

Hand Composite Employee Benefit Trust
Clear Sailing Investment Group Funds
Independent Auditor's Report and Financial Statements
December 31, 2014



Hand Composite Employee Benefit Trust

December 31, 2014

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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 (Clear Sailing Investment Group Conservative Fund, Clear Sailing Investment Group Conservative Balanced Fund, Clear Sailing Investment Group Balanced Fund and Clear Sailing Investment Group Growth Fund) [four funds], included in the Hand Composite Employee Benefit Trust ("Trust" or "Funds"), which statements comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2014, 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, 2014, and the results of their operations and the 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
June 5, 2015

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds
December 31, 2014

	Clear Sailing Investment Group Conservative Fund	Clear Sailing Investment Group Conservative Balanced Fund	Clear Sailing Investment Group Balanced Fund	Clear Sailing Investment Group Growth Fund
Assets				
Investments, at cost	\$ 2,198,316	\$ 7,192,115	\$ 18,714,169	\$ 6,747,581
Investments, at fair value	\$ 2,273,397	\$ 7,265,745	\$ 18,725,776	\$ 6,782,029
Receivable for:				
Investment securities sold	280,326	1,138,549	4,911,378	1,848,405
Capital shares sold	-	36,688	299	-
Dividends and interest	5,816	11,356	37,376	38,567
Total assets	\$ 2,559,539	\$ 8,452,338	\$ 23,674,829	\$ 8,669,001
Liabilities				
Payable for investment securities purchased	\$ 96,781	\$ 233,868	\$ 1,012,790	\$ -
Payable for capital shares redeemed	-	-	-	18,582
Accounts payable and accrued liabilities	4,267	6,086	10,816	6,387
Total liabilities	\$ 101,048	\$ 239,954	\$ 1,023,606	\$ 24,969
Net assets held for participants:				
Class R1	\$ 2,458,479	\$ 8,212,372	\$ 22,651,211	\$ 8,644,019
Class R2	12	12	12	13
Total net assets held for participants	\$ 2,458,491	\$ 8,212,384	\$ 22,651,223	\$ 8,644,032
Units outstanding:				
Class R1	214,998	704,688	1,855,872	666,818
Class R2	1	1	1	1
Total units outstanding	214,999	704,689	1,855,873	666,819
Net asset value per unit:				
Class R1	\$ 11.43	\$ 11.65	\$ 12.21	\$ 12.96
Class R2	\$ 11.47	\$ 11.69	\$ 12.24	\$ 13.00

Hand Composite Employee Benefit Trust
Schedules of Investments
Clear Sailing Investment Group Conservative Fund
December 31, 2014

Number of Shares		Cost	Fair Value
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
12,551	Doubleline Total Return Bond Fund N	\$ 138,696	\$ 137,689
24,258	John Hancock II Strategic Inc Opportunities R2	269,897	263,442
19,212	Oppenheimer Senior Floating Rate Fund A	161,192	155,813
	Total Fixed Income	24.50% <u>569,785</u>	<u>556,944</u>
<i>Equity</i>			
4,556	American Mutual Fund R4	161,372	168,707
3,385	AMG Yacktman Fund SVC	79,200	85,022
785	Oppenheimer Steelpath MLP Select 40 A	9,203	9,564
3,906	Vanguard Dividend Growth Inv	83,000	90,187
	Total Equity	15.55% <u>332,775</u>	<u>353,480</u>
<i>Other</i>			
2,117	Invesco Balanced-Risk Allocation Fund R6	26,449	24,661
	Total Other	1.08% <u>26,449</u>	<u>24,661</u>
	Total Mutual Funds	41.13% <u>929,009</u>	<u>935,085</u>
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
1,275	Delaware Diversified Income Trust CI 45	20,598	21,388
433,341	HB&T Short Term Income Fund	433,341	433,341
47,276	Loomis Sayles Multisector Full Discretion Trst	815,368	883,583
	Total Fixed Income	58.87% <u>1,269,307</u>	<u>1,338,312</u>
	Total Common Trust Funds	58.87% <u>1,269,307</u>	<u>1,338,312</u>
	Total Investments	100.00% <u>\$ 2,198,316</u>	<u>\$ 2,273,397</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Conservative Balanced Fund
December 31, 2014

