

Hand Composite Employee Benefit Trust
Advice Portfolios
Tactical Core Stable Value Fund
Independent Auditor's Report and Financial Statements
December 31, 2016



Hand Composite Employee Benefit Trust

December 31, 2016

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of selected funds (Advice Portfolios - High Growth Fund, Advice Portfolios - Growth Fund, Advice Portfolios - Moderate Growth Fund, Advice Portfolios - Moderate Conservative Fund, Advice Portfolios - Moderate Fund and Tactical Core Stable Value Fund) [six funds] included in the Hand Composite Employee Benefit Trust ("Trust" or "Funds"), which comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2016, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of these selected funds included in the Hand Composite Employee Benefit Trust as of December 31, 2016, and the results of their operations and changes in their net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of investment purchases and sales listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Houston, Texas
May 26, 2017

Hand Composite Employee Benefit Trust

Statements of Assets and Liabilities – Selected Funds

December 31, 2016

	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund
Assets					
Investments, at cost	\$ 16,607,734	\$ 13,854,864	\$ 12,156,813	\$ 3,106,536	\$ 3,818,717
Investments, at fair value	\$ 17,965,192	\$ 14,872,155	\$ 12,818,421	\$ 3,203,501	\$ 3,962,702
Receivable for:					
Capital shares sold	72,169	19,539	20,227	3,516	10,502
Total assets	<u>\$ 18,037,361</u>	<u>\$ 14,891,694</u>	<u>\$ 12,838,648</u>	<u>\$ 3,207,017</u>	<u>\$ 3,973,204</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 9,712	\$ 8,177	\$ 6,589	\$ 1,827	\$ 2,440
Total liabilities	<u>\$ 9,712</u>	<u>\$ 8,177</u>	<u>\$ 6,589</u>	<u>\$ 1,827</u>	<u>\$ 2,440</u>
Net assets held for participants:					
Class R	\$ 17,700,283	\$ 14,255,563	\$ 12,645,734	\$ 3,205,160	\$ 3,933,922
Class R2	256,362	586,285	150,895	17	36,825
Class R3	71,004	41,669	35,430	13	17
Total net assets held for participants	<u>\$ 18,027,649</u>	<u>\$ 14,883,517</u>	<u>\$ 12,832,059</u>	<u>\$ 3,205,190</u>	<u>\$ 3,970,764</u>
Units outstanding:					
Class R	684,261	593,977	629,183	222,118	223,037
Class R2	17,882	41,715	11,838	1	3,100
Class R3	2,956	1,868	1,900	1	1
Total units outstanding	<u>705,099</u>	<u>637,560</u>	<u>642,921</u>	<u>222,120</u>	<u>226,138</u>
Net asset value per unit:					
Class R	\$ 25.87	\$ 24.00	\$ 20.10	\$ 14.43	\$ 17.64
Class R2	\$ 14.34	\$ 14.05	\$ 12.75	\$ 16.95	\$ 11.88
Class R3	\$ 24.02	\$ 22.31	\$ 18.65	\$ 13.46	\$ 16.46

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Statements of Assets and Liabilities – Selected Funds (Continued)

December 31, 2016

	Tactical Core Stable Value Fund
Assets	
Investments, at cost	\$ 2,449,292
Investments, at fair value	\$ 2,557,188
Wrapper contracts at fair value	22,767
Receivable for:	
Capital shares sold	4,843
Total assets	<u>\$ 2,584,798</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 1,289
Total liabilities	<u>\$ 1,289</u>
Net assets held for participants, reflecting all investments at fair value:	
Class R	\$ 2,569,341
Class R2	14,168
Total net assets held for participants, reflecting all investments at fair value	<u>2,583,509</u>
Adjustment from fair value to contract value for fully benefit-responsive contracts:	
Class R	(26,955)
Class R2	(149)
Total adjustment from fair value to contract value for fully benefit-responsive contracts	<u>(27,104)</u>
Net assets held for participants:	
Class R	2,542,386
Class R2	14,019
Total net assets held for participants	<u>\$ 2,556,405</u>
Units outstanding:	
Class R	221,597
Class R2	1,280
Total units outstanding	<u>222,877</u>
Net asset value per unit:	
Class R	<u>\$ 11.47</u>
Class R2	<u>\$ 10.95</u>

