HILLIARD LYONS

July 2017

EQUITY HIGHLIGHTS

from *Investment Perspectives*

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The Walt Disney Company (DIS) Consumer Sector (Discretionary)

Update and recent analyst conference notes

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
LTB-1	*Walt Disney Co. FY(9)*	*DIS*	*$103.32*	*$116*	*$90*	*$5.72*	*$5.95*	*$6.70*	*17.4*	*1.5%*	*$135*	*5/10/17*

We were relatively pleased with Walt Disney Company's fiscal Q2 results. Revenues increased 3% to $13.336 billion, slightly below street consensus. Operating margin improved 49 basis points, leading to a 5% increase in operating income. Diluted EPS excluding nonrecurring items were $1.50, up 10%. The street consensus EPS estimate was $1.41, as was our estimate. The Media Networks segment was impacted by higher programming costs and subscriber losses at ESPN. Positives included robust profit growth from the Parks & Resorts and Studio Entertainment segments, good cost containment, and continued share repurchases.

We recently fine-tuned our financial model. We note the tough comparison to a strong FY'16, which included company-wide benefits created by *Star Wars: The Force Awakens*. We lowered our operating margin assumption for FY'17 due to expected higher expenses, but made slight increases to our EPS projections for FY'17 and FY'18.

A recent analyst conference focused on the Parks & Resorts division. Focal points included a review of Shanghai Disney Resort as it approaches its one year anniversary, new 'lands' or attractions being developed at various parks (domestics and international), and hotel development. A highlight of the conference was an unveiling of the *Pandora* land at Animal Kingdom, which we believe can help attendance, per capita spending, and operating margin at that park. Other topics included potential for same-park sales gains, pricing strategies, cost structure, and the competitive environment. Challenges are mostly macro-related, in our view. In sum, we believe the Parks & Resorts segment is among the strongest areas of the company at this point, and has a bright, growth-oriented future.

We rate DIS Long-term Buy and have a two-year price target of $135 per share. In the next few years, we anticipate stabilization followed by resumption of growth at ESPN, new attractions at the theme parks, growth and improved profitability at Shanghai Disney Resort, and a powerful film slate. We believe the stock can be appropriate for a wide range of investors. Our Suitability rating is 1.

Please see our latest Walt Disney Company report dated May 10, 2017.

The Kroger Company (KR) Consumer Sector (Staples)

Re-set, following Q1 results and industry dynamics

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
LTB-3	*The Kroger Co. FY(1)*	*KR*	*$23.16*	*$38*	*$20*	*$2.12*	*$1.95*	*$2.05*	*11.9*	*2.2%*	*$30*	*6/16/17*

The Kroger Company's Q1 results reflected industry challenges, including a tougher competitive environment. Total sales for the quarter (05/20/2017 period end) rose 4.9% to $36.2 billion, slightly above expectations. Merchandise costs and operating expenses both rose faster than sales, leading to lower earnings. Diluted earnings per share of $0.58 were below the year ago level of $0.71 but matched the consensus street expectation.

Management lowered its current year outlook. Changes include an approximate $0.20 reduction to estimated EPS in 2017 due to the current operating environment. We have lowered our 2017 and 2018 earnings outlooks.

The grocery industry is changing. Several operators have announced greater expansion plans, while some have become more aggressive on price and service. The recently announced plan for Amazon (AMZN-$978.76) to acquire Whole Foods Market (WFM-$42.00) would likely increase an already competitive industry. Further, it could change the way customers shop and the way stores operate, with a mix of online and in-store shopping. Kroger is seeing considerable success with its online ordering businesses such as *ClickList* and *Express Lane*. These feature customers picking up fulfilled orders, either in-store or at dedicated parking areas. In addition, the company has been testing home delivery options as well.

We have been impressed by KR management's operating acumen over the years and the company's strong market share positions. We feel the company will have to spend more to achieve success similar to historical levels. Investing in operations, including expansion of its online business, and remaining competitive on price and service could put pressure on margins, however. We have assumed declining margins in our forecast.

Please see our latest Kroger Company report dated June 16, 2017.