Number of Shares		Cost	Fair Value
<i><u>Short Term Investments</u></i>			
101,362	TD Bank USA FDIC Insured Deposit Fund	\$ 101,362	\$ 101,362
	Total Short Term Investments	1.40% <u>101,362</u>	<u>101,362</u>
<i><u>Mutual Funds</u></i>			
<i>Fixed Income</i>			
22,686	Doubleline Total Return Bond Fund N	252,636	248,865
60,331	John Hancock II Strategic Inc Opportunities R2	669,044	655,189
1,233	Oppenheimer Senior Floating Rate Fund A	10,272	10,000
	Total Fixed Income	12.58% <u>931,952</u>	<u>914,054</u>
<i>Equity</i>			
331	AMG Yacktman Fund SVC	8,453	8,327
134	Columbia Midcap Index Fund A	2,000	2,086
43,764	Invesco European Small Company Fund Y	569,152	542,672
326	Hartford Mid Cap Fund R4	10,000	9,240
2,525	Janus Global Life Sciences Fund T	136,711	132,604
19,484	John Hancock III Disciplined Value Mid Cap Fund	363,966	389,101
5,680	Lord Abbett Developing Growth Fund I	160,865	141,600
374	Oakmark International Fund I	9,919	8,736
65,374	Oppenheimer Steelpath MLP Select 40 A	795,072	796,903
20,063	Pimco Real Estate Real Return Strategy	81,857	78,647
10,660	T Rowe Price Global Technology Fund	142,281	131,326
180	Vanguard Dividend Growth Inv	8,508	8,428
365	Vanguard Energy Fund Inv	12,067	9,640
	Total Equity	31.10% <u>2,300,851</u>	<u>2,259,310</u>
<i>Other</i>			
7,745	Invesco Balanced-Risk Allocation Fund R6	96,641	90,233
23,895	Janus Balanced Fund T	727,208	730,710
	Total Other	11.30% <u>823,849</u>	<u>820,943</u>
	Total Mutual Funds	54.97% <u>4,056,652</u>	<u>3,994,307</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Conservative Balanced Fund (Continued)
December 31, 2014

Number of Shares		Cost	Fair Value
<u>Exchange-traded Funds</u>			
<i>Other</i>			
6,679	United States 12-month Natural Gas Fund Lp	\$ 118,727	\$ 92,237
	Total Other	<u>118,727</u>	<u>92,237</u>
	Total Exchange-traded Funds	1.27% <u>118,727</u>	<u>92,237</u>
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
687,157	HB&T Short Term Income Fund	687,157	687,157
127,910	Loomis Sayles Multisector Full Discretion Trust	2,228,217	2,390,682
	Total Fixed Income	42.36% <u>2,915,374</u>	<u>3,077,839</u>
	Total Common Trust Funds	42.36% <u>2,915,374</u>	<u>3,077,839</u>
	Total Investments	100.00% <u>\$ 7,192,115</u>	<u>\$ 7,265,745</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Balanced Fund
December 31, 2014

Number of Shares		Cost	Fair Value
<i><u>Short Term Investments</u></i>			
380,185	TD Bank USA FDIC Insured Deposit Fund	\$ 380,185	\$ 380,185
	Total Short Term Investments	2.03% <u>380,185</u>	<u>380,185</u>
<i><u>Mutual Funds</u></i>			
<i>Fixed Income</i>			
41,790	John Hancock II Strategic Inc Opportunities R2	462,465	453,838
13,907	Oppenheimer Senior Floating Rate Fund A	116,823	112,790
	Total Fixed Income	3.03% <u>579,288</u>	<u>566,628</u>
<i>Equity</i>			
30,006	American Mutual Fund R4	1,106,964	1,111,115
888	American New World Fund R4	51,719	47,321
8,766	AMG Yacktman Fund SVC	205,134	220,212
28,751	Columbia Midcap Index Fund A	441,412	446,796
91,466	Invesco European Small Company Fund Y	1,239,635	1,134,183
358	Hartford Mid Cap Fund R4	10,870	10,136
4,772	Janus Global Life Sciences Fund T	254,711	250,604
74,633	John Hancock III Disciplined Value Mid Cap Fund	1,389,480	1,490,420
16,983	Lord Abbett Developing Growth Fund I	469,933	423,393
175	Oakmark International Fund I	4,582	4,078
266,560	Oppenheimer Steelpath Mlp Select 40 A	3,219,355	3,249,361
23,925	Pimco Small Cap Stocksplus Trust Is	224,415	219,151
111,132	Pimco Stocksplus Absolute Return Fund	1,240,000	1,069,091
20,238	T Rowe Price Global Technology Fund	260,281	249,326
10,556	Vanguard Dividend Growth Inv	224,313	243,736
	Total Equity	54.30% <u>10,342,804</u>	<u>10,168,923</u>
<i>Other</i>			
49,426	Janus Balanced Fund T	1,502,176	1,511,452
	Total Other	8.07% <u>1,502,176</u>	<u>1,511,452</u>
	Total Mutual Funds	65.40% <u>12,424,268</u>	<u>12,247,003</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Balanced Fund (Continued)
December 31, 2014