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Schedules of Investments

Advice Portfolios – High Growth Fund

December 31, 2016

Number of Shares		Cost	Fair Value
<u>Mutual Fund</u>			
<i>Equity</i>			
1,571 Vanguard REIT Index Fund Adm		\$ 198,807	\$ 183,581
Total Equity	1.02%	198,807	183,581
Total Mutual Fund	1.02%	198,807	183,581
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
50,277 Blackrock US Debt Index Fund M		541,960	543,114
416,659 HB&T Short Term Income Fund		416,659	416,659
Total Fixed Income	5.34%	958,619	959,773
<i>Equity</i>			
48,516 Blackrock Russell 2000 Index T		1,461,517	1,774,691
69,387 Blackrock Midcap Equity Index Fund K		2,447,461	2,933,131
67,540 Blackrock Equity Index Fund H		5,591,169	5,865,438
244,269 Blackrock EAFE Equity Index Fund T		4,093,639	4,251,378
215,624 Blackrock Emerging Markets Index M		1,856,522	1,997,200
Total Equity	93.64%	15,450,308	16,821,838
Total Common Trust Funds	98.98%	16,408,927	17,781,611
Total Investments	100.00%	\$ 16,607,734	\$ 17,965,192

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Schedules of Investments (Continued)

Advice Portfolios - Growth Fund

December 31, 2016

Number of Shares		Cost	Fair Value
<u>Mutual Fund</u>			
<i>Equity</i>			
1,303 Vanguard REIT Index Fund Adm		\$ 163,927	\$ 152,229
Total Equity	1.02%	<u>163,927</u>	<u>152,229</u>
Total Mutual Fund	1.02%	<u>163,927</u>	<u>152,229</u>
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
15,095 Blackrock US Tips Fund M		142,415	149,263
235,392 Blackrock US Debt Index Fund M		2,504,415	2,542,831
243,901 HB&T Short Term Income Fund		243,901	243,901
Total Fixed Income	19.74%	<u>2,890,731</u>	<u>2,935,995</u>
<i>Equity</i>			
28,540 Blackrock Russell 2000 Index T		850,870	1,043,978
50,885 Blackrock Midcap Equity Index Fund K		1,781,494	2,151,026
49,971 Blackrock Equity Index Fund H		4,126,889	4,339,712
167,957 Blackrock EAFE Equity Index Fund T		2,811,259	2,923,213
143,160 Blackrock Emerging Markets Index M		1,229,694	1,326,002
Total Equity	79.24%	<u>10,800,206</u>	<u>11,783,931</u>
Total Common Trust Funds	98.98%	<u>13,690,937</u>	<u>14,719,926</u>
Total Investments	100.00%	<u>\$ 13,854,864</u>	<u>\$ 14,872,155</u>

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Schedules of Investments (Continued)

Advice Portfolios – Moderate Growth Fund

December 31, 2016

Number of Shares		Cost	Fair Value
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
11,622	Vanguard Total Bond Market Index	\$ 247,462	\$ 251,838
	Total Fixed Income	1.96% 247,462	251,838
<i>Equity</i>			
1,144	Vanguard REIT Index Fund Adm	144,093	133,651
	Total Equity	1.04% 144,093	133,651
	Total Mutual Funds	3.00% 391,555	385,489
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
50,684	Blackrock US Tips Fund M	480,347	501,190
379,686	Blackrock US Debt Index Fund M	4,049,989	4,101,567
278,438	HB&T Short Term Income Fund	278,438	278,438
	Total Fixed Income	38.08% 4,808,774	4,881,195
<i>Equity</i>			
26,513	Blackrock Russell 2000 Index T	529,809	643,172
38,953	Blackrock Midcap Equity Index Fund K	1,167,623	1,397,714
31,616	Blackrock Equity Index Fund T	2,804,897	2,948,929
88,013	Blackrock EAFE Equity Index Fund T	1,611,726	1,670,063
61,809	Blackrock Emerging Markets Index M	842,429	891,859
	Total Equity	58.92% 6,956,484	7,551,737
	Total Common Trust Funds	97.00% 11,765,258	12,432,932
	Total Investments	100.00% \$ 12,156,813	\$ 12,818,421

