



# HB&T BALANCED FUND

Investment Category: Moderate Allocation

All data as of December 31, 2011

## About The Fund

The HB&T Balanced Fund is a collective investment fund (CIF) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company that invest in the strategies of Brown Advisory and Hand Benefits & Trust Co. which serve as the sub-advisors to the CIF.

## Investment Strategy

**Equity Portfolio:** Brown Advisory uses a combination of economic and fundamental research to identify high quality companies with attractive, absolute and relative valuations. Brown employs a disciplined approach to investing. They assess the market environment in a “top-down” evaluation to determine market risk, interest rate trends and economic climate. From this process, they define the elements that will most likely outperform the market for that given environment. Having defined those elements, Brown will begin a “bottom-up” stock picking effort. Equities selected must represent value in a combination of relative and absolute measures. On-site company visits and internally generated research are major strengths of their process. Extensive proprietary databases, screens and valuation tools are important elements of the process.

**Fixed Income Portfolio:** Hand Benefits & Trust Co. actively adjusts the portfolio to anticipate and respond to market conditions. Hand Benefits & Trust Co. employs a conservative approach to managing bonds, adding value primarily through interest rate anticipation and sector selection. The primary goal is to preserve principal, maintain liquidity and provide high current return.

## Fund Performance History

	QTD	YTD	1 Year	3 Year	5 Year	Inception to Date
Fund	7.63%	0.40%	0.40%	15.81%	4.37%	4.13%
Balanced Index <i>(65% Russell 1000 Growth Index / 35% BarCap Int. Govt/Corp Index)</i>	7.34%	5.06%	5.06%	14.33%	4.35%	2.56%

Stated returns prior to inception date of the fund represents past performance of the index adjusted for fees. Past performance is not a guarantee of future results. Because market activity affects investment performance, an investor’s principal value will fluctuate so that when shares are sold, they may be worth more or less than the original cost. Cumulative performance may be lower or higher than returns shown due to more recent market activity.

**Expense Ratio\*** .80% (or \$8.00 per \$1,000 invested)

**CUSIP:** 41023R610

**Inception Date:** 05/01/88

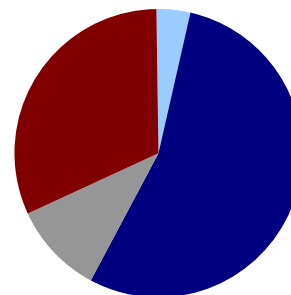
\*The expense ratio includes no service fees payable to the plan’s service providers

## Top 10 Holdings

- 1 Google Inc
- 2 Express Scripts Inc
- 3 Apple Inc
- 4 iShares Barclays TIPS Bond Fund
- 5 Vanguard Intermediate Term Bond
- 6 Schlumberger Ltd
- 7 Coach Inc
- 8 Cash Trust Money Market
- 9 QUALCOMM Inc
- 10 Mastercard Inc

Sector Holdings are subject to change.

## Asset Allocation



Cash	3.98%
US Stocks	53.64%
Non US Stocks	10.11%
Bonds	32.27%

Annual Portfolio Turnover Rate: 10%

## Legal Structure

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940.

The performance quoted here does not guarantee future results. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance and fees.