

SKBA CAPITAL MANAGEMENT, LLC

PERSPECTIVE

PROCESS

PERFORMANCE

VALUEPLUS

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 Capital Management, LLC 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.

ValuePlus, a value-oriented investment philosophy, seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The strategy was originally designed for clients who desired high current income while still participating in long-term real economic returns of the stock market. The Plus is the dividend yield in excess of the market, aimed at capturing excess returns and dampening volatility.

PERFORMANCE As of 06/30/10

	2Q 2010	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception (10/1/89)
Gross of Fees	-8.5 %	-1.1 %	20.4 %	-5.6 %	2.9 %	6.5 %	6.6 %	9.2 %
Net of Fees	-8.5 %	-1.3 %	19.9 %	-6.0 %	2.5 %	6.1 %	6.2 %	8.7 %
Russell 1000 Value	-11.1 %	-5.1 %	16.9 %	-12.3 %	-1.6 %	3.5 %	2.4 %	8.2 %
S&P 500 Index	-11.4 %	-6.7 %	14.4 %	-9.8 %	-0.8 %	2.8 %	-1.6 %	7.7 %

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 valuation filter evaluates the Relative Dividend Yield (RDY) of each company in relation to a universe consisting of the largest 500 dividend paying companies (by market capitalization) as well as to its own history. Companies passed through this RDY valuation filter provide a diverse group of investment names 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 will offer sufficient return potential. We focus on factors such as balance sheet and income statement strength, competitive position and overall industry prospects, as well as management's alignment with shareholders' interests, and dividend safety.

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 and non-fee paying institutional or tax-exempt discretionary accounts, both equity-only and the equity portion of balanced accounts, that employ SKBA's ValuePlus strategy. ValuePlus 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 Dividend Yield (RDY) valuation discipline. At the time of purchase, the common or preferred stocks owned must pay a dividend and have a dividend yield greater than that of the S&P 500. These common stocks typically consist of securities with a market capitalization of 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.

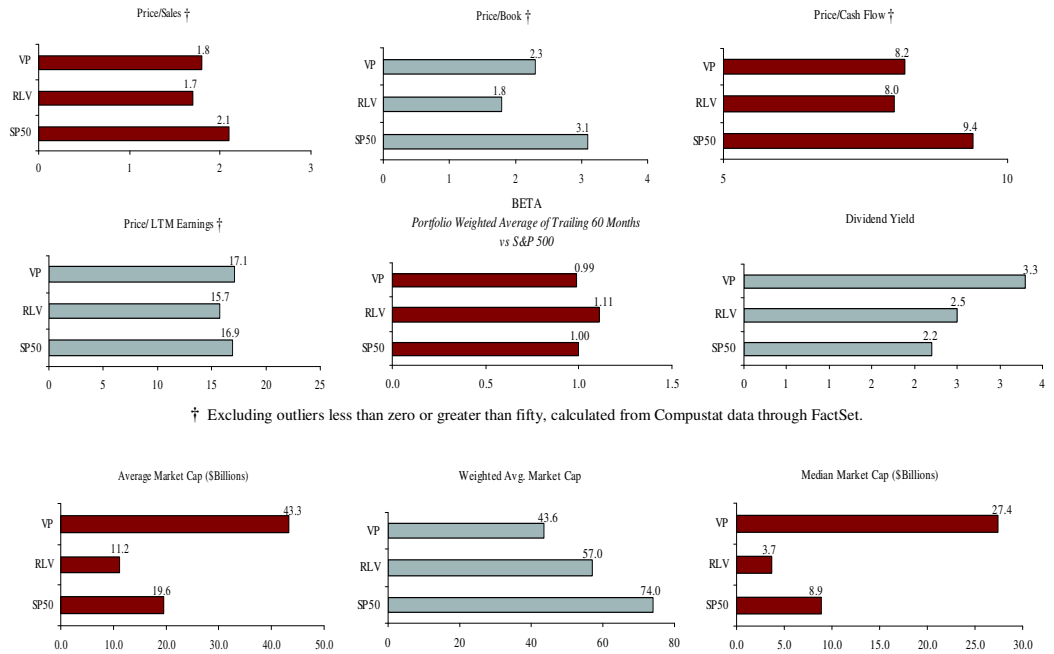
❖ To receive a full disclosure presentation that complies with the requirement of the GIPS standards and/or a list and description of the firm's composites, please e-mail clientservice@skba.com, call us at 415.989.7852 or follow the link to the Annual Disclosure Presentation on our website:

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

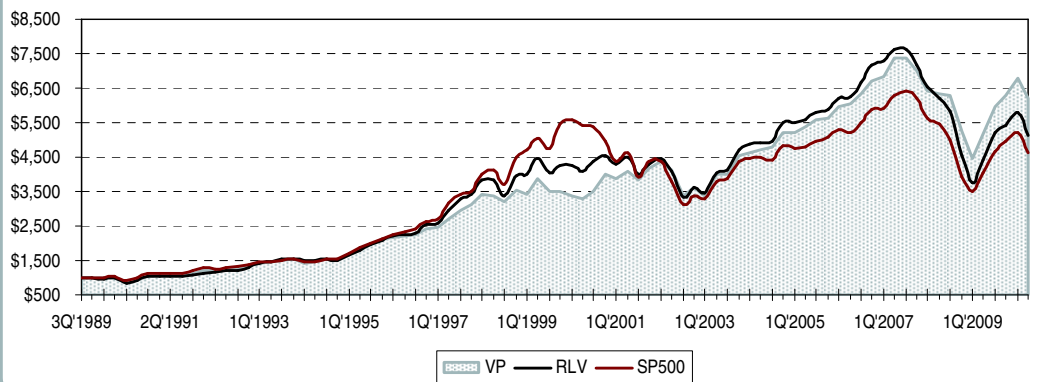


EQUITY CHARACTERISTICS As of 6/30/10

VP = SKBA's ValuePlus / RLV = Russell 1000 Value / SP50 = S&P 500



Value of \$1,000 Invested Gross of Fees, Since Inception through 06/30/10



10 LARGEST HOLDINGS *

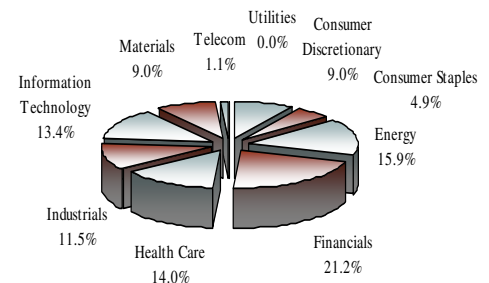
As of 6/30/10

U.S. Bancorp	3.9%
E.I. DuPont de Nemours & Co.	3.5%
Mercury General Corp.	3.4%
Bristol-Myers Squibb Co.	3.4%
General Electric Co.	3.2%
EnCana Corp.	3.2%
PNC Financial Services Group Inc.	3.2%
Analog Devices Inc.	3.1%
Caterpillar Inc.	3.0%
Intel Corp.	2.9%
TOTAL	32.8%

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

SECTOR DIVERSIFICATION *

As of 6/30/10



* 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
VALUEPLUS 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	322	11	19.7%	19.3%	19.7%	26.5%	0.2%	2.0%
2008	395	216	7	(24.9%)	(25.1%)	(36.9%)	(37.0%)	0.5%	1.3%
2007	622	277	6	4.2%	3.9%	(0.2%)	5.5%	0.2%	1.4%
2006	707	295	8	19.4%	19.0%	22.2%	15.8%	0.5%	19.5%
2005	557	245	8	8.1%	7.7%	7.1%	4.9%	0.2%	-
2004	517	175	7	14.6%	14.1%	16.5%	10.9%	0.2%	-
2003	356	93	6	24.9%	24.3%	30.0%	28.7%	N.A.	-
2002	257	47	Five or fewer	(12.5%)	(12.9%)	(15.5%)	(22.1%)	N.A.	-
2001	311	82	6	3.5%	3.0%	(5.6%)	(11.9%)	0.2%	-
2000	389	145	8	14.8%	14.2%	7.0%	(9.1%)	0.5%	-

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.

***ValuePlus Composite** contains all fee-paying and non-fee paying institutional or tax-exempt discretionary accounts that employ SKBA's ValuePlus strategy. ValuePlus 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 Dividend Yield (RDY) 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. Since October 1, 2008, one account has been included in the composite that has not paid an actual fee yet, due to the account's fund administration fee superseding the management fee. This account represents less than 1% of assets. 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, except for the case of the one account described above, that has not paid an actual fee yet, for which net performance is calculated using the highest fee per the standard fee schedule. 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.

Carve-out accounts were included in this composite since January 1, 2004. Starting on January 1, 2010, 100% of cash reserve returns are allocated to equity returns. Under the prior method, 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 ValuePlus Composite was created October 1, 1989. 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 ValuePlus Composite beginning January 1, 2000. Performance results shown prior to January 1, 2000 were examined by a previous verifier.