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Schedules of Investments (Continued)

Advice Portfolios – Moderate Conservative Fund

December 31, 2016

Number of Shares		Cost	Fair Value
<u>Mutual Fund</u>			
<i>Fixed Income</i>			
8,839	Vanguard Total Bond Market Index	\$ 187,605	\$ 191,543
	Total Fixed Income	5.98% 187,605	191,543
	Total Mutual Fund	5.98% 187,605	191,543
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
29,416	Blackrock US Tips Fund M	277,033	290,875
183,980	Blackrock US Debt Index Fund M	1,953,639	1,987,444
100,505	HB&T Short Term Income Fund	100,505	100,505
	Total Fixed Income	74.26% 2,331,177	2,378,824
<i>Equity</i>			
863	Blackrock Russell 2000 Index T	25,738	31,566
2,242	Blackrock Midcap Equity Index Fund K	78,365	94,791
3,259	Blackrock Equity Index Fund T	269,179	283,060
9,198	Blackrock EAFE Equity Index Fund T	154,212	160,091
6,869	Blackrock Emerging Markets Index M	60,260	63,626
	Total Equity	19.76% 587,754	633,134
	Total Common Trust Funds	94.02% 2,918,931	3,011,958
	Total Investments	100.00% \$ 3,106,536	\$ 3,203,501

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Schedules of Investments (Continued)

Advice Portfolios – Moderate Fund

December 31, 2016

Number of Shares		Cost	Fair Value
<u>Mutual Fund</u>			
<i>Fixed Income</i>			
7,114	Vanguard Total Bond Market Index	\$ 151,911	\$ 154,163
	Total Fixed Income	3.89% 151,911	154,163
	Total Mutual Fund	3.89% 151,911	154,163
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
23,515	Blackrock US Tips Fund M	223,325	232,529
175,764	Blackrock US Debt Index Fund M	1,877,950	1,898,697
90,214	HB&T Short Term Income Fund	90,214	90,214
	Total Fixed Income	56.06% 2,191,489	2,221,440
<i>Equity</i>			
3,323	Blackrock Russell 2000 Index T	99,726	121,565
6,030	Blackrock Midcap Equity Index Fund K	212,324	254,897
7,790	Blackrock Equity Index Fund T	643,885	676,512
20,501	Blackrock EAFE Equity Index Fund T	344,475	356,815
19,143	Blackrock Emerging Markets Index M	174,907	177,310
	Total Equity	40.05% 1,475,317	1,587,099
	Total Common Trust Funds	96.11% 3,666,806	3,808,539
	Total Investments	100.00% \$ 3,818,717	\$ 3,962,702

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Schedules of Investments (Continued)
Tactical Core Stable Value Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Guaranteed Investment Contract</u>			
198,756 Metlife Stable Value Contract #29551 (Average yield earned - 2.03%; Average yield credited to participants - 2.02%)	87.03%	\$ 2,295,033	\$ 2,425,696
Total Guaranteed Investment Contract	87.03%	2,295,033	2,425,696
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
154,259 HB&T Short Term Income Fund		154,259	154,259
Total Fixed Income	12.97%	154,259	154,259
Total Common Trust Fund	12.97%	154,259	154,259
Total Investments at Fair Value	100.00%	\$ 2,449,292	\$ 2,579,955

