SKBA Capital Management

ValuePlus

Discovering value from a different perspective

Why Value*Plus*?

Value*Plus* seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The *Plus* is the dividend yield in excess of the market, aimed at generating attractive income, capturing alpha and dampening volatility.

Our Approach

Our valuation framework evaluates each company's Relative Dividend Yield (RDY) in relation to a universe consisting of 500 of the largest dividend-paying companies (by market capitalization) as well as to its own history. Companies passing through the RDY framework provide a diverse group of stocks with low expectations discounted into current valuations from which to begin our research process.

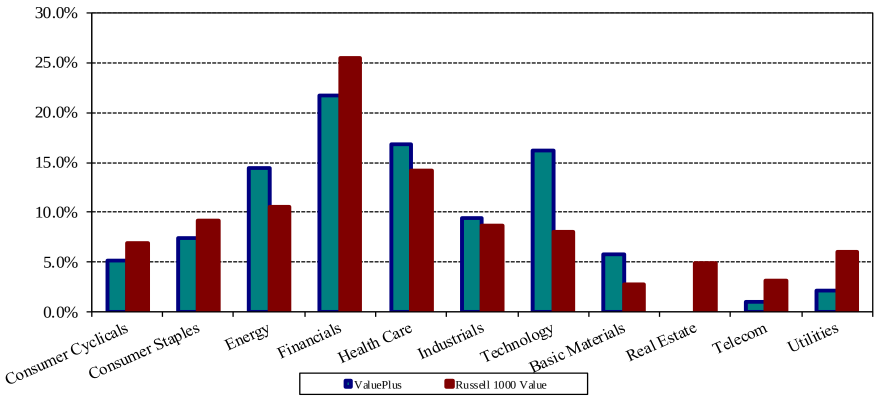
We then determine a company's normal earnings power – its long-term ability to generate profit for reinvestment or distribution to shareholders, and if an investment offers sufficient return potential. We focus on balance sheet and income statement strength, competitive position, industry prospects, management's alignment with shareholders' interests and dividend safety.

PORTFOLIO CHARACTERISTICS	VP	RLV	SP500
# of holdings	51	719	505
P/E (trailing 12 months)	18.6	18.2	21.5
P/B	2.3	2.0	3.0
Dividend Yield (%)	3.0	2.4	1.9
Median Market Cap. ($B)	67.9	8.8	20.8
5 yr Beta vs S&P 500	0.9	1.0	1.0
Active Share (%)	80.1		
Turnover (%, trailing 4 quarter sum)	30.8		

VP = SKBA Value*Plus* / RLV = Russell 1000 Value / SP500 = S&P 500

Strategy Attributes
+ Value
+ Yield
+ Stability
= Downside protection and desirable risk-adjusted total return expectations

SECTOR DIVERSIFICATION



Holdings are subject to change. Percentages are based on total equity holdings and securities at market value.

10 LARGEST HOLDINGS	
Occidental Petroleum Corporation	4.1%
M&T Bank Corporation	3.6%
Royal Philips NV Sponsored ADR	3.5%
Wal-Mart Stores, Inc.	3.4%
Cisco Systems, Inc.	3.4%
U.S. Bancorp	3.1%
MetLife, Inc.	3.0%
Mosaic Company	3.0%
Boeing Company	2.9%
Eli Lilly and Company	2.8%
Total	32.8%

Reader should not assume that investments in the securities identified were or will be profitable. The securities identified and described do not represent all the securities purchased, sold or recommended for the client accounts.

Capitalize On Repeated Market Inefficiencies (RDY)

- Offer compelling capital appreciation potential from out-of-favor companies
- Target yield "sweet spot" to avoid distressed and overvalued companies while capturing income
- Improve total return and dampen volatility with above-market yield, without the drawback of interest rate sensitivity

Perform In Challenging Markets With Less Risk

- Favorable returns as measured by excess return, alpha, and information ratio
- Upside and downside capture ratios show most environments lend themselves well to Value*Plus* in producing attractive risk-adjusted returns
- Beta and Standard Deviation well below the benchmark

Mitigate Risk with Active Portfolio Management

- Avoid overvalued companies regardless of benchmark representation
- Improve probability of outperformance over a market cycle from high Active Share
- Create agility in portfolio decisions from nimble organizational structure
- Control risk exposure with 40-60 diversified holdings

COMPOSITE TOTAL RETURNS							As of 6/30/17
	2Q 2017	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years
Gross of Fees	1.2 %	3.4 %	15.6 %	6.6 %	12.7 %	13.5 %	7.4 %
Net of Fees	1.1 %	3.3 %	15.2 %	6.2 %	12.3 %	13.1 %	7.0 %
Russell 1000 Value	1.3 %	4.6 %	15.5 %	7.4 %	13.9 %	14.3 %	5.6 %
S&P 500 Index	3.1 %	9.4 %	17.9 %	9.6 %	14.6 %	15.4 %	7.2 %

Performance for periods greater than one year is annualized and include the reinvestment of dividends and income. Past performance is not indicative of future results. Index data source: Informa Investment Solutions.

