

Hand Composite Employee Benefit Trust
Beaumont Capital Management Funds
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 (BCM Decathlon Growth Tactics CIF, BCM U.S. Sector Rotation CIF, BCM DynamicBelay™ Fund 2020 QDIA, BCM DynamicBelay™ Fund 2030 QDIA, BCM DynamicBelay™ Fund 2040 QDIA, BCM DynamicBelay™ Fund 2050 QDIA, and BCM DynamicBelay™ Fund 2060 QDIA) [seven 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

	BCM Decathlon Growth Tactics CIF	BCM U.S. Sector Rotation CIF	BCM DynamicBelay™ 2020 QDIA	BCM DynamicBelay™ 2030 QDIA
Assets				
Investments, at cost	\$ 176,912	\$ 93,073	\$ 31,130	\$ 2,646,657
Investments, at fair value	\$ 184,370	\$ 99,743	\$ 31,639	\$ 2,648,023
Receivable for:				
Capital shares sold	2,427	467	-	649
Dividends and interest	-	-	14	12
Total assets	<u>\$ 186,797</u>	<u>\$ 100,210</u>	<u>\$ 31,653</u>	<u>\$ 2,648,684</u>
Liabilities				
Payable for investment securities purchased	\$ -	\$ -	\$ -	\$ 1,291,650
Accounts payable and accrued liabilities	99	52	32	164
Total liabilities	<u>\$ 99</u>	<u>\$ 52</u>	<u>\$ 32</u>	<u>\$ 1,291,814</u>
Net assets held for participants:				
Class R1	\$ 186,688	\$ 100,147	\$ 31,610	\$ 1,356,859
Class R2	10	11	11	11
Total net assets held for participants	<u>\$ 186,698</u>	<u>\$ 100,158</u>	<u>\$ 31,621</u>	<u>\$ 1,356,870</u>
Units outstanding:				
Class R1	18,196	9,089	2,990	125,268
Class R2	1	1	1	1
Total units outstanding	<u>18,197</u>	<u>9,090</u>	<u>2,991</u>	<u>125,269</u>
Net asset value per unit:				
Class R1	<u>\$ 10.26</u>	<u>\$ 11.02</u>	<u>\$ 10.57</u>	<u>\$ 10.83</u>
Class R2	<u>\$ 10.26</u>	<u>\$ 11.02</u>	<u>\$ 10.57</u>	<u>\$ 10.83</u>

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds (Continued)
December 31, 2016

	BCM DynamicBelay™ 2040 QDIA	BCM DynamicBelay™ 2050 QDIA	BCM DynamicBelay™ 2060 QDIA
Assets			
Investments, at cost	\$ 31,148	\$ 42,021	\$ 36,288
Investments, at fair value	\$ 32,099	\$ 43,796	\$ 38,168
Receivable for:			
Capital shares sold	-	214	13
Dividends and interest	8	5	-
Total assets	<u>\$ 32,107</u>	<u>\$ 44,015</u>	<u>\$ 38,181</u>
Liabilities			
Payable for investment securities purchased	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	32	31	32
Total liabilities	<u>\$ 32</u>	<u>\$ 31</u>	<u>\$ 32</u>
Net assets held for participants:			
Class R1	\$ 32,064	\$ 43,973	\$ 38,138
Class R2	11	11	11
Total net assets held for participants	<u>\$ 32,075</u>	<u>\$ 43,984</u>	<u>\$ 38,149</u>
Units outstanding:			
Class R1	2,966	3,916	3,446
Class R2	1	1	1
Total units outstanding	<u>2,967</u>	<u>3,917</u>	<u>3,447</u>
Net asset value per unit:			
Class R1	<u>\$ 10.81</u>	<u>\$ 11.23</u>	<u>\$ 11.07</u>
Class R2	<u>\$ 10.81</u>	<u>\$ 11.23</u>	<u>\$ 11.07</u>

