

SKBA CAPITAL MANAGEMENT, LLC
FLEXIBLE BOND COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Barclays Gov/Credit	Composite Dispersion
2009	546	4	Five or fewer	1.8%	1.4%	4.5%	N.A.
2008	395	4	Five or fewer	9.1%	8.7%	5.7%	N.A.
2007	622	4	Five or fewer	7.7%	7.0%	7.3%	N.A.
2006	707	39	Five or fewer	4.2%	3.8%	3.8%	N.A.
2005	557	30	Five or fewer	1.6%	1.2%	2.3%	N.A.
2004	517	32	Five or fewer	3.6%	3.1%	4.2%	N.A.
2003	356	30	Five or fewer	5.0%	4.6%	4.7%	N.A.
2002	257	38	Five or fewer	12.7%	12.2%	11.0%	N.A.
2001	311	39	Five or fewer	7.7%	7.2%	8.5%	N.A.
2000	389	38	Five or fewer	14.2%	13.7%	11.9%	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.

***Flexible Bond Composite** contains all fee-paying institutional and tax-exempt discretionary accounts, both fixed-only and the fixed portion of balanced accounts, that employ SKBA's Flexible Bond strategy. The Flexible 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/Credit Bond Index. At the time of purchase, only investment-grade government, agency, and corporate issues rated "BBB-" or better by Duff & Phelps, Moody's, or Standard & Poor's 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/Credit Bond Index. Prior to November 1, 2008 the Barclays Capital Government/Credit Bond Index was published by Lehman Brothers. As of January 1, 2000, institutional or tax-exempt accounts (including the fixed portion of balanced accounts) with \$500,000 minimum market values at inception are included in this composite.*

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. 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. Additional information regarding policies for calculating and reporting returns is 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.

Composite returns shown represent fixed income carve-outs from balanced portfolios. Cash has not been allocated to these segments, as the buy-and-hold fixed income strategy would remain fully invested through the use of liquid cash equivalent vehicles, which are already included in performance. For all periods shown, 100% of composite assets are comprised of carve-out segments.

The Flexible Bond Composite was created on January 1, 1990. 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 Flexible Bond Composite beginning January 1, 2000.