Number of Shares		Cost	Fair Value
<u>Exchange-traded Fund</u>			
<i>Other</i>			
25,912	United States 12-month Natural Gas Fund Lp	\$ 458,852	\$ 357,845
	Total Other	<u>458,852</u>	<u>357,845</u>
	Total Exchange-traded Fund	1.91% <u>458,852</u>	<u>357,845</u>
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
1,288,371	HB&T Short Term Income Fund	1,288,371	1,288,371
238,222	Loomis Sayles Multisector Full Discretion Trst	4,162,493	4,452,372
	Total Fixed Income	30.66% <u>5,450,864</u>	<u>5,740,743</u>
	Total Common Trust Funds	30.66% <u>5,450,864</u>	<u>5,740,743</u>
	Total Investments	100.00% <u>\$ 18,714,169</u>	<u>\$ 18,725,776</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Growth Fund
December 31, 2014

Number of Shares		Cost	Fair Value
<i><u>Short Term Investments</u></i>			
8,255	TD Bank USA FDIC Insured Deposit Fund	\$ 8,255	\$ 8,255
	Total Short Term Investments	0.12% <u>8,255</u>	<u>8,255</u>
<i><u>Mutual Funds</u></i>			
<i>Equity</i>			
912	American New World Fund R4	47,799	48,583
16,930	AMG Yacktman Fund SVC	396,168	425,288
24,846	Columbia Midcap Index Fund A	353,813	386,114
41,907	Invesco European Small Company Fund Y	544,408	519,651
358	Hartford Mid Cap Fund R4	10,870	10,136
964	Janus Global Life Sciences Fund T	54,711	50,604
50,959	John Hancock III Disciplined Value Mid Cap Fund	962,897	1,017,659
7,110	Lord Abbett Developing Growth Fund I	200,205	177,247
18,377	Oakmark International Fund I	486,245	428,913
70,742	Oppenheimer Steelpath Mlp Select 40 A	860,606	862,348
39,126	Pimco Stocksplus Absolute Return Fund	430,000	376,397
4,004	T Rowe Price Global Technology Fund	60,281	49,326
17,738.447	Vanguard Dividend Growth Inv	100,733	109,456
	Total Equity	65.79% <u>4,508,736</u>	<u>4,461,722</u>
<i>Other</i>			
17,189	Janus Balanced Fund T	523,795	525,651
	Total Other	7.75% <u>523,795</u>	<u>525,651</u>
	Total Mutual Funds	73.54% <u>5,032,531</u>	<u>4,987,373</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Clear Sailing Investment Group Growth Fund (Continued)
December 31, 2014

Number of Shares		Cost	Fair Value
<i><u>Exchange-traded Fund</u></i>			
<i>Other</i>			
8,092	United States 12-month Natural Gas Fund Lp	\$ 141,291	\$ 111,751
	Total Other	<u>141,291</u>	<u>111,751</u>
	Total Exchange-traded Fund	1.65% <u>141,291</u>	<u>111,751</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
178,073	HB&T Short Term Income Fund	178,073	178,073
80,074	Loomis Sayles Multisector Full Discretion Trst	1,387,431	1,496,577
	Total Fixed Income	24.69% <u>1,565,504</u>	<u>1,674,650</u>
	Total Common Trust Funds	24.69% <u>1,565,504</u>	<u>1,674,650</u>
	Total Investments	100.00% <u>\$ 6,747,581</u>	<u>\$ 6,782,029</u>

