

## The Tanglewood Moderate Fund – R2

### INVESTMENT PROCESS

The Tanglewood Moderate Fund's benchmark is an asset allocation consisting of large cap U.S. stocks, small cap U.S. stocks, international stocks, real estate stocks, treasury bonds and treasury bills.

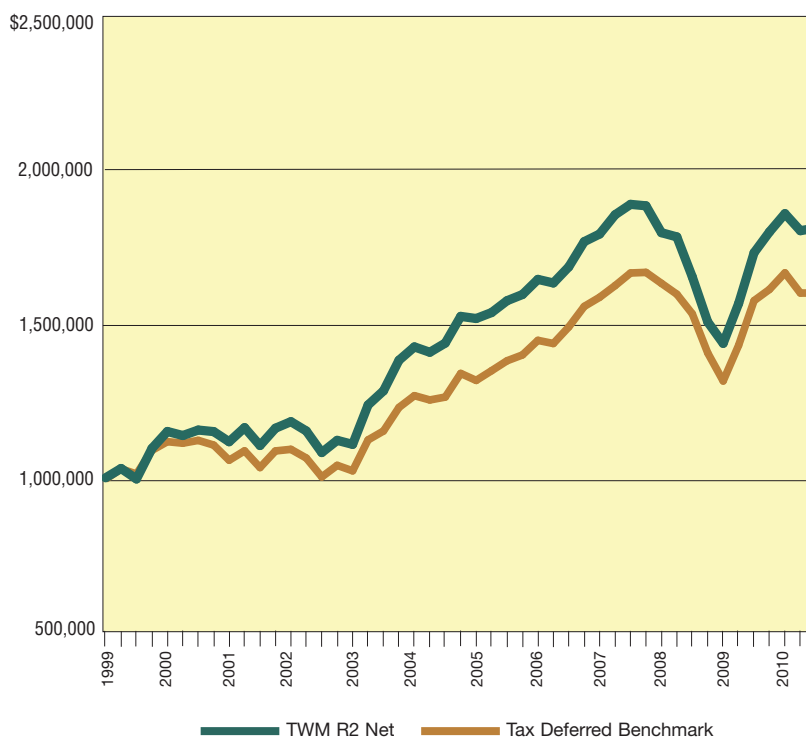
We are highly motivated to outperform the benchmarks using our proprietary "horserace strategy" which overweights those asset classes, sectors and styles (growth, value, etc.) which we expect to lead the market over the next six to thirty-six months.

The final step of our investment process is to research and identify those few independent, institutional fund managers who have outperformed both their asset class and peer group over at least one full market cycle.

### FUND DESCRIPTION

The Tanglewood Moderate Fund is a diversified portfolio that seeks to provide a long-term growth of capital that is consistent with less than one-half the risk (volatility) of a portfolio invested entirely in a broad cross section of stocks. The portfolio will maintain an active asset allocation strategy with additional emphasis on security selection styles and market sector weightings. The portfolio will be invested exclusively in mutual funds and ETFs. As a result, assets held in the Portfolio will be highly liquid. For comparison purposes the composite is measured against a blended benchmark as follows: 29% Russell 1000, 6% Russell 2000, 12% MSCI EAFE (net), 3% NAREIT Equity REIT, 40% Citigroup 5-Year Treasury Bonds, and 10% U.S. 30 Day T-bill indices.

### GROWTH OF \$1,000,000 1/01/1999 – 6/30/2010



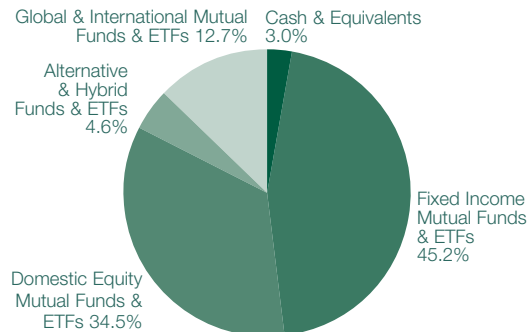
### TANGLEWOOD MODERATE FUND R2

	Moderate (Net)	Moderate Benchmark
2ND QTR 2010	-3.0%	-3.9%
YTD	0.0%	-.7%
2009	19.2%	14.4%
2008	-20.0%	-15.5%
2007	6.6%	7.0%
2006	10.7%	11.1%
2005	4.6%	4.4%
2004	10.3%	8.9%
2003	23.0%	17.8%
2002	-3.4%	-4.2%
2001	1.0%	-1.7%
2000	5.0%	1.5%
1999	10.5%	9.8%

