

**Hand Composite Employee Benefit Trust
ClariVest Emerging Markets Equity Collective 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 ClariVest Emerging Markets Equity Collective Fund, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2016, and the related statements of operations and changes in net assets for the period July 14, 2016 (inception) to December 31, 2016, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the selected fund included in the Hand Composite Employee Benefit Trust as of December 31, 2016, and the results of its operations and the changes in its net assets for the period July 14, 2016 (inception) to December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investment purchases and sales listed in the table of contents is presented for purposes of additional analysis and is 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 audit 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
Statement of Assets and Liabilities – Selected Fund
December 31, 2016

	ClariVest Emerging Markets Equity Collective Fund
Assets	
Investments, at cost	\$ 9,863,382
Investments, at fair value	\$ 10,058,530
Cash denominated in foreign currencies (cost \$8,569)	8,527
Receivable for:	
Investment advisor	7,547
Foreign currency forward exchange contracts	2,622
Dividends and interest	38,078
Total assets	<u>\$ 10,115,304</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 21,089
Payable for foreign currency forward exchange contracts	2,624
Foreign taxes payable - dividends and interest	5,944
Total liabilities	<u>\$ 29,657</u>
Net assets held for participants:	
Class R1	\$ 10
Class R2	10
Class R3	10,085,627
Total net assets held for participants	<u>\$ 10,085,647</u>
Units outstanding:	
Class R1	1
Class R2	1
Class R3	1,000,000
Total units outstanding	<u>1,000,002</u>
Net asset value per unit:	
Class R1	<u>\$ 10.09</u>
Class R2	<u>\$ 10.09</u>
Class R3	<u>\$ 10.09</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
ClariVest Emerging Markets Equity Collective Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
297,957	Blackrock Liq Fds Fedfund-In	\$ 297,957	\$ 297,957
	Total Short Term Investment	<u>297,957</u>	<u>297,957</u>
		2.96%	
<u>Foreign Stock</u>			
<i>Bermuda</i>			
800	Credicorp Ltd	124,926	126,288
	Total Bermuda	<u>124,926</u>	<u>126,288</u>
		1.26%	
<i>Brazil</i>			
25,200	Banco Bradesco Sa Adr	212,573	219,492
16,300	Banco Do Brasil Sa	128,035	140,679
3,200	Bm&fbovespa Sa - Bolsa De Valo	19,100	16,223
4,900	Cia De Saneamento Basico Do Es Adr	43,926	42,532
1,900	Fleury Sa	21,644	20,811
5,720	Itau Unibanco Holding Sa Adr	53,587	58,802
15,100	Kroton Educacional Sa	69,982	61,844
2,500	Lojas Renner Sa	20,380	17,797
9,400	MRV Engenharia E Participacoes	30,606	31,596
11,000	Rumo Logistica Operadora Multi	18,177	20,752
15,500	Vale Sa Adr	83,122	118,110
	Total Brazil	<u>701,132</u>	<u>748,638</u>
		7.44%	
<i>Cayman Islands</i>			
2,200	Alibaba Group Holding Ltd	188,527	193,182
1,800	Momo Inc Adr	39,163	33,084
900	Netease Inc	177,778	193,806
1,200	New Oriental Education & Techn	49,813	50,520
400	Tal Education Group Adr	29,720	28,060
	Total Cayman Islands	<u>485,001</u>	<u>498,652</u>
		4.96%	

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClariVest Emerging Markets Equity Collective Fund (Continued)
December 31, 2016

Number of Shares		Cost	Fair Value
<i>Chile</i>			
4,700	Enel Americas Sa Adr	\$ 42,274	\$ 38,587
4,745	Enel Chile Sa Adr	27,487	21,590
	Total Chile	0.60% 69,761	60,177
<i>China</i>			
19,000	AAC Technologies Holdings Inc	179,832	172,646
402,000	Bank of China Ltd	165,631	178,364
81,000	China Cinda Asset Management C	26,469	29,357
43,000	China Communications Construct	48,777	49,472
328,000	China Construction Bank Corp	229,614	252,563
8,000	China Merchants Bank Co Ltd	17,850	18,759
1,300	China Petroleum & Chemical Cor Adr	96,124	92,326
26,000	China Shenhua Energy Co Ltd	51,118	48,961
165,000	Geely Automobile Holdings Ltd	106,854	157,697
70,000	Guangzhou Automobile Group Co	98,578	84,688
13,200	Guangzhou R&f Properties Co Lt	21,516	15,970
191,000	Industrial & Commercial Bank O	107,312	114,553
92,500	KWG Property Holding Ltd	55,503	52,495
338,000	Petrochina Co Ltd	239,206	251,980
15,200	Shanghai Pharmaceuticals Holdi	35,630	34,858
88,000	Sinopec Shanghai Petrochemical	43,447	47,671
11,200	Sinopharm Group Co Ltd	55,639	46,154
48,000	Sinotrans Ltd	22,117	21,421
18,100	Tencent Holdings Ltd	436,640	442,861
30,000	Tianneng Power International L	19,952	27,550
	Total China	21.28% 2,057,809	2,140,346
<i>Hong Kong</i>			
7000	China Mobile Ltd	84,297	74,215
22000	China Overseas Land & Investme	73,414	58,312
27,500	Kingboard Chemical Holdings Lt	56,856	83,353
25,000	Nine Dragons Paper Holdings Lt	20,390	22,668
	Total Hong Kong	2.37% 234,957	238,548