Hand Composite Employee Benefit Trust
Schedules of Investments
BCM Decathlon Growth Tactics CIF
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
7,925	TD Bank USA FDIC Insured Deposit Fund	\$ 7,925	\$ 7,925
	Total Short Term Investment	4.30% <u>7,925</u>	<u>7,925</u>
<u>Exchange-traded Funds</u>			
<i>Equity</i>			
523	iShares Brazil Index Fund	17,554	17,437
158	iShares Dow Jones Us ETF	16,974	17,704
160	iShares Global Tech ETF	17,500	17,581
146	iShares Phlx Sox Semicond Sector Index	17,593	17,917
168	iShares Russell 1000 Growth Idx Fd	17,558	17,623
142	iShares Russell 1000 Index Fund	16,944	17,673
159	iShares Russell 1000 Value Index Fd	16,264	17,813
220	iShares Russell Midcap Value Idx Fd	16,148	17,695
116	iShares US Consumer Services ETF	16,575	17,519
145	iShares US Industrials ETF	15,877	17,483
	Total Equity	95.70% <u>168,987</u>	<u>176,445</u>
	Total Exchange-traded Funds	95.70% <u>168,987</u>	<u>176,445</u>
	Total Investments	100.00% <u>\$ 176,912</u>	<u>\$ 184,370</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
BCM U.S. Sector Rotation CIF
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
4,954	TD Bank USA FDIC Insured Deposit Fund	\$ 4,954	\$ 4,954
	Total Short Term Investment	4.97% 4,954	4,954
<i><u>Exchange-traded Funds</u></i>			
<i>Equity</i>			
191	SPDR Cons Discretionary Select Sec	15,316	15,547
213	SPDR Energy Select Sector Trust	14,695	16,043
692	SPDR Financial Select Sector	13,996	16,089
249	SPDR Industrial Select Sector Fund	14,287	15,493
317	SPDR Materials Select Sector Trust	14,958	15,755
328	SPDR Technology Select Sector Fund	14,867	15,862
	Total Equity	95.03% 88,119	94,789
	Total Exchange-traded Funds	95.03% 88,119	94,789
	Total Investments	100.00% \$ 93,073	\$ 99,743

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
BCM DynamicBelay™ 2020 QDIA
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
1,771	TD Bank USA FDIC Insured Deposit Fund	\$ 1,771	\$ 1,771
	Total Short Term Investment	5.60% <u>1,771</u>	<u>1,771</u>
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
27	iShares Barclays 0-5 Year Tips ETF	2,713	2,719
61	iShares Barclays Aggregate Bond Fund	6,796	6,592
32	iShares Intermediate Govt/cdt Bond ETF	3,591	3,515
73	SPDR Doubleline Ttl Rtn Tactical ETF	3,644	3,532
	Total Fixed Income	51.70% <u>16,744</u>	<u>16,358</u>
<i>Equity</i>			
27	SPDR Cons Discretionary Select Sec	2,131	2,198
30	SPDR Energy Select Sector Trust	2,089	2,260
99	SPDR Financial Select Sector	1,986	2,302
36	SPDR Industrial Select Sector Fund	2,076	2,240
45	SPDR Materials Select Sector Trust	2,112	2,237
47	SPDR Technology Select Sector Fund	2,221	2,273
	Total Equity	42.70% <u>12,615</u>	<u>13,510</u>
	Total Exchange-traded Funds	94.40% <u>29,359</u>	<u>29,868</u>
	Total Investments	100.00% <u>\$ 31,130</u>	<u>\$ 31,639</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
BCM DynamicBelay™ 2030 QDIA
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
1,318,886	TD Bank USA FDIC Insured Deposit Fund	\$ 1,318,886	\$ 1,318,886
	Total Short Term Investment	49.80% 1,318,886	1,318,886
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
1,154	iShares Barclays 0-5 Year Tips ETF	116,252	116,231
2,307	iShares Barclays Aggregate Bond Fund	249,420	249,294
1,059	iShares Intermediate Govt/cdt Bond ETF	116,340	116,331
2,402	SPDR Doubleline Ttl Rtn Tactical ETF	116,340	116,233
	Total Fixed Income	22.59% 598,352	598,089
<i>Equity</i>			
1,123	iShares MSCI ACWI Index Fund	66,359	66,448
242	iShares S&P Small Cap 600 Index	33,065	33,280
1,225	SPDR Cons Discretionary Select Sec	99,570	99,715
1,322	SPDR Energy Select Sector Trust	99,407	99,573
4,286	SPDR Financial Select Sector	99,294	99,650
1,602	SPDR Industrial Select Sector Fund	99,426	99,676
2,006	SPDR Materials Select Sector Trust	99,514	99,698
2,064	SPDR Technology Select Sector Fund	99,569	99,815
353	Vanguard World Ex US Small Cap	33,215	33,193
	Total Equity	27.61% 729,419	731,048
	Total Exchange-traded Funds	50.20% 1,327,771	1,329,137
	Total Investments	100.00% \$ 2,646,657	\$ 2,648,023