Hand Composite Employee Benefit Trust

Statements of Operations – Selected Funds

Year Ended December 31, 2016

	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund	Tactical Core Stable Value Fund
Income						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends	6,730	7,741	12,571	5,573	5,846	481
Total income	6,730	7,741	12,571	5,573	5,846	481
Expenses						
Investment management and administrative	48,585	40,707	32,217	9,560	13,596	6,275
Other fees	5,489	4,594	3,606	1,076	1,613	698
Class R2 expenses	867	1,912	497	-	124	67
Class R3 expenses	157	119	69	-	-	-
Total expenses	55,098	47,332	36,389	10,636	15,333	7,040
Net Investment Loss	(48,368)	(39,591)	(23,818)	(5,063)	(9,487)	(6,559)
Net Realized and Unrealized Gains on Investments						
Net realized gains on investments	692,605	516,109	344,492	62,294	232,779	28,642
Net change in unrealized appreciation/ depreciation on investments	1,239,497	932,019	615,620	91,569	128,885	16,926
Net realized and unrealized gains	1,932,102	1,448,128	960,112	153,863	361,664	45,568
Net Increase in Net Assets Resulting From Operations	\$ 1,883,734	\$ 1,408,537	\$ 936,294	\$ 148,800	\$ 352,177	\$ 39,009

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds
Year Ended December 31, 2016

	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund	Tactical Core Stable Value Fund
Operations						
Net investment loss	\$ (48,368)	\$ (39,591)	\$ (23,818)	\$ (5,063)	\$ (9,487)	\$ (6,559)
Net realized gains	692,605	516,109	344,492	62,294	232,779	28,642
Change in unrealized appreciation/ depreciation	1,239,497	932,019	615,620	91,569	128,885	16,926
Net increase in net assets from operations	1,883,734	1,408,537	936,294	148,800	352,177	39,009
Net Increase (Decrease) in Net Assets From Participant Transactions	(1,619,070)	(1,714,213)	685,666	(393,311)	(2,175,207)	45,809
Increase (Decrease) in Net Assets	264,664	(305,676)	1,621,960	(244,511)	(1,823,030)	84,818
Net Assets						
Beginning of year	17,762,985	15,189,193	11,210,099	3,449,701	5,793,794	2,471,587
End of year	\$ 18,027,649	\$ 14,883,517	\$ 12,832,059	\$ 3,205,190	\$ 3,970,764	\$ 2,556,405

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hand Composite Employee Benefit Trust ("HB&T" or "the Trust") was created in order to provide broad and uniform diversification programs for pension and profit sharing plans, which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 103 portfolios (the Funds); the financial statements of six of those funds are included in this report.

For those funds with more than one class of units, each class has equal rights as to earnings and assets except that each class bears different distribution, shareholder servicing and transfer agent expenses. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of units based on its relative net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of investment income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation

All investments in securities are recorded at their estimated fair value. Transfers in and out of Level 1 (quoted market prices), Level 2 (significant other observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Investment Transactions

Investment transactions are accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are reported on the identified cost basis.

Investment Income and Distribution of Income

Dividend income less foreign taxes withheld, if any, is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the funds

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

until units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Funds are reinvested, thereby increasing the respective unit values.

Valuation of Participants' Interest

Units of participation may be purchased or redeemed on the valuation dates at the fair value per unit on such valuation dates. All funds are valued daily.

Federal Income Taxes

The Funds comply with the requirements under Section 501(a) of the IRC and apportion all of their taxable income to their participants. Therefore, no federal income tax provision is required.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Investment Management Advisors

The investment management advisors for each fund are as follows:

Fund	Investment Management Advisor
Advice Portfolios - High Growth Fund	Hand Benefits & Trust Company
Advice Portfolios - Growth Fund	Hand Benefits & Trust Company
Advice Portfolios - Moderate Growth Fund	Hand Benefits & Trust Company
Advice Portfolios - Moderate Conservative Fund	Hand Benefits & Trust Company
Advice Portfolios - Moderate Fund	Hand Benefits & Trust Company
Tactical Core Stable Value Fund	Hand Benefits & Trust Company

Note 2: Fully Benefit-responsive Investment Contracts

The Tactical Core Stable Value Fund holds a traditional guaranteed investment contract (GIC), which is deemed fully benefit-responsive. The statements of assets and liabilities present the GIC at fair value. Since this contract is fully benefit-responsive, a line item is presented in the statements of assets and liabilities reporting an adjustment from fair value to contract value.

