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***Alpha Performance Verification Services***

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**Independent Verifier’s Report on GIPS® Compliance**

TWIN Capital Management, Inc.  
McMurray, Pennsylvania

We have examined whether TWIN Capital Management, Inc. (the “Company”) (1) complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods January 1, 2018 through December 31, 2019, and (2) designed its policies and procedures to calculate and present performance results in compliance with the GIPS standards as of December 31, 2019. We have also conducted a performance examination of the Company’s ***TWIN Prime Composite*** for the periods January 1, 2004 through December 31, 2019.

**Management’s Responsibility**

The Company’s management is responsible for compliance with the GIPS standards and the design of its policies and procedures and for the compliant presentations.

**Verifier’s Responsibility**

Our responsibility is to express an opinion based on our examination. We conducted our examination in accordance with the verification procedures set forth in the GIPS standards, including the *Guidance Statement for Verification* and, accordingly, included examining, on a test basis, evidence about the Company’s compliance with the above-mentioned requirements, evaluating the design of the Company’s policies and procedures referred to above, and performing the procedures for a verification set forth by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

**Opinion**

In our opinion, TWIN Capital Management, Inc. has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods January 1, 2019 through December 31, 2019, and
- Designed its policies and procedures to calculate and present performance results in compliance with the GIPS standards as of December 31, 2019.

Also, in our opinion, the compliant presentation of the Company’s ***TWIN Prime Composite*** for the periods January 1, 2004 through December 31, 2019, has been prepared and presented, in all material respects, in compliance with the GIPS standards.

A verification covering the periods from April 1, 1990 to December 31, 2017 was performed by another verification firm, whose report expressed an unqualified opinion.

This report does not relate to or provide assurance on any specific composite presentation other than the Company’s ***TWIN Prime Composite***.

Alpha Performance Verification Services  
Michael W. Hultzapfle, CPA, CFA, CIPM  
July 2, 2020

TWIN Capital Management Inc.  
TWIN PRIME Composite (Wrap Fee Prospective Accounts)  
1 January 2004 through 31 December 2020

Year End /Period End	Total Firm AUM (USD millions)	Composite Assets		Performance Results (Percentages)				Wrap Accounts as a % of Composite Accounts
		(USD millions)	Number of Accounts	Composite Gross	Composite Net	Benchmark Return	Composite Dispersion	
2020	1,113.3	707.9	14	15.72	12.33	20.96	0.74	≤1
2019	1,197.2	714.8	16	29.74	25.98	31.43	0.33	≤1
2018	1,806.7	942.9	21	-5.68	-8.49	-4.78	0.29	≤1
2017	2,059.9	986.4	17	21.24	17.71	21.69	0.30	N/A
2016	1,568.9	585.1	10	13.36	10.03	12.05	0.30	N/A
2015	1,233.0	373.2	8	3.12	0.08	0.92	0.13	N/A
2014	1,061.1	239.5	8	14.84	11.48	13.24	0.67	N/A
2013	948.0	225.7	7	32.05	28.23	33.11	N/A	N/A
2012	1,063.4	66.5	≤5	16.07	12.68	16.42	N/A	N/A
2011	998.8	50.9	≤5	4.29	1.21	1.50	N/A	N/A
2010	947.6	31.2	≤5	14.81	11.45	16.10	N/A	N/A
2009	706.5	0.5	≤5	28.74	25.00	28.43	N/A	N/A
2008	563.3	6.8	≤5	-34.31	-36.32	-37.60	N/A	N/A
2007	832.3	10.6	≤5	8.69	5.49	5.77	N/A	N/A
2006	641.2	11.7	≤5	21.39	17.86	15.46	N/A	N/A
2005	483.0	24.7	≤5	7.35	4.19	6.27	N/A	N/A
2004	319.0	22.3	≤5	16.60	13.19	11.41	N/A	N/A

*Past performance is not indicative of future results. Investments are not guaranteed and may decline in value.*

N/A.: Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

### Compliance Statement

TWIN Capital Management Inc. (“TWIN”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TWIN has been independently verified for the periods April 1, 1990 through December 31, 2019. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The TWIN Prime Composite has been examined for the periods January 1, 2004 through December 31, 2019. The verification and performance examination reports are available upon request.