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
BCM DynamicBelay™ 2040 QDIA
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
1,548	TD Bank USA FDIC Insured Deposit Fund	\$ 1,548	\$ 1,548
	Total Short Term Investment	4.82% 1,548	1,548
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
16	iShares Barclays 0-5 Year Tips ETF	1,608	1,612
35	iShares Barclays Aggregate Bond Fund	3,897	3,781
20	iShares Intermediate Govt/cdt Bond ETF	2,246	2,197
45	SPDR Doubleline Ttl Rtn Tactical ETF	2,246	2,178
	Total Fixed Income	30.43% 9,997	9,768
<i>Equity</i>			
52	iShares MSCI ACWI Index Fund	3,021	3,077
12	iShares S&P Small Cap 600 Index	1,438	1,650
29	SPDR Cons Discretionary Select Sec	2,291	2,361
33	SPDR Energy Select Sector Trust	2,301	2,486
107	SPDR Financial Select Sector	2,148	2,488
38	SPDR Industrial Select Sector Fund	2,189	2,364
49	SPDR Materials Select Sector Trust	2,301	2,435
50	SPDR Technology Select Sector Fund	2,363	2,418
16	Vanguard World Ex US Small Cap	1,551	1,504
	Total Equity	64.75% 19,603	20,783
	Total Exchange-traded Funds	95.18% 29,600	30,551
	Total Investments	100.00% \$ 31,148	\$ 32,099

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
BCM DynamicBelay™ 2050 QDIA
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
2,214	TD Bank USA FDIC Insured Deposit Fund	\$ 2,214	\$ 2,214
	Total Short Term Investment	5.06% 2,214	2,214
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
9	iShares Barclays 0-5 Year Tips ETF	904	906
31	iShares Barclays Aggregate Bond Fund	3,435	3,350
11	iShares Intermediate Govt/cdt Bond ETF	1,233	1,208
25	SPDR Doubleline Ttl Rtn Tactical ETF	1,248	1,210
	Total Fixed Income	15.24% 6,820	6,674
<i>Equity</i>			
107	iShares MSCI ACWI Index Fund	6,160	6,331
23	iShares S&P Small Cap 600 Index	2,741	3,163
45	SPDR Cons Discretionary Select Sec	3,556	3,663
49	SPDR Energy Select Sector Trust	3,423	3,691
165	SPDR Financial Select Sector	3,335	3,836
59	SPDR Industrial Select Sector Fund	3,424	3,671
74	SPDR Materials Select Sector Trust	3,485	3,678
78	SPDR Technology Select Sector Fund	3,680	3,772
33	Vanguard World Ex US Small Cap	3,183	3,103
	Total Equity	79.70% 32,987	34,908
	Total Exchange-traded Funds	94.94% 39,807	41,582
	Total Investments	100.00% \$ 42,021	\$ 43,796

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
BCM DynamicBelay™ 2060 QDIA
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
1,216	TD Bank USA FDIC Insured Deposit Fund	\$ 1,216	\$ 1,216
	Total Short Term Investment	3.19% 1,216	1,216
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
16	iShares Barclays Aggregate Bond Fund	1,781	1,729
	Total Fixed Income	4.53% 1,781	1,729
<i>Equity</i>			
124	iShares MSCI ACWI Index Fund	7,155	7,335
28	iShares S&P Small Cap 600 Index	3,325	3,851
41	SPDR Cons Discretionary Select Sec	3,238	3,337
46	SPDR Energy Select Sector Trust	3,215	3,465
150	SPDR Financial Select Sector	3,016	3,488
54	SPDR Industrial Select Sector Fund	3,123	3,360
68	SPDR Materials Select Sector Trust	3,200	3,380
71	SPDR Technology Select Sector Fund	3,357	3,434
38	Vanguard World Ex US Small Cap	3,662	3,573
	Total Equity	92.28% 33,291	35,223
	Total Exchange-traded Funds	96.81% 35,072	36,952
	Total Investments	100.00% \$ 36,288	\$ 38,168