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Notes to Financial Statements

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Metlife deposits participating plan contributions in Metlife group annuity contract (GAC No. 29551) in separate accounts to provide competitive total returns. The contract simulates the performance of the GIC through the guarantee of a specific interest rate and a portfolio of financial instruments that are owned by Metlife. The participating plans' assets are the unit ownership interests in the contract. The separate account investments are owned by Metlife. The contract provides that the Tactical Core Stable Value Fund execute transactions at contract value.

Metlife guarantees the contract value, which represents contributions, plus interest, less participant-initiated withdrawals or transfers. This is the contract's guaranteed value. The contract's fair value equals the contract's proportionate share of the fair value of the separate account.

The contract provides fixed interest rates for fixed periods (every three months) that will apply to the entire guaranteed value. The interest rates are reset every quarter as determined by Metlife with consideration of the market value of the underlying investments, the anticipated market yields-to-maturity of benchmark indices of underlying investments, expected payments into and out of the contract, amortization of the difference, if any, between the market value of the underlying investments and the guaranteed value of the contract and the fees allowed under the contract. Metlife guarantees that the rates will never be less than zero. Metlife's estimated value of the guarantee is presented in the statements of assets and liabilities as a wrapper.

The adjustment to contract value is calculated as follows:

	Major Credit Ratings	Investments at Fair Value	Wrapper Contracts at Fair Value	Adjustment to Contract Value
Metlife Managed GIC	Aa3/AA-	\$ 2,402,929	\$ -	\$ (27,104)
Wrapper		-	22,767	-
Short term investments		154,259	-	-
Total		<u>\$ 2,557,188</u>	<u>\$ 22,767</u>	<u>\$ (27,104)</u>

If withdrawal is made from the contract as a result of an employer or plan sponsor-initiated event or if the withdrawal is requested due to a complete or partial termination of a participating plan in the contract before the contract's end, and the contract's fair value equals or exceeds the guaranteed value, payment is made from the fair value in an amount equal to the amount of the guaranteed value, which is attributable to the participating plan. If the contract's fair value is less than its guaranteed value, the amount paid is equal to the guaranteed value reduced by the amount of market value deficit allocable to the participating plan.

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Notes to Financial Statements

December 31, 2016

Sensitivity Analysis

The following table illustrates the effect on the weighted-average, interest-crediting rate calculated as of the end of the next four quarterly periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter of the current yield, with no change to the duration of the underlying investment portfolio and no contributions or withdrawals.

Scenario	Actual December 31, 2016	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	2.05%	2.09%	2.14%	2.18%	2.23%
Increase of 25%	2.05%	2.07%	2.09%	2.11%	2.13%
Decrease of 50%	2.05%	1.99%	1.94%	1.89%	1.84%
Decrease of 25%	2.05%	2.02%	1.99%	1.96%	1.94%

The table below illustrates the effect on the weighted-average interest-crediting rate, calculated as of the date of the next four quarterly reset periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter and one-half of the current yield, combined with an immediate one-time, hypothetical 10 percent decrease in the net assets of the contract due to participant transfers, with no change to the duration of the portfolio.

Scenario	Actual December 31, 2016	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	2.05%	2.00%	2.05%	2.10%	2.14%
Increase of 25%	2.05%	2.02%	2.05%	2.07%	2.09%
Decrease of 50%	2.05%	2.10%	2.04%	1.98%	1.93%
Decrease of 25%	2.05%	2.07%	2.04%	2.01%	1.99%

Note 3: Investment Advisory Fees and Other Transactions With Affiliates

The Funds are charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Funds have also entered into investment advisory and service agreements with various third-party advisors. These fees compensate the advisors for the services they provide and for expenses borne by the advisors under the various agreements.

The following table indicates the fees charged each of the funds and the various classes of units within the Funds (as a percentage of net assets). These charges are calculated using each fund's average daily net assets. The following table reflects the fees in effect as of December 31, 2016.

