hourly or fixed fee may apply in lieu of an asset-based fee services rendered to the entity.

The nature of any relationship between FCA or FCHC and any entity recommended to a client will be disclosed to the client.

3. Inter-Fund Transactions

Where appropriate FCA will at times, recommend a transaction between FCA managed entities or between FCA managed entities and third party entities where financial planning clients of FCA or a related person holds an interest, provided that: the transaction is consistent with FCA's duty to its clients, the transaction is permitted by the participating entity organizational documents, appropriate disclosure is made to the clients involved in the transaction, and the investing client is not disadvantaged by the transaction.

4. Disclosure Regarding Risk and Conflict with Managed Entities

Because investment in these types of entities may involve additional degrees of risk; they will only be recommended when consistent with the client's stated investment objectives, preferences, risk tolerance, liquidity and eligibility. Clients are under no obligation to invest in any of the above-described entities or to implement any advisory recommendations.

5. Investments in Managed Entities

Any investment in such entity will be made on a non-discretionary basis and only after the client has received the proper documentation and has had ample opportunity to review such documentation. Clients will also have the opportunity to ask the entity questions as to the specifics of the investment and to ask FCA questions as to the appropriateness of the investment for the client.

6. Receipt of Additional Compensation Creates a Conflict

The implementation of any or all recommendations is solely at the discretion of the client except in situations where a related person of FCA is a trustee over the account. While FCA always endeavors to put the interest of the client first as part of FCA's fiduciary duty, clients should be aware that the receipt of additional compensation in and of itself, even though indirectly, creates a conflict of interest and may affect the judgment of the individuals making recommendations.

B. Service as Officer or Director

Mr. Scharar and other FCA employees currently serve as officers or directors to many of the privately held entities that are recommended to FCA clients. These individuals do not receive separate compensation for the services provided in these positions with the limited exception that the CCO for FCA also receives compensation for the additional role as CCO for the Commonwealth Funds. Nevertheless, clients should be aware that service as an

officer or director to any entity requires certain duties of loyalty. The services provided by these persons to these entities present the potential for a conflict of interest. The amount of time related persons spend on these related activities will vary from month to month depending on the demands of the various entities during a particular month.

1. Client Entities that FCA’s Employees Serve as an Officer or Director

The following is a list of entities that are clients of FCA Corp and which certain FCA employees serve as an officer or director.

- Commonwealth International Series Trust
- Africap, LLC
- First Commonwealth Mortgage Trust
- Holly Mortgage Trust

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

A. Code of Ethics

FCA has a Code of Ethics that sets forth ethical business conduct required of its employees, including compliance with applicable federal securities laws. The Code of Ethics has provisions addressing FCA’s fiduciary duty to its clients, the confidentiality of client information, prohibition on insider trading, restrictions on the acceptance of significant gifts and restrictions on personal trading.

Clients or prospective clients upon request will receive a copy of FCA’s Code of Ethics from FCA’s Chief Compliance Officer.

B. Personal Securities Transaction of Employees of FCA

FCA’s Code of Ethics requires the prior approval for the purchase and sale of certain securities. Employees do not need prior approval to purchase or sell for their own account mutual funds or exchange traded funds.

FCA or individuals associated with FCA may buy or sell securities for their personal accounts identical to or different from those recommended to clients.

FCA’s Code of Ethics includes policies and procedures for the review of access persons’ quarterly securities transactions reports as well as initial and annual securities holdings reports.

In addition, any access person may have an interest or position in securities which are recommended to a client.

C. Principal Transactions

While FCA does not engage in principal transactions, individuals associated with FCA acting in their trustee capacity may buy securities for the trust from another client or sell securities of the trust to another client. FCA will comply with all the provisions under Section 206(3) of the Advisers Act governing principal transactions.

D. Retirement Plan Rollovers - No Obligation / Potential for Conflict of Interest

A client or prospective client leaving an employer typically has four options regarding an existing employer retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If FCA recommends that a client rollover their employer retirement plan assets into an account to be managed by FCA, such a recommendation creates a conflict of interest to the extent that FCA's advisory fee is increased as a result of the rollover. To the extent that FCA recommends that clients roll over assets from their employer retirement plan to an IRA managed by FCA, then FCA represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by FCA. Recommendations for a rollover are required to be reviewed and approved by FCA's Chief Compliance Officer.

