

SKBA CAPITAL MANAGEMENT, LLC

PERSPECTIVE

PROCESS

PERFORMANCE

VALUE OPPORTUNITY

INTRODUCTION

SKBA Capital Management, LLC ("SKBA") 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.

Our investment philosophy and process are backed by uncompromising professional ethics and consistent investment discipline.

OUR PHILOSOPHY

- Challenge conventional thinking to discover real value.
- Develop unique perspectives by looking beyond reported earnings.
- Purchase inexpensive stocks to increase upside potential and decrease downside risk.
- In the long run, we believe undervalued securities will outperform the market.

RESEARCH

SKBA employs a team approach to investing. Our research effort is centralized to ensure that investment ideas translate to each investment discipline.



DISCOVERING VALUE

SKBA brings the investor a strategic array of value-based investment solutions, backed by perspective, process, and performance. Our objective is to outperform our benchmarks while maintaining appropriate risk exposure.

Value *Opportunity*, a value-oriented investment philosophy, seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The strategy uses a company's relative market capitalization to revenues ("RMCR") to ascertain a historical framework for investment. The research process attempts to discover stock prices lower than companies' terminal net worth. Focusing on growing cash flows and sustainable business models are crucial in the construction of the portfolio.

PERFORMANCE As of 6/30/10

	2Q 2010	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception (7/1/96)
Gross of Fees	-11.3 %	-3.1 %	19.0 %	-9.7 %	-0.1 %	4.8 %	4.8 %	7.7 %
Net of Fees	-11.4 %	-3.3 %	18.7 %	-10 %	-0.5 %	4.4 %	4.4 %	7.2 %
Russell 1000 Value	-11.1 %	-5.1 %	16.9 %	-12.3 %	-1.6 %	3.5 %	2.4 %	6.1 %
S&P 500 Index	-11.4 %	-6.7 %	14.4 %	-9.8 %	-0.8 %	2.8 %	-1.6 %	5.0 %

Performance for periods greater than one year is annualized. Past performance is not indicative of future results.

APPROACH

We begin with a universe of securities with a minimum market capitalization generally greater than \$1 billion. Our initial valuation filter evaluates the Relative Market Capitalization to Revenues ("RMCR") of each company in relation to the S&P 500 and to that company's history. Companies that pass the RMCR valuation filter provide us with a diverse group of investment ideas from which to begin our research process.

We then determine a company's earnings power -- its long-term ability to generate profit for reinvestment or distribution to shareholders. Our research process determines if an investment offers sufficient return potential. We focus on factors such as balance sheet and income statement improvement, competitive position, industry prospects and management's alignment with shareholders' interests.

SELL DISCIPLINE

We will sell a security when:

- Stock reaches valuation extreme
- We expect long-term deterioration of fundamentals
- We identify more compelling investment ideas
- Company exhibits a lack of shareholder orientation
- The stock weighting exceeds 5% of portfolio

PORTFOLIO CONSTRUCTION

Our objective is to construct a portfolio of 40-60 stocks diversified by sector to control risk. Our bottom up approach to stock selection highlights industries and sectors with the most attractive values. Sector weights are reviewed when they reach the greater of 15% of the portfolio or two times the Russell 1000 Value Index.

STRATEGY TEAM

Andrew W. Bischel, MBA, CFA

Kenneth Kaplan, MBA, CFA

Josh J. Rothé, MBA

Matthew Zuck, MBA, CFA

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DISCLOSURE

❖ SKBA Capital Management, LLC (“SKBA”) claims compliance with the Global Investment Performance Standards (GIPS®).

❖ 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. SKBA manages a variety of equity, fixed-income and balanced assets for U.S. institutional and high net worth clients. Firm assets under management are defined as all actual, institutional and private client, accounts managed by SKBA.

❖ This composite contains all fee-paying equity-only institutional and tax-exempt discretionary accounts that employ SKBA’s Value Opportunity strategy. Value Opportunity is a large-capitalization value-oriented investment philosophy that seeks to achieve long-term capital appreciation by investing in undervalued equity securities as identified by the firm’s Relative Market Cap to Revenues (RMCR) valuation discipline. A stock selected for purchase usually has a low RMCR compared to its history, an opportunity to improve returns on capital, and/or a larger sum of value in its businesses than the current stock price. At the time of purchase, the common or preferred stocks typically consist of securities with market capitalizations greater than \$1 billion. Although cash reserves may vary from time to time, normal cash reserves are expected to be frictional.

❖ The U.S. Dollar is the currency used to express performance.