Approach Resources, Inc. (AREX) Energy Sector

Reiterating Long-term Buy rating

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EBITDA/Unit ----- 2016	2017E	2018E	P/EBITDA Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
LTB-3	*Approach Resources, Inc.*	*AREX*	*$2.84*	*$4*	*$1*	*$1.22*	*$0.82*	*$0.97*	*3.5*	*0.0%*	*$12*	*5/5/17*

Ft. Worth, TX-based Approach Resources, Inc. is a junior exploration and production company with a focus on the Permian Basin. In 2016 the company produced approximately 4.5Mmboe (million barrels oil equivalent), 62% liquids, from its ~800 net wells and had proved reserves of approximately 156Mmboe, 63% of which was oil and NGLs.

We continue to watch ownership developments at AREX, where a series of open market stock purchases by the Wilks Brothers investment group has raised their holdings from the 39% that resulted from the January debt exchange to ~48%. Wilks is bound by AREX's shareholder's agreement to limit its stake to 48.6% through January 2022 without a) a waiver from a majority vote of the non-Wilks members of the Board of Directors, or b) AREX's market capitalization reaching approximately $85 million.

In other recent developments, the company was added to the Russell 2000 and 3000 indices at the end of June. We believe the combination of Wilks closing in on its limit and the rebalancing from the index announcement drove much of the recent volume in the name.

We see compelling value in AREX, which is trading at an 87% discount to the sector on an EV/Mcfe of proved reserves basis, a 38% discount to its historical EV/Mboepd of production, a 14% discount to its historical EV/developed acre multiple and discounts averaging 18% on the bases of EV/EBITDA and price to EBITDA per share. We therefore reiterate our 24-month target price of $12, at which the shares would trade at a mix of discounts and premiums to these historical multiples that we believe is reasonable for this stage of the commodity cycle.

Please see our latest Approach Resources, Inc. report dated May 5, 2017.

Triangle Capital Corp. (TCAP) Financial Sector

Rating recently upgraded to Buy

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY NII ----- 2016	2017E	2018E	P/NII Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Buy-3	Triangle Capital Corp. FY(3) (CC) (H) (I)	TCAP	$17.58	$21	$16	$1.61	$1.72	$1.87	10.2	10.2%	$19	6/26/17

Triangle Capital Corp. is a business development company (BDC) that invests capital in lower middle market businesses. Its investment objective is to seek attractive returns by generating current income from debt investments and capital appreciation from equity-related investments.

We recently upgraded TCAP to Buy after attending an analyst and investor meeting held by the company. We had some concerns about the company's recent performance regarding realized and unrealized losses on its investments. The meeting helped to alleviate those concerns. In particular, the company restructured its investment portfolio in 2016 with more checks & balances. Over $420 million in new investments have been produced under the new structure with no nonaccruals to date.

The company has also reduced the risk of its investments by originating more first and second lien positions. TCAP has traditionally been a mezzanine player investing primarily in subordinated debt. With this change, the amount of investments secured by first and second lien positions has increased to 47.2% at March 31, 2017 from 17.2% at year-end 2014.

Triangle has also repositioned its balance sheet to benefit more from a rising interest rate environment. The amount of variable rate debt investments have increased to 40.4% at the end of Q1 from 9.8% at year-end 2014.

Another noteworthy factor is unlike many BDCs, TCAP is internally managed. Most BDCs are externally managed and some managements use the external management structure as their own piggy bank at the expense of shareholders. As a result of TCAP's internal management, it has a lower expense structure than most BDCs.

Based on the foregoing and the stock's strong dividend yield of 10.2%, we raised our rating to Buy from Neutral with a $19 price target.

Please see our latest Triangle Capital Corp. report dated June 26, 2017.

Zoetis Inc. (ZTS) Health Care Sector

Q2 earnings preview

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Buy-2	Zoetis Inc.	ZTS	$62.59	$64	$47	$1.96	$2.33	$2.61	26.9	0.7%	$77	6/20/17

We recently launched coverage on Zoetis Inc. with a Buy rating and $77 price target. We are attracted to the long-term story of the animal health industry but also see some short-term catalysts to aid the stock.