ITEM 12. BROKERAGE PRACTICES

A. Broker Discretion - Commonwealth Funds

FCA is granted discretionary authority by the Commonwealth Funds to determine the broker-dealer to be used and the commission rates to be paid. Investors should refer to the prospectus and statement of additional information for information on the brokerage recommendations, practices and policies.

B. Broker Discretion –Separately Managed Portfolio Service Accounts

1. Client Directed Brokerage

FCA does not have the discretionary authority to determine the broker-dealer to be used, or for the commission rates to be paid from most separately managed portfolio management services accounts (except in limited circumstances described below). When the client directs the use of a particular broker-dealer, it should be understood that FCA will not have authority to negotiate commissions or obtain volume

discounts, and the best execution may not be achieved. In addition, a disparity in commission charges could exist between the commissions charged to a client and those charged to other clients.

2. Recommendations for Brokerage and Custodial Services by FCA

For clients in need of brokerage or custodial services, and depending on client circumstances, FCA may recommend the use of one of several broker-dealers provided that such recommendation is consistent with FCA's fiduciary duty to the client. These brokers include, but are not limited to:

- a) Fidelity Investments,
- b) Charles Schwab Institutional,

Clients should evaluate these brokers before opening an account.

3. Factors Considered

Below are many of the factors FCA considers when making a broker recommendation:

- a) the broker's ability to provide professional services,
- b) FCA's experience with the broker,
- c) the broker's reputation,
- d) the broker's quality of execution services,
- e) costs of such services,
- f) brokers' ability to provide suitable debt instruments, and
- g) access to desired products.

Clients should be aware that FCA participates in various programs offered by these unaffiliated broker-dealers or otherwise receives benefits from these broker-dealers that it would not receive if it did not offer investment advice to clients who use such broker-dealers. Clients are not under any obligation to place trades through any recommended broker. Clients can request that brokerage transactions be directed to a particular broker-dealer. However, if FCA believes that the use of that broker-dealer would hinder FCA in meeting certain fiduciary obligations, FCA may decline the account.

4. Potential Conflict of Interest with Broker Referrals

In the event that a broker-dealer refers clients to FCA, FCA will not compensate that broker-dealer for the referral. Nonetheless, a potential conflict of interest could arise between the client's interest in obtaining best price and execution and FCA's interest in receiving future referrals. Referred clients should understand they can elect to utilize the services of the referring broker-dealer or choose another broker-dealer.

5. Limited Brokerage Discretion

Notwithstanding an otherwise directed brokerage relationship between FCA and a Portfolio Management client, FCA will request that it be provided written authority to determine the broker-dealer to be used for the purchase or sale of certain fixed income instruments, secondary offerings and certain infrequently traded equities for the client's account and the costs that will be incurred by the client for these transactions. Any limitations on this discretionary authority shall be included in a written authority statement. Clients may, in writing, change these limitations as desired. FCA's limited brokerage discretion can be further limited by certain rules prohibiting sales outside the prime broker account.

When FCA exercises this limited brokerage discretion to purchase or sell such instruments, FCA will select a broker-dealer based on the broker-dealer's ability to provide professional services, competitive execution and other services that will assist FCA in providing investment management services to clients. Client trades in these instruments may be blocked with transactions for other advisory clients to achieve better pricing, commission costs and efficiencies.

C. The Trading of Aggregate Blocks of Securities

FCA may block trades when advantageous to clients. The blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow FCA to execute equity trades in a timely, equitable manner at an average share price and potentially reduce overall commission charges to clients participating in the block. However, ticket charges and other related transaction costs typically cannot be reduced. FCA will generally be able to aggregate trades for clients that direct the use of a particular broker-dealer with clients that have directed the use of the same broker-dealer. As a result, a disparity in commission prices and charges could exist between clients that have directed the use of different broker-dealers. Because all trades in the same security placed on the same day may not be placed simultaneously, FCA will rotate or vary the order of brokers through which it places trades for clients. FCA's block trading policy and procedures are as follows:

1. Restrictions on Aggregation

Transactions for any client account will not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with FCA or FCA's order allocation policy.

2. Evaluation of the Security

The financial planner or designated investment personnel, at the direction of the Investment Committee, must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's

investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3. Determination that Aggregation is Beneficial

The financial planner or designated investment personnel, at the direction of the Investment Committee, must reasonably believe that the order aggregation will benefit and enable FCA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment when the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct considering a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution as well as the best net price.

4. Necessary Information

Prior to entry of an aggregated order, the following must be identified: each client account participating in the order and the proposed allocation of the order to those clients.