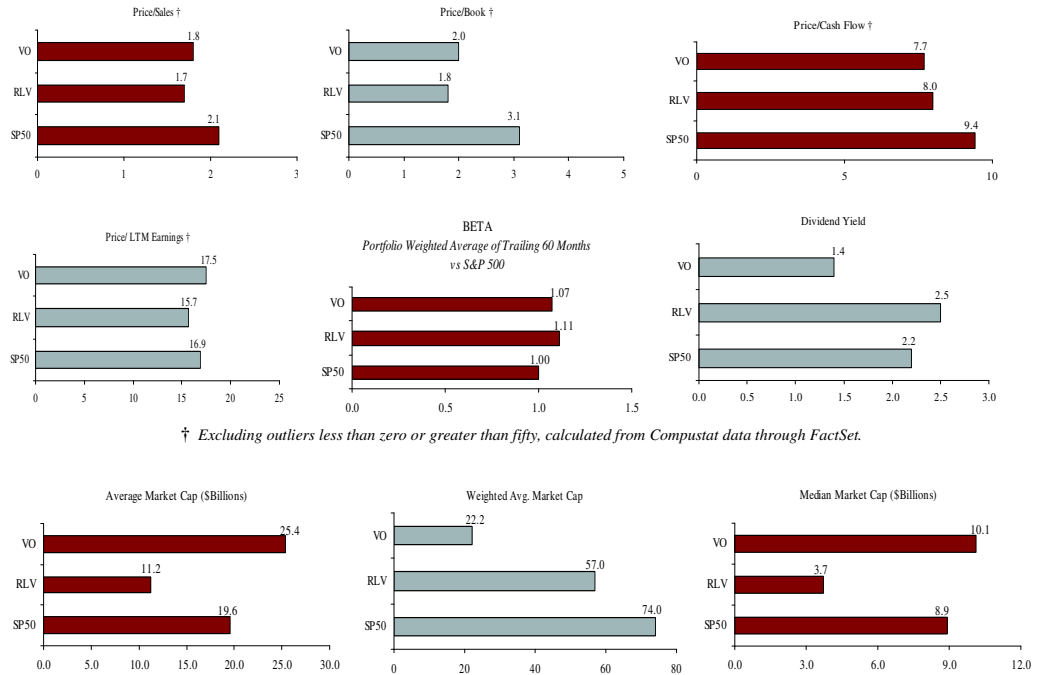
❖ To receive a full disclosure presentation that complies with the requirement of the GIPS standards and/or a list and description of the firm’s composites, please e-mail clientservice@skba.com, call us at 415.989.7852 or follow the link to the Annual Disclosure Presentation on our website:

<http://www.skba.com/>

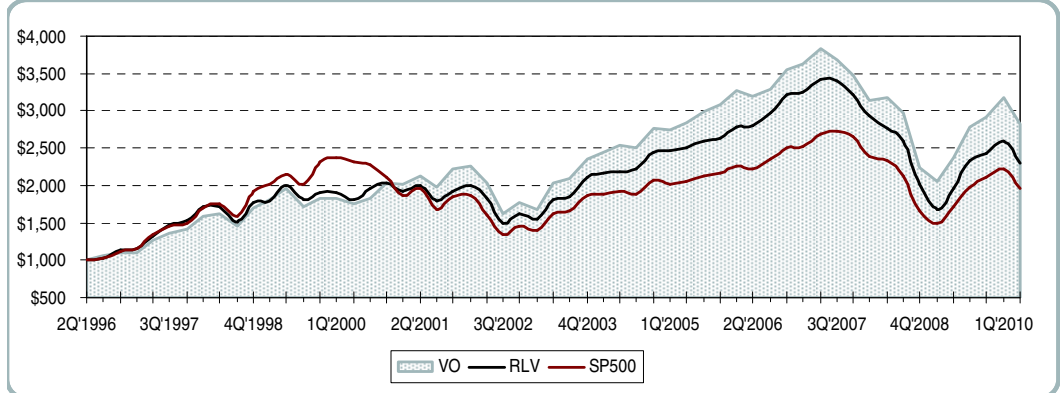


EQUITY CHARACTERISTICS As of 6/30/10

VO = SKBA’s Value Opportunity / RLV = Russell 1000 Value / SP50 = S&P 500



Value of \$1,000 Invested Gross of Fees, Since Inception through 6/30/10



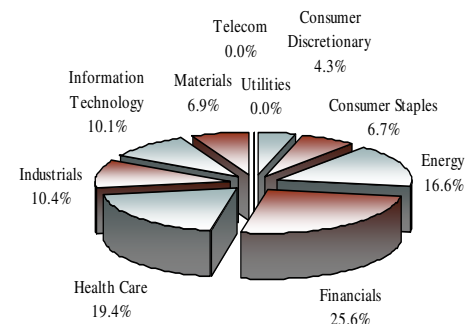
10 LARGEST HOLDINGS *

As of 6/30/10

U.S. Bancorp	3.9%
Tyco International Ltd.	3.5%
Exterran Holdings Inc.	3.2%
Brookfield Asset Management Inc.	3.2%
HCC Insurance Holdings Inc.	3.1%
Unit Corp.	3.1%
Baldor Electric Co.	3.0%
BB&T Corp.	2.9%
Unum Group	2.9%
Quest Diagnostics Inc.	2.8%
TOTAL	31.6%

SECTOR DIVERSIFICATION *

As of 6/30/10



Reader should not assume that investments in the securities identified were or will be profitable.