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Notes to Financial Statements

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Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Audit Fees	Total Fees
All Advice Portfolios:					
Class R	0.17%	0.10%	0.00%	0.03%	0.30%
Class R2	0.17%	0.10%	0.35%	0.03%	0.65%
Class R3	0.17%	0.10%	0.20%	0.03%	0.50%
Tactical Core Stable Value Fund:					
Class R	0.17%	0.10%	0.00%	0.03%	0.30%
Class R2	0.17%	0.10%	0.35%	0.03%	0.65%

Note 4: Financial Highlights

	Class R					
	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund	Tactical Core Stable Value Fund
Net asset value, beginning of year	\$ 23.31	\$ 21.92	\$ 18.63	\$ 13.85	\$ 16.62	\$ 11.28
Net investment loss	(0.06)	(0.06)	(0.04)	(0.02)	(0.03)	(0.03)
Net realized and unrealized gains	2.62	2.14	1.51	0.60	1.05	0.22
Net increase from investment operations	2.56	2.08	1.47	0.58	1.02	0.19
Net asset value, end of year	\$ 25.87	\$ 24.00	\$ 20.10	\$ 14.43	\$ 17.64	\$ 11.47
Total return	10.98%	9.49%	7.89%	4.19%	6.14%	1.68%
Ratio to average net assets:						
Net investment loss	(0.26)%	(0.24)%	(0.19)%	(0.14)%	(0.19)%	(0.28)%
Expenses	0.30%	0.29%	0.30%	0.30%	0.30%	0.30%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Class R2						
	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund	Tactical Core Stable Value Fund
Net asset value, beginning of year	\$ 12.96	\$ 12.88	\$ 11.85	\$ 16.26	\$ 11.23	\$ 10.82
Net investment loss	(0.11)	(0.10)	(0.08)	(0.02)	(0.07)	(0.07)
Net realized and unrealized gains	1.49	1.27	0.98	0.71	0.72	0.20
Net increase from investment operations	1.38	1.17	0.90	0.69	0.65	0.13
Net asset value, end of year	\$ 14.34	\$ 14.05	\$ 12.75	\$ 16.95	\$ 11.88	\$ 10.95
Total return	10.65%	9.08%	7.59%	4.24%	5.79%	1.20%
Ratio to average net assets:						
Net investment loss	(0.82)%	(0.76)%	(0.65)%	(0.21)%	(0.62)%	(0.64)%
Expenses	0.88%	0.85%	0.81%	0.43%	0.80%	0.66%

Class R3					
	Advice Portfolios - High Growth Fund	Advice Portfolios - Growth Fund	Advice Portfolios - Moderate Growth Fund	Advice Portfolios - Moderate Conservative Fund	Advice Portfolios - Moderate Fund
Net asset value, beginning of year	\$ 21.69	\$ 20.42	\$ 17.32	\$ 12.92	\$ 15.51
Net investment loss	(0.11)	(0.10)	(0.07)	(0.02)	(0.03)
Net realized and unrealized gains	2.44	1.99	1.40	0.56	0.98
Net increase from investment operations	2.33	1.89	1.33	0.54	0.95
Net asset value, end of year	\$ 24.02	\$ 22.31	\$ 18.65	\$ 13.46	\$ 16.46
Total return	10.74%	9.26%	7.68%	4.18%	6.13%
Ratio to average net assets:					
Net investment loss	(0.48)%	(0.46)%	(0.41)%	(0.21)%	(0.32)%
Expenses	0.52%	0.52%	0.52%	0.43%	0.52%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Note 5: Participant Unit Transactions