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds
Year Ended December 31, 2014

	Clear Sailing Investment Group Conservative Fund	Clear Sailing Investment Group Conservative Balanced Fund	Clear Sailing Investment Group Balanced Fund	Clear Sailing Investment Group Growth Fund
Income				
Interest	\$ -	\$ 1	\$ 1	\$ 2
Dividends	34,166	220,526	432,810	153,899
Total income	<u>34,166</u>	<u>220,527</u>	<u>432,811</u>	<u>153,901</u>
Expenses				
Investment management and administrative	4,276	17,150	44,622	19,039
Class R1 expenses	3,631	14,543	37,925	16,170
Audit	3,500	3,500	3,500	3,500
Total expenses	11,407	35,193	86,047	38,709
Expense reimbursement	(2,444)	(8,821)	(19,340)	(6,545)
Net expenses	<u>8,963</u>	<u>26,372</u>	<u>66,707</u>	<u>32,164</u>
Net Investment Income	<u>25,203</u>	<u>194,155</u>	<u>366,104</u>	<u>121,737</u>
Net Realized and Unrealized Gains (Losses) on Investments				
Net realized gains on investments	74,616	684,179	1,573,689	1,097,265
Net change in unrealized appreciation/ depreciation on investments	33,122	(597,371)	(1,389,073)	(940,719)
Net realized and unrealized gains	<u>107,738</u>	<u>86,808</u>	<u>184,616</u>	<u>156,546</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 132,941</u>	<u>\$ 280,963</u>	<u>\$ 550,720</u>	<u>\$ 278,283</u>

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds
Year Ended December 31, 2014

	Clear Sailing Investment Group Conservative Fund	Clear Sailing Investment Group Conservative Balanced Fund	Clear Sailing Investment Group Balanced Fund	Clear Sailing Investment Group Growth Fund
Operations				
Net investment income	\$ 25,203	\$ 194,155	\$ 366,104	\$ 121,737
Net realized gains	74,616	684,179	1,573,689	1,097,265
Change in unrealized appreciation/depreciation	33,122	(597,371)	(1,389,073)	(940,719)
Net increase in net assets from operations	132,941	280,963	550,720	278,283
Net Increase (Decrease) in Net Assets From Participant Transactions	280,452	(3,261,509)	986,432	(1,606,543)
Increase (Decrease) in Net Assets	413,393	(2,980,546)	1,537,152	(1,328,260)
Net Assets				
Beginning of year	2,045,098	11,192,930	21,114,071	9,972,292
End of year	<u>\$ 2,458,491</u>	<u>\$ 8,212,384</u>	<u>\$ 22,651,223</u>	<u>\$ 8,644,032</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

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 91 portfolios (the Funds); the financial statements of four 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 until

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

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
Clear Sailing Investment Group Conservative Fund	Investors Capital Advisory Services
Clear Sailing Investment Group Conservative Balanced Fund	Investors Capital Advisory Services
Clear Sailing Investment Group Balanced Fund	Investors Capital Advisory Services
Clear Sailing Investment Group Growth Fund	Investors Capital Advisory Services

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Notes to Financial Statements

December 31, 2014

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 year ended December 31, 2014, the investment advisor voluntarily reimbursed the Funds for a portion of their 12b-1 Plan 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	Administrative Fees	Investment Advisor Fees	Service Fees	Other Fees	Total Fees
Clear Sailing Investment Group Conservative Fund:					
Class R1	0.20%	0.00%	0.17%	0.03%	0.40%
Class R2	0.20%	0.25%	0.15%	0.03%	0.63%
Clear Sailing Investment Group Conservative Balanced Fund:					
Class R1	0.20%	0.00%	0.17%	0.03%	0.40%
Class R2	0.20%	0.25%	0.15%	0.03%	0.63%
Clear Sailing Investment Group Balanced Fund:					
Class R1	0.20%	0.00%	0.17%	0.03%	0.40%
Class R2	0.20%	0.25%	0.15%	0.03%	0.63%
Clear Sailing Investment Group Growth Fund:					
Class R1	0.20%	0.00%	0.17%	0.03%	0.40%
Class R2	0.20%	0.25%	0.15%	0.03%	0.63%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

