



**SKBA CAPITAL MANAGEMENT, LLC
FLEXIBLE GOVERNMENT BOND COMPOSITE
ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm	Composite Assets		Annual Performance Results				3-Yr Standard Deviation	
	Assets (millions)	USD (millions)	Number of Accounts	Composite Gross	Composite Net	Barclays Govt	Composite Dispersion	Composite	Barclays Govt
YTD									
9/30/11	504	79	9	7.8%	7.6%	8.1%	N.A.		
2010	645	77	10	5.9%	5.7%	5.5%	0.2%		
2009	546	68	9	0.2%	0.0%	(2.2%)	0.3%		
2008	395	53	Five or fewer	10.4%	10.1%	12.4%	N.A.		
2007	622	32	Five or fewer	9.0%	8.7%	8.7%	N.A.		
2006	707	29	Five or fewer	3.6%	3.3%	3.5%	N.A.		
2005	557	15	Five or fewer	2.8%	2.5%	2.7%	N.A.		
2004	517	15	Five or fewer	4.0%	3.7%	3.6%	N.A.		
2003	356	14	Five or fewer	3.3%	3.0%	2.4%	N.A.		
2002	257	15	Five or fewer	12.7%	12.4%	11.5%	N.A.		

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Flexible Government Bond Composite** contains all fee-paying fixed-only discretionary institutional and tax-exempt accounts that employ SKBA's Flexible Government Bond strategy. The Flexible Government Bond strategy is a portfolio of U.S. Dollar-denominated fixed income securities that seeks to produce interest income, to preserve capital, to offset the erosion in purchasing power due to price inflation, and to exceed the total return of the Barclays Capital Government Bond Index. At the time of purchase, only investment-grade government and agency issues (including U.S. Treasury and government agency issues as well as mortgage-backed securities sponsored by these entities) are eligible for purchase. The strategy team uses interest rate anticipation and the analysis of quality spreads to determine the duration (which is set between 3 and 8 years) and composition of the portfolio. For comparison purposes the composite is measured against the Barclays Capital Government Bond Index. Prior to November 1, 2008 the Barclays Capital Government Bond Index was published by Lehman Brothers. As of January 1, 2000, institutional and tax-exempt fixed-only accounts with \$500,000 minimum market values at inception are included in this composite. The Flexible Government Bond Composite was created July 1, 1998. The Flexible Government Bond Composite was closed October 1, 2011.*

SKBA Capital Management, LLC ("SKBA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SKBA has been independently verified for the periods January 1, 1996 through September 30, 2011.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Flexible Government Bond composite has been examined for the periods July 1, 1998 through June 30, 2011. The verification and performance examination reports are available upon request.

SKBA, an investment advisory firm registered with the Securities & Exchange Commission, was founded in 1989 as an independent investment advisory firm. In 1999, SKBA became an affiliate of Convergent Capital Management LLC ("CCM"). In 2003 CCM was acquired by City National Corporation. Effective May 2011 SKBA employee shareholders bought back a majority controlling share of the business from CCM, with CCM maintaining a minority stake. SKBA manages a variety of equity, fixed-income & balanced assets for U.S. institutional and high net worth clients. Firm assets under management are defined as all institutional & private client accounts managed by SKBA. A complete list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

Effective January 1, 2010, a significant cash flow (SCF) is defined as any inflow or outflow occurring during the calendar month which is equal to or greater than 35% of an account's beginning month value.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Standard Fee Schedule: For accounts up to \$25 million: 0.30% on the first \$3 million, 0.25% on the next \$12 million, 0.20% on the next \$10 million. For accounts over \$25 million: 0.20% on the first \$25 million, 0.15% on the next \$75 million. Actual investment advisory fees incurred by clients may vary.