	Advice Portfolios - High Growth Fund		Advice Portfolios - Growth Fund		Advice Portfolios - Moderate Growth Fund		Advice Portfolios - Moderate Conservative Fund		Advice Portfolios - Moderate Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R:										
Proceeds from sales of units	125,137	\$ 3,050,608	61,890	\$ 1,399,936	166,684	\$ 2,258,869	23,934	\$ 342,590	66,903	\$ 1,162,027
Cost of units redeemed	(190,997)	(4,680,793)	(134,016)	(3,103,465)	(80,163)	(1,576,682)	(50,963)	(735,901)	(190,526)	(3,338,414)
Net change in Class R from participant transactions	(65,860)	(1,630,185)	(72,126)	(1,703,529)	86,521	682,187	(27,029)	(393,311)	(123,623)	(2,176,387)
Class R2:										
Proceeds from sales of units	3,841	49,600	1,224	16,202	492	6,009			117	1,359
Cost of units redeemed	(3,631)	(49,714)	(209)	(2,750)	(59)	(717)			(15)	(179)
Net change in Class R2 from participant transactions	210	(114)	1,015	13,452	433	5,292			102	1,180
Class R3:										
Proceeds from sales of units	1,546	31,371	-	-	1	6				
Cost of units redeemed	(858)	(20,142)	(1,103)	(24,136)	(104)	(1,819)				
Net change in Class R3 from participant transactions	688	11,229	(1,103)	(24,136)	(103)	(1,813)				
Net increase (decrease) in total net assets from participant transactions		\$ (1,619,070)		\$ (1,714,213)		\$ 685,666		\$ (393,311)		\$ (2,175,207)

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

		Tactical Core Stable Value Fund	
		Units	Dollars
Class R:			
	Proceeds from sales of units	67,080	\$ 764,716
	Cost of units redeemed	(57,865)	(657,064)
	Net change in Class R from participant transactions	9,215	107,652
Class R2:			
	Proceeds from sales of units	76	824
	Cost of units redeemed	(5,781)	(62,667)
	Net change in Class R2 from participant transactions	(5,705)	(61,843)
	Net increase in total net assets from participant transactions		\$ 45,809

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Note 6: Disclosures About Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices in active markets for identical assets or liabilities that the Funds can access on the measurement date.
- Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of assets and liabilities, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016.

Short Term Investments. Short term investments, including money market funds, for which market quotations are readily available, are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

Metlife Fully Benefit-Responsive GIC. Fair value of the annuity contract and the wrapper is determined by Metlife based on quoted market prices of the underlying investments owned by Metlife in the separate account. This GIC is categorized as Level 2 within the valuation hierarchy.

Mutual Funds. Funds traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying statements of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016.

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Notes to Financial Statements

December 31, 2016

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Advice Portfolios - High Growth Fund				
Mutual Fund - Equity	\$ 183,581	\$ 183,581	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	959,773			
Common Trust Funds - Equity (A)	16,821,838			
Total	\$ 17,965,192			
Advice Portfolios - Growth Fund				
Mutual Fund - Equity	\$ 152,229	\$ 152,229	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	2,935,995			
Common Trust Funds - Equity (A)	11,783,931			
Total	\$ 14,872,155			
Advice Portfolios - Moderate Growth Fund				
Mutual Fund - Fixed Income	\$ 251,838	\$ 251,838	\$ -	\$ -
Mutual Fund - Equity	133,651	133,651	-	-
Common Trust Funds - Fixed Income (A)	4,881,195			
Common Trust Funds - Equity (A)	7,551,737			
Total	\$ 12,818,421			
Advice Portfolios - Moderate Conservative Fund				
Mutual Fund - Fixed Income	\$ 191,543	\$ 191,543	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	2,378,824			
Common Trust Funds - Equity (A)	633,134			
Total	\$ 3,203,501			

(A) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets and liabilities.

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December 31, 2016

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Advice Portfolios - Moderate Fund				
Mutual Fund - Fixed Income	\$ 154,163	\$ 154,163	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	2,221,440			
Common Trust Funds - Equity (A)	1,587,099			
Total	<u>\$ 3,962,702</u>			
Tactical Core Stable Value Fund				
Guaranteed Investment Contract	\$ 2,425,696	\$ 2,425,696	\$ -	\$ -
Common Trust Fund - Fixed Income (A)	154,259			
Total	<u>\$ 2,579,955</u>			

(A) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets and liabilities.

