

SKBA CAPITAL MANAGEMENT, LLC

PERSPECTIVE

PROCESS

PERFORMANCE

SOCIALLY RESPONSIBLE VALUE

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.
- Provide attractive returns while controlling risk.

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.

Socially Responsible Value (SRV), a value-oriented investment philosophy, seeks to achieve long-term capital appreciation by investing in undervalued equity securities while meeting our clients' social screening criteria. The strategy utilizes the firm's established value approaches to select securities from a socially screened universe of approximately 800 companies from which SKBA selects individual securities for inclusion into a diversified portfolio.

PERFORMANCE As of 6/30/10

	2Q 2010	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception (1/1/00)
Gross of Fees	-6.8 %	-1.8 %	20.5 %	-8.9 %	0.5 %	4.7 %	5.9 %	5.0 %
Net of Fees	-7.0 %	-2.2 %	19.4 %	-9.7 %	-0.4 %	3.8 %	4.9 %	4.0 %
Russell 1000 Value	-11.1 %	-5.1 %	16.9 %	-12.3 %	-1.6 %	3.5 %	2.4 %	1.8 %
S&P 500 Index	-11.4 %	-6.7 %	14.4 %	-9.8 %	-0.8 %	2.8 %	-1.6 %	-1.6 %

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

APPROACH

We begin with a universe of equity securities traded on a major US Exchange with a minimum market capitalization greater than \$1 billion. We use external social research services socially screen, and further limit this initial universe.

Next our valuation filters evaluate the Relative Market Capitalization to Revenues (RMCR) & Relative Dividend Yield (RDY) of each company in relation to the S&P 500 and to that company's history. Companies passed through both the social screens and our valuation filters 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. 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. Our research process determines if an investment offers sufficient return potential.

SELL DISCIPLINE

We will sell a security when:

- Stock reaches valuation extreme
- We expect or observe a long-term deterioration of fundamentals
- We identify more compelling investment ideas
- The stock weighting exceeds 5% of portfolio
- Company's social profile deteriorates

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 twice 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, separately-managed discretionary accounts, both equity-only and the equity portion of balanced accounts, that employ SKBA's Socially Responsible Value (SRV) strategy. SRV is a mid-to-large-capitalization value-oriented investment philosophy that seeks to achieve long-term capital appreciation by investing in undervalued equity securities as identified by SKBA's Relative Dividend Yield (RDY) and/or Relative Market Capitalization (RMCR) valuation disciplines. At the time of purchase, the stocks used by this strategy typically have market capitalizations greater than \$1 billion and pass certain restrictive social screens (such as companies that do not manufacture tobacco products) that SKBA believes are most commonly desired by investors interested in socially responsible investment strategies. 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.

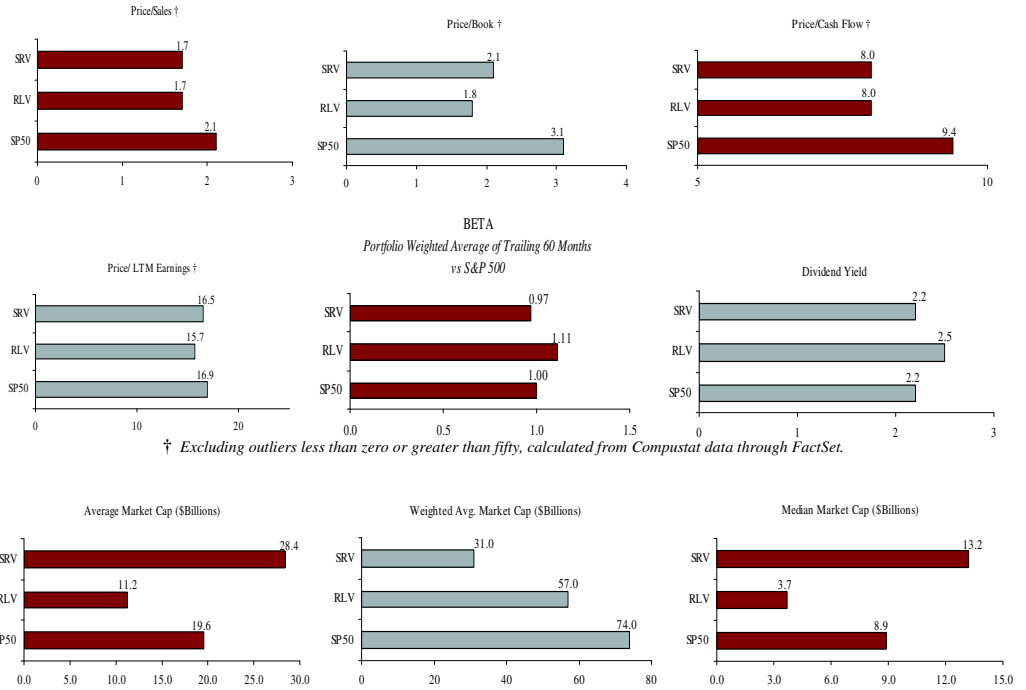
❖ To receive a full disclosure presentation that complies with the requirement of the GIPS standards and/or a list and description of the firm's composites, please e-mail clientservice@skba.com, call us at 415.989.7852 or follow the link to the Annual Disclosure Presentation on our website:

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

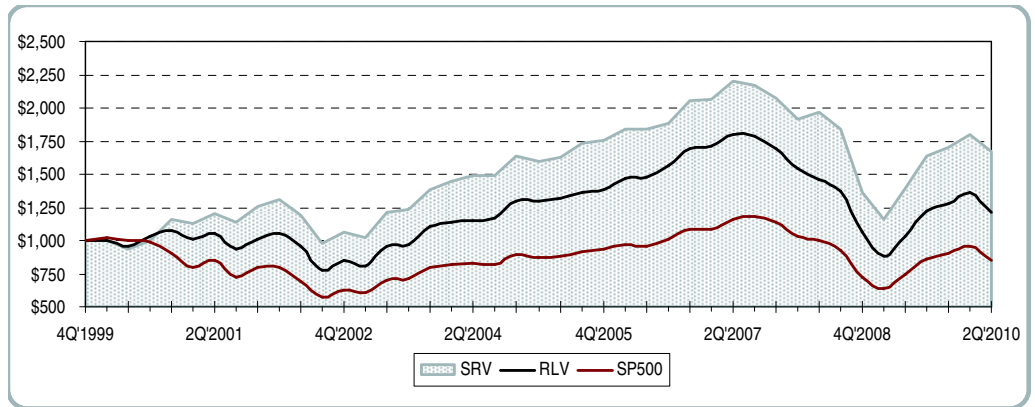


EQUITY CHARACTERISTICS As of 06/30/10

SRV = SKBA's Socially Responsible Value / RLV = Russell 1000 Value / SP50 = S&P 500



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



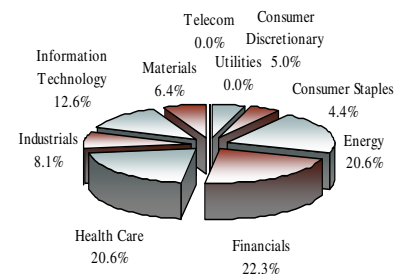
10 LARGEST HOLDINGS *

As of 6/30/10

Berkshire Hathaway Inc.	3.7 %
Exterran Holdings Inc.	3.4 %
Brookfield Asset Management Inc.	3.3 %
EnCana Corp.	3.2 %
Unit Corp.	3.1 %
Cardinal Health Inc.	3.1 %
McKesson Corp.	3.1 %
Spectra Energy Corp.	3.1 %
Chubb Corp.	3.1 %
Patterson Cos. Inc.	3.1 %
TOTAL	32.2 %

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
SOCIALLY RESPONSIBLE VALUE COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm	Composite Assets		Annual Performance Results					
	Assets (millions)	USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 1000 Value	S&P 500	Composite Dispersion	Percentage Carve-Out
2009	546	5	Five or fewer	24.5%	23.4%	19.7%	26.5%	N.A.	29.0%
2008	395	6	6	(34.0%)	(34.6%)	(36.9%)	(37.0%)	1.6%	16.0%
2007	622	11	8	1.0%	0.0%	(0.2%)	5.5%	0.3%	11.4%
2006	707	12	8	16.7%	15.6%	22.2%	15.8%	0.4%	12.1%
2005	557	12	8	7.3%	6.3%	7.1%	4.9%	0.2%	-
2004	517	13	8	18.1%	17.0%	16.5%	10.9%	0.8%	-
2003	356	7	Five or fewer	29.8%	28.5%	30.0%	28.7%	N.A.	-
2002	257	5	Five or fewer	(15.3%)	(16.1%)	(15.5%)	(22.1%)	N.A.	-
2001	311	5	Five or fewer	8.7%	7.6%	(5.6%)	(11.9%)	N.A.	-
2000	389	3	Five or fewer	15.7%	14.6%	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.

***Socially Responsible Value Composite** contains all fee-paying, separately-managed discretionary accounts, both equity-only and the equity portion of balanced accounts that employ SKBA's Socially Responsible Value (SRV) strategy. SRV is a mid-to-large-capitalization value-oriented investment philosophy that seeks to achieve long-term capital appreciation by investing in undervalued equity securities as identified by SKBA's Relative Dividend Yield (RDY) and/or Relative Market Capitalization to Revenues (RMCR) valuation disciplines. 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. As of January 1, 2000, institutional and private client accounts with \$100,000 minimum market values at inception were included in this composite. Beginning April 1, 2002, equity portions of balanced accounts that met the minimum size are also included in the composite.*

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

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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 September 30, 2008, and those portfolios made up less than 4% 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.

Carve-out accounts were included in this composite since April 1, 2002. 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 *Socially Responsible Value Composite* was created January 1, 2000. 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 *Socially Responsible Value Composite* beginning January 1, 2000.