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds
Year Ended December 31, 2016

	BCM Decathlon Growth Tactics CIF	BCM U.S. Sector Rotation CIF	BCM DynamicBelay™ 2020 QDIA	BCM DynamicBelay™ 2030 QDIA
Income				
Interest	\$ 2	\$ 1	\$ -	\$ -
Dividends	3,648	1,540	179	284
Total income	3,650	1,541	179	284
Expenses				
Investment management and administrative	202	59	5	15
Custody	104	53	29	156
Other	80	-	-	-
Class R1 expenses	1,108	341	26	74
Total expenses before expense reimbursement	1,494	453	60	245
Expense reimbursement	(1,108)	(341)	(26)	(74)
Total expenses	386	112	34	171
Net Investment Income	3,264	1,429	145	113
Net Realized and Unrealized Gains (Losses)				
on Investments				
Net realized losses on investments	(20,182)	(255)	(174)	(78)
Net change in unrealized appreciation/depreciation on investments	7,458	6,670	509	1,366
Net realized and unrealized gains (losses)	(12,724)	6,415	335	1,288
Net Increase (Decrease) in Net Assets Resulting From Operations	\$ (9,460)	\$ 7,844	\$ 480	\$ 1,401

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds (Continued)
Year Ended December 31, 2016

	BCM DynamicBelay™ 2040 QDIA	BCM DynamicBelay™ 2050 QDIA	BCM DynamicBelay™ 2060 QDIA
Income			
Dividends	\$ 206	\$ 542	\$ 334
Total income	206	542	334
Expenses			
Investment management and administrative	5	20	8
Custody	30	30	30
Other	-	-	39
Class R1 expenses	27	98	45
Total expenses before expense reimbursement	62	148	122
Expense reimbursement	(27)	(98)	(45)
Total expenses	35	50	77
Net Investment Income	171	492	257
Net Realized and Unrealized Gains (Losses) on Investments			
Net realized gains (losses) on investments	(146)	1,031	8
Net change in unrealized appreciation/depreciation on investments	951	1,775	1,880
Net realized and unrealized gains	805	2,806	1,888
Net Increase in Net Assets Resulting From Operations	\$ 976	\$ 3,298	\$ 2,145

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

	BCM Decathlon Growth Tactics CIF	BCM U.S. Sector Rotation CIF	BCM DynamicBelay™ 2020 QDIA	BCM DynamicBelay™ 2030 QDIA
Operations				
Net investment income	\$ 3,264	\$ 1,429	\$ 145	\$ 113
Net realized losses	(20,182)	(255)	(174)	(78)
Change in unrealized appreciation/ depreciation	7,458	6,670	509	1,366
Net increase (decrease) in net assets from operations	(9,460)	7,844	480	1,401
Net Increase in Net Assets From Participant Transactions	196,158	92,314	31,141	1,355,469
Increase in Net Assets Held For Participants	186,698	100,158	31,621	1,356,870
Net Assets Held For Participants				
Beginning of year	-	-	-	-
End of year	\$ 186,698	\$ 100,158	\$ 31,621	\$ 1,356,870

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

	BCM DynamicBelay™ 2040 QDIA	BCM DynamicBelay™ 2050 QDIA	BCM DynamicBelay™ 2060 QDIA
Operations			
Net investment income	\$ 171	\$ 492	\$ 257
Net realized gains (losses)	(146)	1,031	8
Change in unrealized appreciation/ depreciation	951	1,775	1,880
Net increase in net assets from operations	976	3,298	2,145
Net Increase in Net Assets From Participant Transactions	31,099	40,686	36,004
Increase in Net Assets Held For Participants	32,075	43,984	38,149
Net Assets Held For Participants			
Beginning of year	-	-	-
End of year	<u>\$ 32,075</u>	<u>\$ 43,984</u>	<u>\$ 38,149</u>

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 seven of these 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.