* Percent of total equity holdings

The Equity Characteristics, 10 Largest Holdings, and Sector Diversification are included as supplemental information and complements a full disclosure presentation, which can be obtained upon request.

SKBA CAPITAL MANAGEMENT, LLC
VALUE OPPORTUNITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results					
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 1000 Value	S&P 500	Composite Dispersion	Percentage Carve-Out
2009	546	52	Five or fewer	30.1%	29.7%	19.7%	26.5%	N.A.	-
2008	395	33	7	(35.5%)	(35.7%)	(36.9%)	(37.0%)	1.4%	3.3%
2007	622	204	8	(2.5%)	(2.9%)	(0.2%)	5.5%	0.5%	0.8%
2006	707	82	Five or fewer	15.7%	15.3%	22.2%	15.8%	N.A.	2.2%
2005	557	75	Five or fewer	11.6%	11.2%	7.1%	4.9%	N.A.	-
2004	517	69	Five or fewer	17.3%	16.8%	16.5%	10.9%	N.A.	-
2003	356	22	Five or fewer	33.2%	32.3%	30.0%	28.7%	N.A.	-
2002	257	16	Five or fewer	(20.4%)	(20.9%)	(15.5%)	(22.1%)	N.A.	-
2001	311	19	Five or fewer	9.0%	8.3%	(5.6%)	(11.9%)	N.A.	-
2000	389	18	Five or fewer	10.7%	10.0%	7.0%	(9.1%)	N.A.	-

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
2Q10 data is currently undergoing examination and as such may be subject to change.

***Value Opportunity Composite** contains all fee-paying equity-only institutional and tax-exempt discretionary accounts that employ SKBA's Value Opportunity strategy. Value Opportunity is a large-capitalization value-oriented investment philosophy that seeks to achieve long-term capital appreciation by investing in undervalued equity securities as identified by the firm's Relative Market Cap to Revenues (RMCR) valuation discipline. For comparison purposes the composite is measured against the Russell 1000 Value Index. For general market comparison purposes, the composite is also measured against the S&P 500 Index. The composite includes institutional or tax-exempt accounts with a minimum market value of \$500,000. Prior to January 1, 2004, the minimum size for inclusion was \$100,000.*

SKBA Capital Management, LLC ("SKBA") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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. 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. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Non-fee-paying accounts were included in the composite prior to January 1, 2004, and those portfolios made up less than 1% of the composite. Composite performance is presented net of foreign withholding taxes. Capital gains, dividends and interest received on ADR's may be subject to withholding tax imposed by the country of origin and such taxes may not be recoverable. Past performance is not indicative of future results.

Effective January 1, 2010, accounts experiencing a significant flow equal to or greater than 35% of an account's beginning month value are removed for the month. Accounts excluded on significant flow grounds are re-included the first of the month after the 80% re-allocation of an inflow is completed, or for an outflow, the first of the month after which 30 days elapse past the significant flow date. Under the prior policy established on July 1, 2009, accounts experiencing a significant flow were excluded and re-included on a quarterly basis. Additional information regarding the treatment of significant flows is available upon request.

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. Additional information regarding policies for calculating and reporting returns is available upon request.

Standard Fee Schedule: For accounts up to \$25 million: 1.00% on the first \$2 million, 0.85% on the next \$3 million, 0.50% on the next \$20 million. For accounts over \$25 million: 0.50% on the first \$25 million, 0.35% on the next \$25 million, 0.30% on the next \$25 million, and 0.25% on the next \$25 million. For accounts over \$100 million: 0.33% on the first \$100 million, 0.25% on the next \$50 million, 0.20% on the next \$100 million, and 0.15% on the next \$100 million. Actual investment advisory fees incurred by clients may vary.

Beginning July 1, 2006 and ending December 31, 2008, carve-outs were included in this composite. During that period, cash reserve returns were allocated to equity returns relative to (in proportion to) the size of the equity weight within the total weight of stocks and bonds.

The Value Opportunity Composite was created July 1, 1996. Compliance with GIPS has been verified firm-wide by Ashland Partners & Company LLP from January 1, 1996 through March 31, 2010. In addition, a performance examination was conducted on the Value Opportunity Composite beginning January 1, 2000. Performance results shown prior to January 1, 2000 were examined by a previous verifier.