SKBA Capital Management

SKBA Capital Management, founded in 1989, is an independent investment management firm based in San Francisco. We manage equity and fixed income portfolios for institutions and private clients using our time-tested value investing approach seeking to preserve and increase our clients' capital while maintaining appropriate risk exposure and downside protection. SKBA Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®).

Investment Philosophy

Stock prices routinely overshoot true changes in the underlying fundamentals of a company, both on the upside and downside, due to excessive pessimism and exuberant optimism. We believe Insightful proprietary research conducted within a consistent process provides the best opportunity for investment returns and that inexpensive securities will outperform the overall market in the long-run.

P/E (Price to Earnings Ratio): A valuation ratio of a company's current share price compared to its per-share earnings.
P/B (Price to Book Ratio): A valuation ratio of a company's current share price compared to its book value.
Active Share: How different the portfolio is relative to the Russell 1000 Value benchmark.
Turnover: How much the portfolio moves, annualized changes in portfolio weights. | Source: SKBA's portfolio accounting system
Beta: A measure of systematic risk of a stock relative to a benchmark.
**Characteristic data is calculated from Factset and aggregate price ratios are calculated using weighted harmonic averages.*
*** The Russell 1000 Value is a subset of the Russell 1000 benchmark and does not have 1000 securities.*

The Equity Characteristics, 10 Largest Holdings, and Sector Diversification are included as supplemental information to the ValuePlus (VP) Composite and complements the attached full disclosure presentation which complies with the requirement of the GIPS® standards.

SKBA CAPITAL MANAGEMENT, LLC
VALUEPLUS COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results						3-Yr Standard Deviation		
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 1000 Value	S&P 500	Composite Dispersion	Percentage Carve-Out	Composite	Russell 1000 Value	S&P 500
2016	949	825	15	18.9%	18.5%	17.3%	12.0%	0.6%	1.3%	10.2%	10.8%	10.6%
2015	1,093	953	19	(3.0%)	(3.4%)	(3.8%)	1.4%	0.2%	1.0%	9.9%	10.7%	10.5%
2014	1,413	1,017	18	8.9%	8.5%	13.5%	13.7%	0.3%	0.9%	8.4%	9.2%	9.0%
2013	958	758	21	32.0%	31.4%	32.5%	32.4%	0.4%	1.2%	11.1%	12.7%	11.9%
2012	765	473	19	12.7%	12.2%	17.5%	16.0%	0.1%	1.3%	14.3%	15.5%	15.1%
2011	546	312	16	4.7%	4.3%	0.4%	2.1%	0.3%	1.9%	19.6%	20.7%	18.7%
2010	645	401	13	18.9%	18.4%	15.5%	15.1%	0.1%	1.9%			
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%			

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. The ValuePlus Composite was created October 1, 1989.*

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 March 31, 2017.

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 Value*Plus* composite has been examined for the periods October 1, 1989 through March 31, 2017. 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 ("CNC"). Effective May 2011 SKBA employee shareholders bought back a majority controlling share of the business from CCM, with CCM Holdings III, LLC maintaining a minority stake. In November 2015, CNC was merged into RBC USA Holdco Corporation, which is a wholly-owned subsidiary of Royal Bank of Canada. SKBA operates independently from CCM Holdings III, LLC, RBC USA Holdco Corporation and Royal Bank of Canada. 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. Between October 1, 2008 through November 30, 2013 one account was included in the composite which did not pay an actual fee, due to the account's fund administration fee superseding the management fee. This account was composed exclusively of proprietary assets and represented less than 2% of total managed 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. Index Data Source: Informa Investment Solutions.

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, 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. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are 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 reserves are managed with the equity segment of the account. 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.

Bundled fee accounts were included in this composite for the period December 1, 2010 through December 31, 2013. For this period, gross returns for bundled fee accounts were not calculated using actual trading expenses, however the impact on the composite is immaterial. Bundled fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions this fee may include investment management, portfolio monitoring, consulting services, and custodial services. As of 12/31/10 bundled fee paying accounts represented 0.3% of composite assets, as of 12/31/11 they represented 0.4%, as of 12/31/12 they represented 0.3%, and as of 12/31/13 they represented 1.8%. Prior to December 1, 2010 there were no bundled fee paying accounts in the composite.