The US cattle market has experienced a multi-year struggle but is currently rebounding steadily. Zoetis derives roughly half of its cattle business from the US market.

Additionally, ZTS has launched several key products in the past few years for its companion animal business. *Apoquel* and *Cytopoint* are both medicines for pruritus (itching) associated with allergic or atopic dermatitis. *Apoquel* was launched in 2013 and achieved over $70 million in sales in Q1'17 alone. *Cytopoint* was launched more recently. Management believes the pair can reach between $400 and $500 million in annual sales in the next three years. We think the company will pierce the bottom end of that range as early as next year. A third key pet drug is *Simparica*, which is an oral treatment for flea and tick prevention. Although Zoetis was late to the game in oral parasiticides, the category comprises a significant portion of the pet medicine market, and we believe Zoetis is a strong player capable of catching up to the competition. Finally, although less important in our view, the launch of *Sileo* to help dog owners with canine noise aversion could receive a boost in Q3'17 with the seasonality of 4th of July firework celebrations.

For Q2'17, we estimate $1.29 billion in sales and $0.57 in operating EPS. This compares to the street consensus of $1.27 billion in sales and $0.53 in operating EPS. We believe the street could be underestimating the momentum of the pet portfolio in the near term.

Please see our latest Zoetis Inc. report dated June 20, 2017.

Hillenbrand, Inc. (HI) Industrials Sector

Electing to be patient in selecting a re-entry point

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Ntrl-2	Hillenbrand, Inc. FY(9)	HI	$35.60	$39	$29	$2.00	$2.08	$2.25	17.1	2.3%		5/4/17

The Process Equipment Group (PEG) at Hillenbrand, Inc. makes precision material handling systems, bulk material handling systems, extrusion equipment, and screening systems. Through its Batesville Casket Unit, Hillenbrand is the largest US producer of burial caskets, both metal and wood.

We reiterated our Neutral rating on HI in early May following the release of fiscal Q2'17 (quarter ending March 31st) results. We really like the direction of Hillenbrand, seeking evolution toward a more diversified business mix, but elect to be patient in selecting a re-entry point.

As of March 31st, HI held borrowing capacity of $353.2 million. We believe HI is ready both operationally and financially to execute a deal. Management has voiced a strategy of M&A as a way to diversify its manufacturing base away from the declining casket market, but has been tentative lately due to valuations.

The Process Equipment Group is the long-term growth driver for Hillenbrand, while Batesville provides strong current cash flow. HI has given guidance of PEG growth of 3-5% in 2017, while it projects Batesville to have a slight decline as cremation rates increase. Currently about half of HI consolidated EBITDA is generated by each segment.

In conjunction with Q2 results, management raised the low end of FY 2017 adjusted EPS guidance by a nickel, to a new range of $2.00 to $2.10 (HI earned $2.00 in 2016). We estimate 2017 EPS to be in at the top of the range at $2.08 and project 2018E EPS of $2.25.

Since inception in 2008 (Hillenbrand was spun-out), HI has increased its dividend every year. We estimate fiscal 2017 dividends to be $0.82 per share, which indicates a current yield of 2.3%.

Please see our latest Hillenbrand, Inc. report dated May 4, 2017.

eBay Inc. (EBAY) Information Technology Sector

Positive view of financials

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
LTB-2	*eBay Inc.*	*EBAY*	*$34.23*	*$37*	*$24*	*$1.89*	*$2.00*	*$2.27*	*17.1*	*0.0%*	*$38.50*	*4/20/17*

eBay Inc. has transformed its business model over the last ten years from primarily an auction based business of consumer-to-consumer sales to a business model focused on business-to-consumer sales with 84% of gross merchandise volume (GMV) transacted at a fixed price and 80% of items sold as new, direct from third party businesses. eBay Inc. is a leading global ecommerce platform through its Marketplace, StubHub, and Classifieds businesses. EBAY commerce platforms connect over 169 million active buyers around the world in 190 countries, transacting over $83.75 billion of gross merchandise volume in 2016. eBay is ranked as the 17th largest global internet company by market capitalization following several recent divestitures.