5. Partial Fills

If the order cannot be executed in full in accordance with the initial order, the securities purchased or sold by the close of each business day must be allocated on either (1) a *pro rata* or (2) random basis. If the order cannot be filled on a *pro rata* or random basis a written explanation of the change must be promptly provided to the Chief Compliance Officer. No client or account will be favored intentionally or systematically over another.

6. Participation in the Aggregated Order

Generally, each client that participates in the aggregated order does so at the executed per share price for the order. Some clients will experience minimum tick costs because of commission and transaction costs agreed to by the client and their broker. For this reason, as well as the pricing practices of broker-dealers, clients participating in the aggregated order will do so at the average share price, but they will generally pay transaction costs, such as commissions and ticket charges, as separately negotiated by the client or as required by the broker's pricing policies.

Some clients may have independently negotiated a compensation arrangement with the executing broker based on a percentage of assets, a flat annual fee or some other arrangement not based on a per transaction or commission basis ('non-commission client accounts').

Clients should be aware that certain brokers provide volume discounts for aggregated trades. Typically, the broker-dealer will not count the securities

purchased for participating non-commission client accounts toward these volume discounts. Accordingly, non-commissioned accounts will not benefit in the same manner as commissioned accounts. While the non-commissioned client account will not typically incur costs greater than if the trade were placed separately, the net price or transaction cost may be different from those of commissioned accounts.

7. Client Records

Client account records must be reflected separately for each account in which the transaction occurred, including aggregated transactions, and the securities which are held for each account.

D. Broker Discretion – For Financial Planning & Consulting Services

FCA's financial planning and consulting services do not include the selection of a broker-dealer, blocking trades, negotiating commissions with broker-dealers, obtaining volume discounts or necessarily obtaining the best price. Clients will be required to select their own broker-dealers and insurance companies for the implementation of Financial Planning and Consulting Services recommendations. FCA will, when appropriate, recommend any one of several brokers based upon the same factors identified above. Clients must independently evaluate these brokers before opening an account. Such clients can elect to have investment recommendations implemented by FCA through its portfolio management services.

ITEM 13. REVIEW OF ACCOUNTS

A. Review of Approved List

FCA's Investment Committee maintains an approved list of securities and purchase parameters for use with FCA's separately managed clients' accounts. The approved list is reviewed continually. Although FCA's approved investment list is not an all-inclusive view of the dynamic nature of the investment process and is not a model portfolio for client accounts, it does serve as one of the tools to satisfy the investment needs of FCA's clients.

B. Review of Portfolio Management Clients' Accounts

While the securities within the approved list are regularly monitored, other securities within Portfolio Management accounts are reviewed if requested by the client. The timing and frequency of such reviews varies by client and by security. Portfolio Management accounts are also reviewed, with varying frequency and scope, by the advisory representative assigned to the client's account with assistance from other personnel of FCA. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews are triggered by material changes in variables such as the client's individual circumstances, the market or the political or economic environment.

1. Statements Provided by Brokers/Custodians

Portfolio Management clients receive monthly or quarterly statements from their broker-dealer/custodian, as well as confirmations of transactions unless they direct otherwise. Broker/custodial statements operate as the official records of clients' accounts. Clients should notify FCA and their broker/custodian if they are not receiving such statements. For most private investments which FCA has recommended to its clients, the investor is provided a quarterly and/or annual financial and/or tax reports from the entity. FCA does not typically provide monthly, quarterly and/or annual reports to clients.

When FCA prepares reports to facilitate the analysis of clients' accounts, the values for certain securities listed on the report may be different than those listed on the clients' broker statement as a result of different third-party pricing. FCA does not provide account reports to clients on a regular basis.

Reports prepared by FCA are not a substitute for receipt of broker/custodial statements.

Clients should compare any reports they receive from FCA with the statements they receive from custodians.

2. Commonwealth Funds Reviews and Reports

Investors in the Commonwealth Funds should refer to the prospectus and statement of additional information and other filings submitted to the SEC regarding reviews conducted and reports provided to shareholders.

C. Review of Non-Portfolio Management Clients' Accounts

Financial Planning and Consulting Services clients' accounts will be reviewed as agreed at the inception of the relationship.

For financial planning clients, it is FCA's practice to meet with each client annually either in person, by web conference or by telephone. The frequency of the meetings is dependent upon the contract or required service. Asset reviews are a part of the financial planning process for most clients. FCA reviews copies of clients' brokerage statements, financial inventory and/or other investment reports which serve as a source of discussion at most client meetings. Clients that receive financial planning services and not receiving portfolio management services should be aware their brokerage accounts will not be monitored.