Inception date for the Funds was January 1, 2016.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Investment Income and Distribution of Income

Dividend income less foreign taxes, 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 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
BCM Decathlon Growth Tactics	Beaumont Capital Management
BCM U.S. Sector Rotation	Beaumont Capital Management
BCM Dynamic Belay Fund 2020	Beaumont Capital Management
BCM Dynamic Belay Fund 2030	Beaumont Capital Management
BCM Dynamic Belay Fund 2040	Beaumont Capital Management
BCM Dynamic Belay Fund 2050	Beaumont Capital Management
BCM Dynamic Belay Fund 2060	Beaumont Capital Management

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Note 2: 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.

During the period ended December 31, 2016, the investment advisor voluntarily reimbursed the Funds for investment advisor fees.

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.

Fund	Trustee/ Administrative Fees	Investment Advisory Fees	Service Fees	Total Fees
BCM Decathlon Growth Tactics CIF:				
Class R1	0.080%	0.500%	0.000%	0.580%
Class R2	0.080%	0.500%	0.375%	0.955%
BCM U.S. Sector Rotation CIF:				
Class R1	0.080%	0.500%	0.000%	0.580%
Class R2	0.080%	0.500%	0.375%	0.955%
All BCM DynamicBelay™ Target Date Funds				
Class R1	0.080%	0.400%	0.000%	0.480%
Class R2	0.080%	0.400%	0.375%	0.855%

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2016

Note 3: Financial Highlights

	Class R1						
	BCM Decathlon Growth Tactics CIF	BCM U.S. Sector Rotation CIF	BCM DynamicBelay™ 2020 QDIA	BCM DynamicBelay™ 2030 QDIA	BCM DynamicBelay™ 2040 QDIA	BCM DynamicBelay™ 2050 QDIA	BCM DynamicBelay™ 2060 QDIA
Net asset value, beginning of year	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.12	0.20	0.18	0.01	0.21	0.20	0.20
Net realized and unrealized gains	0.14	0.82	0.39	0.82	0.60	1.03	0.87
Net increase from investment operations	0.26	1.02	0.57	0.83	0.81	1.23	1.07
Net asset value, end of year	<u>\$ 10.26</u>	<u>\$ 11.02</u>	<u>\$ 10.57</u>	<u>\$ 10.83</u>	<u>\$ 10.81</u>	<u>\$ 11.23</u>	<u>\$ 11.07</u>
Total return	2.60%	10.20%	5.70%	8.30%	8.10%	12.30%	10.70%
Ratio to average net assets:							
Net investment income	0.85%	1.88%	1.68%	0.09%	1.98%	1.90%	1.92%
Expenses without expense reimbursement	0.59%	0.60%	0.70%	0.20%	0.72%	0.57%	0.91%
Expenses with expense reimbursement	0.15%	0.15%	0.40%	0.14%	0.40%	0.19%	0.58%

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Notes to Financial Statements
December 31, 2016

Class R2

	BCM Decathlon Growth Tactics CIF	BCM U.S. Sector Rotation CIF	BCM DynamicBelay 2020 QDIA	BCM DynamicBelay 2030 QDIA	BCM DynamicBelay 2040 QDIA	BCM DynamicBelay 2050 QDIA	BCM DynamicBelay 2060 QDIA
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.24	0.19	0.06	-	0.07	0.15	0.09
Net realized and unrealized gains	0.02	0.83	0.51	0.83	0.74	1.08	0.98
Net increase from investment operations	0.26	1.02	0.57	0.83	0.81	1.23	1.07
Net asset value, end of period	\$ 10.26	\$ 11.02	\$ 10.57	\$ 10.83	\$ 10.81	\$ 11.23	\$ 11.07
Total return*	2.60%	10.20%	5.70%	8.30%	8.10%	12.30%	10.70%
Ratio to average net assets**:							
Net investment income	3.60%	2.92%	0.85%	0.02%	1.00%	2.26%	1.31%
Expenses without expense reimbursement	0.32%	0.18%	0.17%	0.02%	0.18%	0.19%	0.34%
Expenses with expense reimbursement	0.32%	0.18%	0.17%	0.02%	0.18%	0.19%	0.34%

