



Value Investing Aligned with Social Values & Mission

Benchmark

Morningstar US Large Value Index

Strategy Composite Inception

January 1, 2000

Attributes

- RI Bottom-up Integration
- Mid-Large Cap Value
- Active Management

Vehicles

- Separately Managed Account
- UMA/SMA Model Portfolio
- Mutual Fund

| Investment Philosophy

SKBA believes that responsible investing (RI) factors often have long-term financial implications on a company's revenues, expenses and overall risk profile. By identifying undervalued opportunities where stock prices have overshot true changes in underlying fundamentals, SKBA seeks to generate alpha through disciplined, bottom-up research of such factors as well as company financials.

| A History Committed to Value AND Values

Since 1990, SKBA has partnered with a variety of institutional and private wealth clients to meet their individual investment goals. Whether the client has mission based or faith-based objectives, SKBA has partnered with clients to develop custom responsible investment portfolios that reflect their values – such as fossil fuel free or faith-based versions of the firm's value investment strategies.

Socially responsible investing (SRI) began with a focus on faith-based clients that has since broadened to include an emphasis on specific criteria. In 2000, SKBA launched the *SociallyResponsible Value* strategy in an environment where fewer responsible investment solutions existed and even fewer still reflected what we believe to be a true active value philosophy. Even after 20 years, and the rising interest in responsible investing, SKBA remains differentiated with a commitment to its value investment philosophy that the firm seeks to align with the client's personal or organizational values.

| A Balanced Approach Responsible Investing

SKBA's approach typically takes into consideration the many desires of both faith-based and mission-based investors. The investment team starts with the most commonly desirable exclusionary screens then weighs both the financial and responsible investment characteristics of each the prospective investment using internal analysis and external ESG research services. The firm believes in active management and building its own responsible investment profiles for companies rather than simply relying on scores or ratings from third parties.

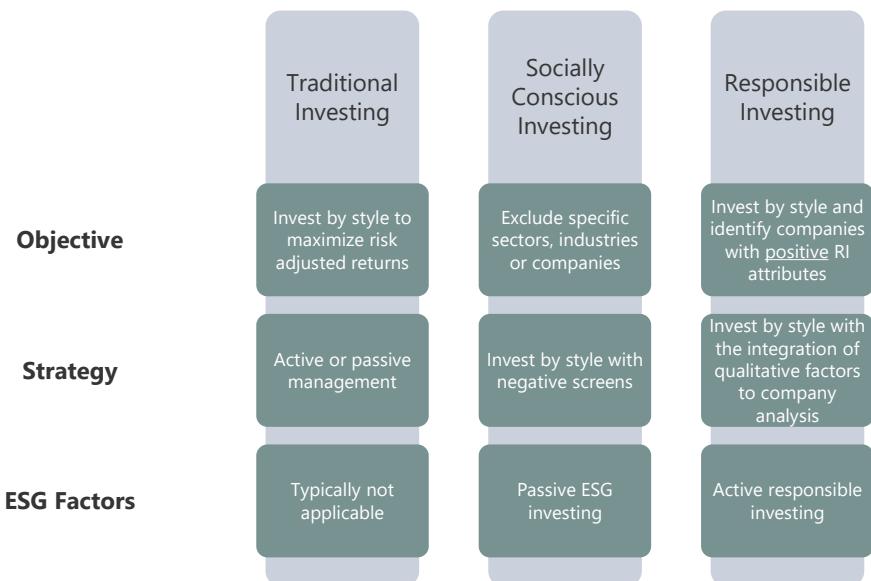
Aligned with SKBA's value philosophy, the team seeks to identify corporate improvers that it believes can offer the greater potential for a responsible investment, as well as a financial investment, for the firm's clients.



| Responsible Objectives are Actively Managed

Decades ago, socially responsible investments were concentrated on the avoidance of specific industries and companies. Think back to the desire to avoid nuclear power following the disasters at Three Mile Island, Chernobyl, and Fukushima, or the push to divest from South Africa during apartheid. For over 20 years SKBA has done this, but also has been committed to the identification of companies that reflect improving governance qualities. Concentrating on these factors helps the team to identify companies that may be mispriced and/or may be in the process of reforming policies and procedures that have not yet been fully appreciated by the market.

SKBA fully believes that ESG analysis cannot effectively be reduced to formulas, numbers and scores. Only active management and the independent analysis of both RI factors and bottom-up, fundamental balance sheet analysis can identify meaningful opportunities for capital appreciation.



| Identifying Positive & Negative Catalysts for Change

Analysts identify factors that could signal an improving and/or a deteriorating responsible investment profile. Rather than relying upon third party ratings and research, that is often backward looking, the team seeks to identify strengths and weaknesses in a company's profile that include both perspectives on the historic record, as well as forward-looking changes to develop a complete picture.

"Fallen Angels" that are "out of favor" - yet committed to positive change - may represent opportunities for value-oriented investors. The firm's value-based philosophy extends to seeking out of favor companies from both a valuation and a socially responsible perspective. These opportunities have the potential to be long term positive catalysts for stock appreciation.

Potential Business Strengths:

- Following through on corporate sustainability initiatives
- Improving transparency on RI policies
- Divesting from business lines with significant negative social/environmental impacts
- Make meaningful changes to corporate bylaws, governance and/or management

Potential Business Weaknesses:

- Greenwashing – outlining change publicly, but taking no action
- Repeated environmental safety infractions
- Refusing to improve products and processes given clear safety concerns
- Unrealistic goals/expectations

Improving Social Profile

Deteriorating Social Profile

| What do we look for...and avoid?

Positives	Negatives
+ Signs of improving corporate profile	- Signs of a deteriorating overall RI profile
+ Contributions to environmental sustainability	- Habitual stakeholder harm relative to industry
+ Strong governance & stakeholder engagement	- Concerns over governance/corporate ethics
	- Violators of common responsible investment guidelines (Gambling, Nuclear, Tobacco, Weapons, etc.)

"Investors should question whether the widely accepted methodologies and scores truly measure the underlying ESG merits. SKBA's analysts must add their own analyses before agreeing or disagreeing with these rankings.

We cannot and will not take surface scores at face value. We look beyond the numbers to weigh the strengths and weaknesses of a company's social profile."

Andrew Bischel, CFA
Founder

| A Cautious View Towards ESG Ratings

SKBA differentiates its viewpoints by seeking to be forward looking compared to many providers of third party ESG data and research. The firm's analysts may utilize information from these providers as a starting point for their research but will focus on their analysis of a company's future profile, rather than where it has been in the past. Ratings often fail to predict controversies and can send misleading signals. In fact, ratings downgrades often occur **after** controversies come to light as shown in the examples below.

SKBA believes that one cannot simply be a passive responsible investor relying on scores and rankings from others.

| SKBA's Advantage

- **Experience** | SKBA has been involved in the responsible investment community for three decades. The firm has been a part of the evolution of RI and understands that every client has values that matter to them.
- **Value** | The team at SKBA focuses on what it believes it is best at - Active value investing. Where many of the firm's ESG peers emphasize a growth oriented process, we believe it is important for investors to have access to the same diversifying strategies that are used to build traditional client portfolios. More choices can provide better portfolio diversification over full market cycles.
- **Team** | A team based process with key senior members contributing for over 25 years.
- **Aligned Interests** | The interests of the firm's investment professionals are firmly aligned with its clients with key employees invested in SKBA's equity strategies.

The information contained herein represents the opinion of SKBA Capital Management, LLC and should not be construed as personalized or individualized investment advice. Analysis and opinion expressed in this report are subject to change without notice.