



August 24, 2018

Mr. J. Derek Peterson
Highland Associates
2545 Highland Ave. S., Suite 200
Birmingham, Alabama 35205-2478

Report of Independent Verification

Dear Derek:

We are pleased to report that we have examined whether Highland Associates has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the period February 1, 2011 through December 31, 2017 and designed its processes and procedures to calculate and present performance results in compliance with GIPS as of December 31, 2017. Highland Associates's management is responsible for compliance with GIPS, the design of its processes and procedures, and for the performance presentations. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the guidelines provided by GIPS, including the *Guidance Statement for Verification*. The verification included examining, on a sampling basis, evidence about Highland Associates's compliance with the GIPS requirements, evaluating the design of Highland Associates's processes and procedures, and performing the procedures for a verification set forth by GIPS as well as other procedures we considered necessary. Verification does not ensure the accuracy of any specific composite presentation. We believe that our examination provides a reasonable basis for our opinion, which is that Highland Associates has, in all material respects:

- Complied with all composite construction requirements of the Global Investment Performance Standards on a firm-wide basis for the period February 1, 2011 through December 31, 2017, and
- Designed its processes and procedures to calculate and present performance results in compliance with the Global Investment Performance Standards as of December 31, 2017.

We greatly appreciate the opportunity to conduct this verification for you.

Sincerely,

The Spaulding Group, Inc.

The Spaulding Group, Inc.