*For the period May 1, 2016 (inception) to December 31, 2016

**Annualized

Hand Composite Employee Benefit Trust

Notes to Financial Statements

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Note 4: Participant Unit Transactions

	BCM Decathlon Growth Tactics CIF		BCM U.S. Sector Rotation CIF		BCM DynamicBelay™ 2020 QDIA	
	Units	Dollars	Units	Dollars	Units	Dollars
Class R1:						
Proceeds from sales of units	51,734	\$ 511,175	12,743	\$ 129,707	2,989	\$ 31,141
Cost of units redeemed	(33,537)	(315,017)	(3,655)	(37,393)	-	-
Net change in Class R1 from participant transactions	<u>18,197</u>	<u>196,158</u>	<u>9,088</u>	<u>92,314</u>	<u>2,989</u>	<u>31,141</u>
Net increase (decrease) from participant transactions		<u>\$ 196,158</u>		<u>\$ 92,314</u>		<u>\$ 31,141</u>
	BCM DynamicBelay™ 2030 QDIA		BCM DynamicBelay™ 2040 QDIA		BCM DynamicBelay™ 2050 QDIA	
	Units	Dollars	Units	Dollars	Units	Dollars
Class R1:						
Proceeds from sales of units	125,273	\$ 1,355,531	2,970	\$ 31,135	4,984	\$ 52,364
Cost of units redeemed	(6)	(62)	(3)	(36)	(1,068)	(11,678)
Net change in Class R1 from participant transactions	<u>125,267</u>	<u>1,355,469</u>	<u>2,967</u>	<u>31,099</u>	<u>3,916</u>	<u>40,686</u>
Net increase from participant transactions		<u>\$ 1,355,469</u>		<u>\$ 31,099</u>		<u>\$ 40,686</u>
	BCM DynamicBelay™ 2060 QDIA					
	Units	Dollars				
Class R1:						
Proceeds from sales of units	3,601	\$ 37,587				
Cost of units redeemed	(155)	(1,583)				
Net change in Class R1 from participant transactions	<u>3,446</u>	<u>36,004</u>				
Net increase from participant transactions		<u>\$ 36,004</u>				

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Notes to Financial Statements

December 31, 2016

Note 5: 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, as shown below.

- Level 1:** Quoted prices in active markets for identical assets or liabilities that the Funds can access at 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.

Exchange-traded Funds. Securities 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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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)
BCM Decathlon Growth Tactics CIF				
Short Term Investment	\$ 7,925	\$ 7,925	\$ -	\$ -
Exchange-traded Funds - Equity	176,445	176,445	-	-
Total	<u>\$ 184,370</u>	<u>\$ 184,370</u>		
BCM U.S. Sector Rotation CIF				
Short Term Investment	\$ 4,954	\$ 4,954	\$ -	\$ -
Exchange-traded Funds - Equity	94,789	94,789	-	-
Total	<u>\$ 99,743</u>	<u>\$ 99,743</u>		
BCM DynamicBelay™ 2020 QDIA				
Short Term Investment	\$ 1,771	\$ 1,771	\$ -	\$ -
Exchange-traded Funds - Fixed Income	16,358	16,358	-	-
Exchange-traded Funds - Equity	13,510	13,510	-	-
Total	<u>\$ 31,639</u>	<u>\$ 31,639</u>		
BCM DynamicBelay™ 2030 QDIA				
Short Term Investment	\$ 1,318,886	\$ 1,318,886	\$ -	\$ -
Exchange-traded Funds - Fixed Income	598,089	598,089	-	-
Exchange-traded Funds - Equity	731,048	731,048	-	-
Total	<u>\$ 2,648,023</u>	<u>\$ 2,648,023</u>		
BCM DynamicBelay™ 2040 QDIA				
Short Term Investment	\$ 1,548	\$ 1,548	\$ -	\$ -
Exchange-traded Funds - Fixed Income	9,768	9,768	-	-
Exchange-traded Funds - Equity	20,783	20,783	-	-
Total	<u>\$ 32,099</u>	<u>\$ 32,099</u>		