Our investment thesis begins with a top down approach as we expect continued robust global ecommerce growth of ~20% per year over the next several years while slower growing developed markets remain underpenetrated at sub 10% of total retail sales. Roughly 60% of eBay's total business is derived from faster growing international markets. We believe this global market position is unique, setting eBay apart from a majority of online retail businesses.

Second, recent divestitures including PayPal (PYPL-$53.97) has narrowed eBay's focus. We believe this will allow the company to improve organic growth as management spends more aggressively on core eBay initiatives such as product development, including the use of A.I. and structured data to optimize customer sales performance, new shopping verticals (Fashion, Wine, Motors), authentication services, guaranteed 3-day shipping, price match guarantee, and eBay Valet (professional selling service). We expect these initiatives will close the gap competitors have sustained in recent years.

We have a positive opinion of eBay's financials as the company generates significant free cash flow and has net cash per share of over $2 and $1 billion remaining on the company's share repurchase plan. We believe EBAY can return to sustainable double digit EPS growth, reflected in our FY'18 EPS estimate of $2.27, which could further expand eBay's P/E multiple. We derive our FYE'18 price target of $38.50 based on EBAY shares trading at 17x our FYE'18 EPS estimate of $2.27.

Please see our latest eBay Inc. report dated April 20, 2017.

Tanger Factory Outlet Centers (SKT) Real Estate Sector

The only US public pure play outlet center REIT

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY FFO ----- 2016	2017E	2018E	P/FFO Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Buy-3	Tanger Factory Outlet Centers, Inc.	SKT	$25.95	$42	$25	$2.36	$2.41	$2.52	10.8	5.3%	$36.50	5/2/17

Tanger Factory Outlet Centers, Inc. is headquartered in Greensboro, NC. The REIT owns or has an interest in 44 outlet centers and one additional center under development, comprising 15.1 million square feet of gross leasable area in 22 states and Canada.

In May, SKT reported first quarter FFO of $0.58 versus $0.55 per share in Q1'16. Consolidated occupancy was 96.2% at the end of the first quarter. Leasing spreads were up 1.0% in the quarter. Initial base rents on renewed spaces were up 4.7% but were down 8.7% on re-tenanted spaces.

We believe Tanger is in excellent financial condition. As of March 31st, SKT had only 14% of availability outstanding on its line of credit. At the end of Q1'17, 92% of the consolidated portfolio square feet was unencumbered. As of March 31st, 88% of the company's outstanding debt was fixed.

Tanger is a constituent of the S&P High Yield Dividend Aristocrat Index. The company has raised its dividend for 24 consecutive years, every year since going public. In April, SKT raised its dividend 5.4%.

We believe the retail outlook remains good for outlet centers. Outlet stores continue to be one of, if not the most, profitable division for most retailers. We believe consumers will shop at outlet centers in good and bad times. Since consumers can find the same brands at outlet centers that they would at their local mall, they may not feel they are trading down by shopping at this lower cost option, but just getting a bargain.

We rate Tanger Buy. We believe the current share price represents an attractive entry point for these high quality shares. Our price target is $36.50.

Please see our latest Tanger Factory Outlet Centers report dated May 2, 2017.

Cincinnati Bell (CBB) Telecommunications Sector

Ongoing mixed performance of the company's business segments

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Ntrl-4	Cincinnati Bell	CBB	$19.35	$26	$16	$0.18	$1.36	$0.21	14.2	0.0%		5/10/17

We maintain our Neutral rating on Cincinnati Bell. This company provides integrated communications solutions, including local, long distance, data, high-speed Internet, and video to both residential and business customers in Greater Cincinnati and Dayton. In addition, its wholly-owned subsidiary, CBTS, provides office communications systems and end-to-end IT solutions.

The company reported mixed first quarter results in May. First quarter revenue declined by 4% to $278 million. The decrease in revenues was primarily due to the decline of Telecom and IT hardware sales, which declined by 25%. However, CBB's Entertainment and Communications segment posted a 3% increase in revenues, led by strength in its Fioptics business, which grew by 26% to $74 million. First quarter EBITDA (earnings before interest, taxes, depreciation, and amortization) was $71 million, flat with 2016 first quarter results.