FCA often prepares reports to facilitate the analysis of clients' accounts. The values for certain securities listed on the report may be different than those listed on the clients' broker statement as a result of different third-party pricing sources.

Reports prepared by FCA are not a substitute for receipt of broker and custodial statements.

Clients should compare reports they receive from FCA with the statements they receive from custodians.

1. Reports for Financial Planning Clients

Financial planning clients, when the contract so provides, will receive a Financial Inventory. Additional reports will not typically be provided unless otherwise agreed at the inception of the relationship. For private investments which FCA has recommended to its clients, the entity has the responsibility to provide its investors company reports/or income tax reports.

2. Reports for Consulting Services Clients

Consulting Services clients will not normally receive reports other than specifically contracted for.

D. Disclosure Regarding Valuation of Private Investments

In the event that FCA references private investment funds owned by the client on any supplemental account reports prepared by FCA, the value(s) for all such private investments shall reflect either the initial purchase and/or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

**ITEM 14. CLIENT REFERRALS AND OTHER
COMPENSATION**

A. FCA Does Not Pay Referral Fees

FCA does not pay referral fees to third parties for recommending clients to FCA.

B. Employees Compensation

Certain officers and employees of FCA are compensated, in part, on the basis of the revenues received from client contracts, which includes revenue generated from existing and new client contracts.

C. Indirect Benefit Received from Third Parties

As disclosed in Item 12 of this Brochure, FCA has material relationships with several broker-dealers. Through these relationships FCA participates in various broker-dealer sponsored programs. While FCA does not receive direct compensation from its relationship with the various broker and dealers, FCA receives a benefit it would not otherwise receive if it did not provide investment advice to clients who use such broker and dealers.

1. List of Benefits

Depending on the broker and dealer selected by the client, FCA will receive any or all of the following benefits to assist in servicing client accounts:

- a) a dedicated trading desk that services program participants exclusively,
- b) a dedicated service group and an account services manager dedicated to FCA's accounts and other similar advisors,
- c) access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions,
- d) access to an electronic interface with the broker-dealer's software,
- e) duplicate and batched client statements and analyses of the performance of accounts, confirmations and year-end summaries,
- f) the ability to have advisory fees directly debited from client accounts in accordance with federal and state requirements,
- g) availability of broker developed proprietary research and technology and access to certain mutual fund families,
- h) internet access to statements, confirmations and asset transfers; and
- i) payment of *de minimis* trade errors.

ITEM 15. CUSTODY

Generally, FCA does not maintain custody of client's assets and such assets are maintained with independent qualified custodians. However, there are certain limited circumstances identified below where FCA does have access to client assets or is deemed by applicable regulations to have custody. Clients should be aware that these circumstances present a certain amount of risk. If clients have questions on whether FCA is deemed to have custody over their particular account, they are encouraged to contact their financial planner or FCA's Chief Compliance Officer.

A. Ability to Automatically Debit FCA's fees from Clients' Accounts

Pursuant to government regulations, FCA is deemed to have custody of clients' assets if the client has authorized FCA to instruct the clients' qualified custodian to deduct FCA's advisory fees directly from a clients' accounts or if the client grants FCA the authority to move clients' money to FCA's account.

1. Fees Deducted Identified on Statements

The clients' custodian should provide clients quarterly statements identifying the amount FCA deducted from their account. FCA does not independently send quarterly invoices to clients identifying the amount that was deducted from their account. The amount deducted from the clients' account will be stated on their

quarterly statement. Clients can request in writing that FCA provide them with an invoice of fees deducted.

a) ACH Deductions

FCA will provide invoices to clients that authorize FCA to Automated Clearing House (“ACH”) payments from the clients’ accounts.

2. Risk Involved with Electronic Funds Transfer

The risk involved in allowing FCA to deduct its fees from clients’ accounts, includes, but is not limited to

a) Operational Risks

Operational risks include but are not limited to clerical errors, duplication of data and having to wait for FCA to credit the account in the event of an error deemed to be FCA’s responsibility.

b) General Internet Risks

Using the internet to conduct any form of business is subject to multiple risks including privacy breach, unauthorized access to clients’ accounts, and misappropriation of clients’ funds all of which FCA has limited ability to control.