Hand Composite Employee Benefit Trust

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)
BCM DynamicBelay™ 2050 QDIA				
Short Term Investment	\$ 2,214	\$ 2,214	\$ -	\$ -
Exchange-traded Funds - Fixed Income	6,674	6,674	-	-
Exchange-traded Funds - Equity	34,908	34,908	-	-
Total	<u>\$ 43,796</u>	<u>\$ 43,796</u>		
BCM DynamicBelay™ 2060 QDIA				
Short Term Investment	\$ 1,216	\$ 1,216	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,729	1,729	-	-
Exchange-traded Funds - Equity	35,223	35,223	-	-
Total	<u>\$ 38,168</u>	<u>\$ 38,168</u>		

Note 6: 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
BCM Decathlon Growth Tactics CIF
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 337,659
Exchange-traded Funds - Equity	1,052,711
Exchange-traded Funds - Other	259,840
Total Investments Purchased	\$ 1,650,210

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 338,297	\$ 337,659	\$ 638
Exchange-traded Funds - Equity	873,521	901,316	(27,795)
Exchange-traded Funds - Other	249,223	242,248	6,975
Total Investments Sold	\$ 1,461,041	\$ 1,481,223	\$ (20,182)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM U.S. Sector Rotation CIF
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	<u>\$ 254,654</u>
Total Investments Purchased	<u><u>\$ 254,654</u></u>

Sales			
Investment Class	Proceeds	Cost	Loss
Exchange-traded Funds - Equity	<u>\$ 166,280</u>	<u>\$ 166,535</u>	<u>\$ (255)</u>
Total Investments Sold	<u><u>\$ 166,280</u></u>	<u><u>\$ 166,535</u></u>	<u><u>\$ (255)</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM DynamicBelay™ 2020 QDIA
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 18,356
Exchange-traded Funds - Equity	19,949
Total Investments Purchased	\$ 38,305

Sales			
Investment Class	Proceeds	Cost	Loss
Exchange-traded Funds - Fixed Income	\$ 1,585	\$ 1,612	\$ (27)
Exchange-traded Funds - Equity	7,187	7,334	(147)
Total Investment Sales	\$ 8,772	\$ 8,946	\$ (174)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM DynamicBelay™ 2030 QDIA
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 599,963
Exchange-traded Funds - Equity	740,992
Total Investments Purchased	\$ 1,340,955

Sales			
Investment Class	Proceeds	Cost	Loss
Exchange-traded Funds - Fixed Income	\$ 1,587	\$ 1,612	\$ (25)
Exchange-traded Funds - Equity	11,519	11,572	(53)
Total Investment Sales	\$ 13,106	\$ 13,184	\$ (78)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM DynamicBelay™ 2040 QDIA
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 11,171
Exchange-traded Funds - Equity	<u>26,354</u>
Total Investments Purchased	<u><u>\$ 37,525</u></u>

Sales			
Investment Class	Proceeds	Cost	Loss
Exchange-traded Funds - Fixed Income	\$ 1,160	\$ 1,175	\$ (15)
Exchange-traded Funds - Equity	<u>6,619</u>	<u>6,750</u>	<u>(131)</u>
Total Investment Sales	<u><u>\$ 7,779</u></u>	<u><u>\$ 7,925</u></u>	<u><u>\$ (146)</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM DynamicBelay™ 2050 QDIA
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 9,425
Exchange-traded Funds - Equity	65,036
Total Investments Purchased	\$ 74,461

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 2,595	\$ 2,604	\$ (9)
Exchange-traded Funds - Equity	33,089	32,049	1,040
Total Investment Sales	\$ 35,684	\$ 34,653	\$ 1,031

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
BCM DynamicBelay™ 2060 QDIA
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 1,890
Exchange-traded Funds - Equity	<u>44,914</u>
Total Investments Purchased	<u><u>\$ 46,804</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 112	\$ 108	\$ 4
Exchange-traded Funds - Equity	<u>11,627</u>	<u>11,623</u>	<u>4</u>
Total Investment Sales	<u><u>\$ 11,739</u></u>	<u><u>\$ 11,731</u></u>	<u><u>\$ 8</u></u>