We have remained on the sidelines with Cincinnati Bell for years because of the company's challenge to deliver consistently higher EBITDA with a difficult revenue environment. For some time now, parts of the company's business have grown while other segments have contracted. As an example, CBB's Fioptics business continues its significant growth.

However, the company's consumer legacy data and voice segments continue their decline. We would like to see the potential for sustainable revenue and EBITDA growth improve before becoming more positive on the name. Also, while the company is becoming free cash flow positive, we do not anticipate any dividends being paid or new stock buybacks authorized.

Please see our latest Cincinnati Bell report dated May 10, 2017.

Southern Company (SO) Utilities Sector

Recent news

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Ntrl-2	Southern Company (CC) (H)	SO	$47.36	$55	$46	$2.89	$2.98	$3.12	15.9	4.9%		5/4/17

We maintain our Neutral rating on Southern Company. SO is one of the nation's largest electric utilities in terms of customer base. The company serves nine million electric and gas customers in nine states. In addition, it operates Southern Power, a growing competitive generation company.

Southern reported better than expected first quarter earnings of $0.66 per share versus $0.58 per share in last year's first quarter. Results were boosted by the contribution of Southern Company Gas, formerly AGL Resources, which was acquired last year. Earnings were also aided by rate increases and lower non-fuel operating and maintenance costs.

The company has been in the news lately because of news surrounding its construction of two nuclear units in Georgia. Westinghouse, the primary contractor for the construction of the Vogtle nuclear plant, declared bankruptcy in March, thereby putting pressure on its parent Toshiba (TOSYY-$13.80). However, recently SO and the other owners of the new Vogtle nuclear plants entered into an agreement with Toshiba that allows for continued construction of the project. While this agreement addresses short-term issues, there still remains uncertainty over both the timing of completion and the ultimate costs associated with the project.

We would maintain positions in Southern Company for income oriented utility investors. We expect earnings will grow by a 4% to 5% annual rate, which should support consistent dividend growth.

Please see our latest Southern Company report dated May 4, 2017.

Atmos Energy Corp. (ATO)

Utilities Sector

Awaiting an entry point

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Ntrl-1	Atmos Energy Corp. FY(9)	ATO	$83.68	$86	$69	$3.44	$3.66	$3.87	22.9	2.2%		5/4/17

Headquartered in Dallas, Atmos Energy Corp. is the largest fully regulated natural gas distributor in the US with customers in nine states. It also manages company owned natural gas storage and pipeline assets, including Atmos Pipeline Texas (APT), one of the largest natural gas pipelines in Texas.

We reiterated our Neutral rating on shares of Atmos in early May. ATO remains one of our favorite core holdings in the gas space, although we await a more compelling entry at which to potentially get more aggressive. All else equal, we could also prefer clarity on the pending APT rate case, which statutorily must occur every five years.

Atmos reported fiscal Q2'17 (January-March) EPS from continuing ops of $1.52 versus $1.39 in Q2'16. Results passed our estimate by a dime, with weather mitigation protecting the vast majority of ATO's utility margin despite pockets of record warm last winter. Atmos Energy Marketing (AEM) was sold effective January 1, 2017, generating a ~$0.03 gain-on-sale that we exclude from continuing ops results.

With the noted sale of its marketing segment, ATO is now 100% regulated. Atmos is now comprised of just two segments, effectively the utility/distribution segment and the pipeline (APT) segment. Guidance for 6% to 8% EPS growth per year through 2020 remains intact and unchanged.

ATO has a streak of 33 consecutive years increasing its dividend. We estimate dividends of $1.92 for 2018, versus an indicated annualized rate of $1.80 for the in-progress 2017.

In late May we had a one on one meeting with management at the American Gas Association Financial Forum. We met the new CFO, and primarily searched for areas to tweak our forecast and/or qualitative outlook. Our comments from the entire conference have been published as a standalone report for investors to review.

Please see our latest Atmos Energy Corp. report dated May 4, 2017.