Note 7: Risk Factors

The Funds invest in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of assets and liabilities.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds
Advice Portfolios - High Growth Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Equity	\$ 8,165,058
Common Trust Funds - Fixed Income	4,485,171
Mutual Funds - Equity	<u>214,881</u>
Total Investments Purchased	<u><u>\$ 12,865,110</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Fixed Income	\$ 4,659,196	\$ 4,655,593	\$ 3,603
Common Trust Funds - Equity	9,926,345	9,236,298	690,047
Mutual Funds - Equity	<u>15,029</u>	<u>16,074</u>	<u>(1,045)</u>
Total Investments Sold	<u><u>\$ 14,600,570</u></u>	<u><u>\$ 13,907,965</u></u>	<u><u>\$ 692,605</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Advice Portfolios - Growth Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Equity	\$ 5,653,073
Common Trust Funds - Fixed Income	2,944,383
Mutual Funds - Equity	178,760
Mutual Funds - Fixed Income	<u>302,012</u>
Total Investments Purchased	<u>\$ 9,078,228</u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Fixed Income	\$ 2,944,946	\$ 2,937,732	\$ 7,214
Common Trust Funds - Equity	7,271,290	6,778,979	492,311
Mutual Funds - Equity	14,098	14,833	(735)
Mutual Funds - Fixed Income	<u>617,680</u>	<u>600,361</u>	<u>17,319</u>
Total Investments Sold	<u>\$ 10,848,014</u>	<u>\$ 10,331,905</u>	<u>\$ 516,109</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Advice Portfolios - Moderate Growth Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Equity	\$ 4,146,604
Common Trust Funds - Fixed Income	3,991,473
Mutual Funds - Equity	148,861
Mutual Funds - Fixed Income	<u>710,884</u>
Total Investments Purchased	<u><u>\$ 8,997,822</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain
Common Trust Funds - Equity	\$ 4,300,757	\$ 3,994,535	\$ 306,222
Common Trust Funds - Fixed Income	2,874,624	2,864,280	10,344
Mutual Funds - Equity	4,787	4,768	19
Mutual Funds - Fixed Income	<u>1,172,217</u>	<u>1,144,310</u>	<u>27,907</u>
Total Investments Sold	<u><u>\$ 8,352,385</u></u>	<u><u>\$ 8,007,893</u></u>	<u><u>\$ 344,492</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Advice Portfolios - Moderate Conservative Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 1,032,010
Common Trust Funds - Equity	409,767
Mutual Funds - Fixed Income	<u>350,117</u>
Total Investments Purchased	<u><u>\$ 1,791,894</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain
Common Trust Funds - Equity	\$ 550,219	\$ 509,089	\$ 41,130
Common Trust Funds - Fixed Income	1,126,083	1,114,937	11,146
Mutual Funds - Fixed Income	<u>516,293</u>	<u>506,275</u>	<u>10,018</u>
Total Investments Sold	<u><u>\$ 2,192,595</u></u>	<u><u>\$ 2,130,301</u></u>	<u><u>\$ 62,294</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Advice Portfolios - Moderate Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 2,231,725
Common Trust Funds - Equity	1,077,083
Mutual Funds - Fixed Income	<u>492,360</u>
Total Investments Purchased	<u><u>\$ 3,801,168</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain
Common Trust Funds - Equity	\$ 2,049,932	\$ 1,912,464	\$ 137,468
Common Trust Funds - Fixed Income	3,122,857	3,047,046	75,811
Mutual Funds - Fixed Income	<u>822,392</u>	<u>802,892</u>	<u>19,500</u>
Total Investments Sold	<u><u>\$ 5,995,181</u></u>	<u><u>\$ 5,762,402</u></u>	<u><u>\$ 232,779</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Tactical Core Stable Value Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 1,088,530
Insurance Policies/Annuities	<u>631,415</u>
Total Investments Purchased	<u><u>\$ 1,719,945</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain
Common Trust Funds - Fixed Income	\$ 1,258,001	\$ 1,258,001	\$ -
Guaranteed Investment Contract	<u>427,000</u>	<u>398,358</u>	<u>28,642</u>
Total Investments Sold	<u><u>\$ 1,685,001</u></u>	<u><u>\$ 1,656,359</u></u>	<u><u>\$ 28,642</u></u>