Note 3: Financial Highlights

	Class R1			
	Clear Sailing Investment Group Conservative Fund	Clear Sailing Investment Group Conservative Balanced Fund	Clear Sailing Investment Group Balanced Fund	Clear Sailing Investment Group Growth Fund
Net asset value, beginning of year	\$ 10.75	\$ 11.32	\$ 11.88	\$ 12.56
Net investment income	0.13	0.27	0.20	0.17
Net realized and unrealized gains	0.55	0.06	0.13	0.23
Net increase from investment operations	0.68	0.33	0.33	0.40
Net asset value, end of year	\$ 11.43	\$ 11.65	\$ 12.21	\$ 12.96
Total return	6.33%	2.92%	2.78%	3.18%
Ratio to average net assets:				
Net investment income	1.17%	2.29%	1.63%	1.28%
Expenses without reimbursements	0.53%	0.41%	0.38%	0.41%
Expenses with reimbursements	0.42%	0.31%	0.30%	0.34%

	Class R2			
	Clear Sailing Investment Group Conservative Fund	Clear Sailing Investment Group Conservative Balanced Fund	Clear Sailing Investment Group Balanced Fund	Clear Sailing Investment Group Growth Fund
Net asset value, beginning of year	\$ 10.76	\$ 11.33	\$ 11.89	\$ 12.57
Net investment income	0.13	0.30	0.22	0.21
Net realized and unrealized gains	0.58	0.06	0.13	0.22
Net increase from investment operations	0.71	0.36	0.35	0.43
Net asset value, end of year	\$ 11.47	\$ 11.69	\$ 12.24	\$ 13.00
Total return	6.60%	3.18%	2.94%	3.42%
Ratio to average net assets:				
Net investment income	1.28%	2.52%	1.77%	1.59%
Expenses without reimbursements	0.34%	0.25%	0.21%	0.26%
Expenses with reimbursements	0.24%	0.14%	0.13%	0.18%

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Notes to Financial Statements

December 31, 2014

Note 4: Participant Unit Transactions

	Clear Sailing Investment Group Conservative Fund		Clear Sailing Investment Group Conservative Balanced Fund		Clear Sailing Investment Group Balanced Fund		Clear Sailing Investment Group Growth Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R1:								
Proceeds from sales of units	74,975	\$ 836,583	168,903	\$ 1,958,007	450,259	\$ 5,473,588	207,103	\$ 2,649,714
Cost of units redeemed	(50,178)	(556,131)	(453,012)	(5,219,516)	(370,958)	(4,487,156)	(334,253)	(4,256,257)
Net increase (decrease) from participant transactions	24,797	\$ 280,452	(284,109)	\$ (3,261,509)	79,301	\$ 986,432	(127,150)	\$ (1,606,543)

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

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:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- 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 period ended December 31, 2014.

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.

Mutual Funds and Exchange-traded 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.

Common Trust Funds. Common trust fund investments are valued using net asset value of those funds and are included as Level 2 in the hierarchy.

The tables on the following pages presents 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, 2014.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

	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)
Clear Sailing Investment Group				
Conservative Fund				
Mutual Funds - Fixed Income	\$ 556,944	\$ 556,944	\$ -	\$ -
Mutual Funds - Equity	353,480	353,480	-	-
Mutual Funds - Other	24,661	24,661	-	-
Common Trust Funds - Fixed Income	1,338,312	-	1,338,312	-
Total	<u>\$ 2,273,397</u>	<u>\$ 935,085</u>	<u>\$ 1,338,312</u>	<u>\$ 0</u>
Clear Sailing Investment Group				
Conservative Balanced Fund				
Short Term Investments	\$ 101,362	\$ 101,362	\$ -	\$ -
Mutual Funds - Fixed Income	914,054	914,054	-	-
Mutual Funds - Equity	2,259,310	2,259,310	-	-
Mutual Funds - Other	820,943	820,943	-	-
Exchange-traded Funds - Other	92,237	92,237	-	-
Common Trust Funds - Fixed Income	3,077,839	-	3,077,839	-
Total	<u>\$ 7,265,745</u>	<u>\$ 4,187,906</u>	<u>\$ 3,077,839</u>	<u>\$ 0</u>
Clear Sailing Investment Group				
Balanced Fund				
Short Term Investments	\$ 380,185	\$ 380,185	\$ -	\$ -
Mutual Funds - Fixed Income	566,628	566,628	-	-
Mutual Funds - Equity	10,168,923	10,168,923	-	-
Mutual Funds - Other	1,511,452	1,511,452	-	-
Exchange-traded Funds - Other	357,845	357,845	-	-
Common Trust Funds - Fixed Income	5,740,743	-	5,740,743	-
Total	<u>\$ 18,725,776</u>	<u>\$ 12,985,033</u>	<u>\$ 5,740,743</u>	<u>\$ 0</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2014