TWIN CAPITAL MANAGEMENT INC.  
TWIN PRIME COMPOSITE (WRAP FEE PROSPECTIVE ACCOUNTS)  
PAGE 2 OF 3

**GIPS trademark**

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Definition of the Firm**

TWIN is a registered investment adviser, which started business in April 1990. TWIN provides investment management services to institutional and individual investors, offering a variety of growth-oriented investment services by investing primarily in domestic equity securities that it believes will provide attractive returns over the long term. TWIN's start of business, April 1990, coincides with the effective date of firm compliance with the GIPS® standards.

**Investment Strategy**

TWIN manages the TWIN Prime Portfolio using the TWIN EQUITY Model ("the Equity Model"), a multi-factor valuation model that combines elements of relative value, expected growth, and earnings quality. The output of the Equity Model is an expected residual return, or alpha, for each stock. The Prime Portfolio focuses on the highest alpha candidates from among the large-cap and mid-cap US equity segments, while relaxing the sector and individual stock constraints present in TWIN's enhanced index strategies. Although alpha is the primary driver of the selection process, dynamic size allocation also plays a part. The primary objective is to outperform, on a total return basis net of fees, the Russell 1000 Index. The Composite's creation and inception date was January 1, 2004.

**Benchmark**

The benchmark for TWIN Prime is the Russell 1000.

Benchmarks should be used for purposes of comparison only, and the comparison should not be understood to mean that there will necessarily be a correlation between TWIN's returns and the benchmark's returns. Furthermore, the volatility of the benchmark may be materially different from TWIN's actual portfolio.

**Fees**

Gross performance figures are presented gross of management fees, custodial fees, and withholding taxes (if applicable), but net of all direct trading expenses. Net of fee performance returns are calculated by deducting a model fee of 3.0%, which represents the highest applicable annual wrap fee in effect for the respective time period, applied monthly. The wrap fee is an all-inclusive or bundled fee based on a percentage of assets under management and may include investment management services, brokerage commissions, portfolio monitoring, consulting services, and custodial services. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor.

TWIN CAPITAL MANAGEMENT INC.  
TWIN PRIME COMPOSITE (WRAP FEE PROSPECTIVE ACCOUNTS)  
PAGE 3 OF 3

**Fees, continued**

The current separate account fee schedule is: 0.50% on the first \$25 million; 0.35% on the next \$25 million, and negotiable thereafter. Management fees are negotiable, and actual fees incurred by clients may vary.

**Calculation Information**

Composite performance figures include all discretionary accounts managed within the defined investment style during the periods presented. All performance figures have been computed on a total return basis and reflect the reinvestment of all income. Valuations and returns are computed and stated in U.S. dollars. Composite dispersion represents the standard deviation (with equal weighting of portfolios) of accounts that have been managed within the investment strategy for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

**Minimum Account Size**

The current separate account minimum is \$2 million. The current wrap fee account minimum is \$200,000.

**Ex-Post Standard Deviation**

<u>Year</u>	<u>Composite 3-Yr St Dev (%)</u>	<u>Benchmark 3-Yr St Dev (%)</u>
2011	18.17	19.22
2012	15.06	15.62
2013	12.08	12.43
2014	9.13	9.25
2015	10.35	10.63
2016	10.75	10.84
2017	10.13	10.11
2018	11.21	11.11
2019	11.96	12.05
2020	18.99	19.10

Ex-post standard deviation for prior periods is not presented because it is not required by the GIPS standards.

**Complete List of Composites Available**

A complete listing and description of all composites is available upon request to TWIN. Please contact Sam Gerber (Phone: (724) 942-2000 / E-mail: [SamG@twincapital.com](mailto:SamG@twincapital.com) / Address: 3244 Washington Rd. Ste. 202, McMurray, PA 15317)

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS; INVESTMENTS ARE NOT GUARANTEED AND MAY DECLINE IN VALUE.**