California Water Service Group (CWT) Utilities Sector

Fairly priced

Rating - Suit.	Company	Symbol	Price 07/07/17	Year High	Year Low	----- FY EPS ----- 2016	2017E	2018E	P/E Ratio 2017E	Ind. Div. Yield	Target Price	Latest Report
Ntrl-2	California Water Service Group	CWT	$36.90	$39	$29	$0.97	$1.37	$1.49	26.9	2.0%		4/27/17

California Water Service Group is approximately tied as the third-largest publicly traded water utility in the United States by market capitalization. Its regulated public utilities serve approximately 500,000 customers. Overall, it provides water services to over two million people in 100 communities in California, Washington, New Mexico, and Hawaii.

We reiterated our Neutral rating on CWT in late April following the release of Q1 results. Results to start the year were a little below our expectations, although we believe the period was sufficiently strong to keep CWT in line for a strong 2017 and attainment of our projected EPS of $1.37 (~36% increase from 2016). Consolidating a number of our views, we believe shares are fairly priced in the market.

We recently hosted institutional investor meetings with CEO Marty Kropelnicki and CFO Tom Smegal. The in-progress cost of capital filing was a recurring topic of discussion, although most interesting for us were likely tidbits of information regarding the general 'water realm' in California. By our estimation, investors are increasingly disinterested in period-to-period swings in results for the water utilities.

From 2007 to 2016, CWT's Capital expenditures grew at a 13% CAGR. This investment has allowed for increased rates (primarily in California), and we expect further growth moving forward over at least the next several rate cycles (each 3 years long). Safety standards as well as resource planning compel a material portion of spending in California.

The official drought state of emergency in California has ended (has been declared over by the governor). With some element of hindsight, we are pleased with operational performance from the company and view the last couple of years as supporting our view toward a strong management team at CWT.

Please see our latest California Water Service Group report dated April 27, 2017.

Additional information, including a report on each common stock mentioned, is available upon request. Check with your Financial Consultant for the investment appropriate for you.

Explanations & Disclaimers

A - Actual
Ann. - Annual/annualized
Bps - Basis points
E - Estimated
EBITDA - Earnings before income, taxes, depreciation, amortization
EBITDDA - Earnings before income, taxes, depreciation, depletion, amortization
EPS - Earnings per share
EV - Enterprise value
FFO - Funds from operations
FFOA - Funds from operations adjusted
FFOM - Funds from operations modified
FY - Fiscal year
FY(1-11) - EPS are for fiscal years (1=January, 2=February, etc.)
GAAP - Generally accepted accounting principles
Ind. Div. Yield - Indicated dividend yield
NA - Not available/acceptable
NAV - Net asset value
NM - Non-meaningful
P/E - Price/earnings ratio -- current price divided by EPS
Q - Quarter
(1-4)Q - 1=First quarter, 2=Second quarter, 3=Third quarter, 4=Fourth quarter
REIT - Real estate investment trust
TR - Total return
TTM - Trailing twelve months
YTD - Year to date

All data is adjusted for stock splits or stock dividends.

Unless otherwise noted, EPS are from continuing operations and exclude non-recurring items.

We recognize each client's investment needs and goals are different. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors.

Analysts' Certification

The contributors to this report hereby certify that the views expressed in this report accurately reflect their personal views about the subject. They also certify that they have not been, are not, and will not be receiving direct or indirect compensation in exchange for expressing the specific points of view in this report.

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CC - Hilliard Lyons has participated in a selling group for securities of Southern Company and Triangle Capital Corp. within the past 12 months.

H - Hilliard Lyons has received investment banking compensation from Southern Company and Triangle Capital Corp. within the past 12 months.

I - Hilliard Lyons has been a manager or co-manager of an offering of securities of Triangle Capital Corp. within the past 12 months.

Investment Ratings

Buy: We believe the stock has significant total return potential in the coming 12 months.
Long-term Buy: We believe the stock is an above average holding in its sector, and expect solid total returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.
Neutral: We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.
Underperform: We believe the stock is vulnerable to a price set back in the next 12 months.

Suitability Ratings

1 - A large cap, core holding with a solid history. **2** - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks. **3** - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage. **4** - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base.

	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	36	29%	14%	86%
Hold/Neutral	79	63%	5%	95%
Sell	10	8%	0%	100%

As of 7 July 2017

Other Disclosures

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