	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)
Clear Sailing Investment Group				
Growth Fund				
Short Term Investments	\$ 8,255	\$ 8,255	\$ -	\$ -
Mutual Funds - Equity	4,461,722	4,461,722	-	-
Mutual Funds - Other	525,651	525,651	-	-
Exchange-traded Funds - Other	111,751	111,751	-	-
Common Trust Funds - Fixed Income	1,674,650	-	1,674,650	-
Total	\$ 6,782,029	\$ 5,107,379	\$ 1,674,650	\$ 0

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
Clear Sailing Investment Group Conservative Fund
Year Ended December 31, 2014

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 834,752
Mutual Funds - Fixed Income	98,099
Mutual Funds - Equity	420,750
Total Investments Purchased	\$ 1,353,601

Sales			
Investment Class	Proceeds	Cost	Gain
Common Trust Funds - Fixed Income	\$ 515,289	\$ 510,863	\$ 4,426
Mutual Funds - Equity	718,051	647,861	70,190
Total Investments Sold	\$ 1,233,340	\$ 1,158,724	\$ 74,616

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Clear Sailing Investment Group Conservative Balanced Fund
Year Ended December 31, 2014

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 5,256,594
Mutual Funds - Fixed Income	638,772
Mutual Funds - Equity	3,263,952
Exchange-traded Funds - Other	<u>235,367</u>
Total Investments Purchased	<u>\$ 9,394,685</u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Fixed Income	\$ 5,077,030	\$ 4,990,268	\$ 86,762
Mutual Funds - Fixed Income	2,509,647	2,564,223	(54,576)
Mutual Funds - Equity	<u>5,946,100</u>	<u>5,294,107</u>	<u>651,993</u>
Total Investments Sold	<u>\$ 13,532,777</u>	<u>\$ 12,848,598</u>	<u>\$ 684,179</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Clear Sailing Investment Group Balanced Fund
Year Ended December 31, 2014

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 8,144,423
Mutual Funds - Fixed Income	1,672,515
Mutual Funds - Equity	9,997,768
Exchange-traded Funds - Other	<u>911,299</u>
Total Investments Purchased	<u><u>\$ 20,726,005</u></u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Fixed Income	\$ 6,075,580	\$ 6,075,580	\$ -
Mutual Funds - Fixed Income	3,832,024	3,959,684	(127,660)
Mutual Funds - Equity	<u>14,666,739</u>	<u>12,965,390</u>	<u>1,701,349</u>
Total Investments Sold	<u><u>\$ 24,574,343</u></u>	<u><u>\$ 23,000,654</u></u>	<u><u>\$ 1,573,689</u></u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Clear Sailing Investment Group Growth Fund
Year Ended December 31, 2014

Purchases	
Investment Class	Cost
Common Trust Funds - Fixed Income	\$ 3,983,903
Mutual Funds - Fixed Income	215,505
Mutual Funds - Other	4,682,776
Exchange-traded Funds - Other	<u>282,600</u>
Total Investments Purchased	<u>\$ 9,164,784</u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Fixed Income	\$ 4,420,441	\$ 4,408,821	\$ 11,620
Mutual Funds - Fixed Income	269,797	291,506	(21,709)
Mutual Funds - Equity	<u>8,182,828</u>	<u>7,075,474</u>	<u>1,107,354</u>
Total Investments Sold	<u>\$ 12,873,066</u>	<u>\$ 11,775,801</u>	<u>\$ 1,097,265</u>