B. A Related Person of FCA Serving as Trustee

FCA is deemed to have custody of certain clients’ accounts because some FCA employees are either a trustee or co-trustee of a trust and there is no exception available to the custody rule. The custodian for the trust securities will provide the beneficiary and/or the co-trustee quarterly statements identifying the trust holdings. The trusts that are impacted by this trustee relationship are subject to an annual surprise exam by an independent auditor.

1. The Risk Involved with Trustee Relationship

A trustee of a trust can unilaterally act on behalf of the trust unless the trust provides limitations. Consequently, clients should consult with their attorney before naming a trustee.

C. A Related Person Having Custody of a Managed Entity

FCA is deemed to have custody of clients’ assets where a related person has custody over a managed entity. In these situations, the entity is subject to an annual audit by an independent auditor and investors should receive annual audited financial statements.

D. The Risk Involved with Investing in a Managed Entity

As previously stated, there is a potential conflict of interest investing in entities that are also managed or advised by FCA Corp and or FCHC (*See* Item 8 and 10 for more details regarding the risks and conflicts).

ITEM 16. INVESTMENT DISCRETION

A. Discretionary Authority - Separately Managed Clients

For discretionary clients, FCA has written authority to determine which securities and the amounts of securities to be bought or sold. Any limitations on this discretionary authority are included in the written authority statement. Clients can change these limitations at any time by submitting the change in writing. Clients grant FCA discretionary authority over their account through the investment advisory agreement executed by the client which governs FCA's management of the account.

B. Non-Discretionary Authority - Separately Managed Clients

An advisory client electing not to grant investment discretionary authority to FCA is advised that trades in his or her account may be executed subsequent to trades in discretionary accounts because of the additional time involved in obtaining the required client approval. Consequently, there may be a difference in the price per share of a given security and the commission rates paid.

C. Discretionary Authority – Commonwealth Funds

FCA is granted discretionary authority by the Commonwealth Funds to determine which securities and the amounts of securities that are bought or sold. Investors should refer to the prospectus and statement of additional information for further specifics.

D. Non-Discretionary Authority – Managed Entities

FCA provides investment management, real estate advisory and administrative services to various entities on a non-discretionary basis in accordance with the terms and conditions of the offering and organizational documents as well as the management or advisory agreement.

E. Cross Trades

A cross trade is a transaction between two or more accounts managed by the same adviser. FCA will at times, effect a cross trade for advisory clients provided that:

- the transaction is consistent with FCA's fiduciary duty to its clients,
- disclosure is made to the clients involved in the trade,
- no client is disadvantaged by the trade,
- all requirements outlined in the Advisers Act are met, and

Internal cross trades are not permitted between the Commonwealth Funds and any other client account.

ITEM 17. VOTING OF CLIENT SECURITIES

A. FCA Does Not Vote Proxies for Separately Managed Clients

FCA generally does not accept the authority to vote proxies on behalf of advisory clients. Clients normally retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Nevertheless, at the client's request, FCA may provide advice to them regarding the voting of proxies. Individual employees can vote proxies in their fiduciary capacity when acting as a trustee.

B. FCA Has Authority to Vote Proxies for Commonwealth Funds

The Commonwealth Funds have elected to delegate proxy voting authority for the Funds to FCA. FCA will vote those proxies in the best interests of the Funds and in accordance with FCA's established policies and procedures. The Commonwealth Funds are required to file a form N-PX, which includes a proxy voting record for the 12 months ended June 30 of that year. The Funds' Form N-PX filing is available without charge, upon request, by calling the distributor of the Funds at 1.888.345.1898, visiting the Funds' website at www.commonwealthfunds.com, or visiting the SEC's website at www.sec.gov.

C. Board of Directors Authorized to Vote Proxies for Managed Entities

For certain managed entities, the board of directors for such entities will instruct the management to vote proxies on behalf of the entity.

ITEM 18. FINANCIAL INFORMATION

A. Fee Prepayments:

FCA does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. Paycheck Protection Program

FCA Corp successfully participated in the Paycheck Protection Program of the CARES ACT receiving a loan in the equivalent of two & one-half months of payroll. FCA spent the funds on payroll, rent and utilities and as a result FCA was successful in having the loan deemed forgiven by the SBA. FCA determined at the time of the loan application that economic uncertainty made the loan request necessary to support its ongoing operations. Amounts spent on payroll during a period of 10 weeks included those employees performing advisory functions. In response to Covid-19 virus mandates and guidelines regarding social distancing, some FCA employees were encouraged to work remotely from home at times during the epidemic. FCA offices always

remained open during regular business hours with no suspension of services nor any adverse effect on the hours worked or the effectiveness of staff.