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### FUND DETAILS

#### Portfolio Weights as of 6/30/10



Cash & Equivalents	3.0%
Fixed Income Mutual Funds & ETFs	45.2%
Domestic Equity Mutual Funds & ETFs	34.5%
Alternative & Hybrid Funds & ETFs	4.6%
Real Estate Mutual Funds & ETFs	0.0%
Global & International Mutual Funds & ETFs	12.7%

#### Top 4 Holdings as of 6/30/10

1. Vanguard ST Bond Index
2. T. Rowe Price Cap Appreciation
3. Oakmark Equity Income Fund
4. Vanguard Interm Term Inv Grade

#### Fund Details

Approximate Number of Holdings	18
Expense Ratio*	1.4%
CUSIP	41023R115

\*Includes all costs and fees including those of underlying funds.

### FUND DISCLOSURE

The Tanglewood Moderate Fund ("the Fund") is a Collective Investment Fund created by the Hand Composite Employee Benefit Trust, trustee and administered by Hand Benefits & Trust Company, Houston, TX. Tanglewood Wealth Management, Inc. (Tanglewood) is the Investment Advisor to the Fund. The Distributor of the Fund is Hand Benefits & Trust.

The Fund is not a mutual fund and its units are not deposits of Hand Benefits & Trust Company or Tanglewood and is not insured by the Federal Deposit Insurance Corporation or any other agency. The units are securities which have not been registered under the Securities Act of 1933 and the Fund is exempt from investment company registration under the Investment Company Act of 1940. Therefore, Participating Plans and their Participants will not be entitled to the protections under these Acts. Management of the Fund, however, is generally subject to the fiduciary duty and prohibited transaction rules under the Employee Retirement Income Securities Act of 1974 ("ERISA"). As defined in the Declaration of Trust and Participation Agreement documents, the Fund is available for investment by eligible qualified retirement plan trusts only. The unit value will fluctuate and investors may lose money. Various asset classes such as small-cap stocks and international stocks may carry additional risks.

The R1 share class of this fund is new as of July 1, 2009. The R2 share class is new and does not have actual performance data to report. R2 performance data reported back to July 1, 2009 represents performance of the R1 shares less fees only applicable to R2 shares. Performance data before that date represents past performance of the Tanglewood Moderate Composite. Composite returns are based upon the actual accounts managed by Tanglewood pursuant to its Moderate investment policy and having a market value of at least \$250,000. Additional details about composite membership are available upon request.

Composite performance is net of all underlying mutual fund and ETF fees, transaction costs and includes re-investment of income. Performance also includes hypothetical deductions for advisory, custodial, trust or distribution fees charged to the Fund by Tanglewood, the Trustee and the Distributor of approximately 0.85% per year. The performance does not include deductions for any advisory fees that may be charged to plans investing in the Fund.

For comparison purposes the composite is measured against a blended benchmark (rebalanced quarterly) of the following indexes: 29% Russell 1000, 6% Russell 2000, 12% MSCI EAFE (net), 3% NAREIT Equity REIT, 40% Citigroup 5-Year Treasury Bonds, and 10% U.S. 30 Day T-bill indices with all dividends and gains reinvested.

The Composite and Benchmark portfolio performance figures and other information displayed are from sources considered reliable by Tanglewood. While Tanglewood believes such information to be correct, it is not able to, and therefore does not warrant that the data will be accurate or error-free.

The performance displayed here does not guarantee future results. As market conditions fluctuate, the investment return and principal value of any investment will change. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance and fees.