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClariVest Emerging Markets Equity Collective Fund (Continued)
December 31, 2016

Number of Shares		Cost	Fair Value
<i>Hungary</i>			
712	Mol Hungarian Oil & Gas Plc	\$ 45,941	\$ 50,172
2,397	Otp Bank Plc	66,043	68,759
	Total Hungary	<u>111,984</u>	<u>118,931</u>
		<i>1.18%</i>	
<i>India</i>			
2,000	HDFC Bank Ltd	138,244	121,360
9,400	Icici Bank Ltd	73,989	70,406
4,600	Infosys Ltd	77,365	68,218
4,300	Tata Motors Ltd	157,244	147,877
1,289	State Bank of India	43,848	47,518
	Total India	<u>490,690</u>	<u>455,379</u>
		<i>4.53%</i>	
<i>Indonesia</i>			
318,400	Adaro Energy Tbk Pt	24,241	40,058
24,700	Bank Central Asia Tbk Pt	26,460	28,417
109,300	Bank Negara Indonesia Persero	45,018	44,823
265,400	Telekomunikasi Indonesia Perse	83,324	78,403
	Total Indonesia	<u>179,043</u>	<u>191,701</u>
		<i>1.91%</i>	
<i>Malaysia</i>			
45,700	Cimb Group Holdings Bhd	50,506	45,944
36,800	Tenaga Nasional Bhd	132,671	114,026
	Total Malaysia	<u>183,177</u>	<u>159,970</u>
		<i>1.59%</i>	
<i>Mexico</i>			
4,200	Arca Continental Sab De Cv	29,159	21,985
8,000	Cemex Sab De Cv	63,872	64,240
800	Fomento Economico Mexicano Sab	73,157	60,968
9,700	Gruma Sab De Cv	141,295	124,019
20,800	Grupo Financiero Banorte Sab D	113,167	103,084
36,000	Grupo Mexico Sab De Cv	96,773	98,364
1,235	Industrias Penoles Sab De Cv	31,178	23,037
	Total Mexico	<u>548,601</u>	<u>495,697</u>
		<i>4.93%</i>	

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClariVest Emerging Markets Equity Collective Fund (Continued)
December 31, 2016

Number of Shares		Cost	Fair Value
<i>Peru</i>			
2,700	Cia De Minas Buenaventura Saa	\$ 41,869	\$ 30,456
	Total Peru	0.30% <u>41,869</u>	<u>30,456</u>
<i>Poland</i>			
2,037	Kghm Polska Miedz Sa	38,804	45,129
	Total Poland	0.45% <u>38,804</u>	<u>45,129</u>
<i>Russia</i>			
39,864	Gazprom Pao	185,866	202,908
2,101	Lukoil Pjsc	91,565	117,908
4,662	Mmc Norilsk Nickel Pjsc	69,499	78,881
	Total Russia	3.97% <u>346,930</u>	<u>399,697</u>
<i>South Africa</i>			
7,446	Barclays Africa Group Ltd	76,088	91,851
7,798	Exxaro Resources Ltd	47,992	51,036
19,396	Firstrand Ltd	63,478	75,414
11,104	Impala Platinum Holdings Ltd	40,887	34,705
1,519	Naspers Ltd	238,572	223,722
9,562	Sanlam Ltd	41,828	43,982
15,513	Sappi Ltd	75,971	102,040
5,367	Standard Bank Group Ltd	51,963	59,557
1,503	Tiger Brands Ltd	41,464	43,725
	Total South Africa	7.22% <u>678,243</u>	<u>726,032</u>
<i>South Korea</i>			
103	CJ Cheiljedang Corp	36,291	30,487
692	Daelim Industrial Co Ltd	53,548	49,903
5,297	Hana Financial Group Inc	118,492	137,052
904	Hankook Tire Co Ltd	43,592	43,411
1,261	Hyundai Development Co-engineer	42,759	46,930
309	Hyundai Mobis Co Ltd	72,445	67,541

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClariVest Emerging Markets Equity Collective Fund (Continued)
December 31, 2016

Number of Shares		Cost	Fair Value
<i>South Korea (continued)</i>			
4280	Industrial Bank of Korea	\$ 42,897	\$ 45,004
2884	KB Financial Group Inc	86,970	102,198
2,508	Kia Motors Corp	92,795	81,503
441	KT&G Corp	48,483	36,878
11,944	LG Uplus Corp	116,637	113,230
91	Lotte Chemical Corp	23,464	27,802
1,300	Posco Adr	64,109	68,315
299	Samsung Electronics Co Ltd	400,800	446,098
3,300	SK Hynix Inc	122,852	122,131
395	SK Innovation Co Ltd	51,055	47,912
387	S-Oil Corp	26,861	27,139
3,176	Woori Bank	28,326	33,527
	Total South Korea	15.19% <u>1,472,376</u>	<u>1,527,061</u>
<i>Taiwan</i>			
83,000	China Steel Corp	63,236	63,482
41,000	E Ink Holdings Inc	23,496	29,196
5,000	Elite Advanced Laser Corp	20,042	20,013
18,898	Flexium Interconnect Inc	48,082	49,724
20,200	Foxconn Technology Co Ltd	48,540	53,463
50,000	Highwealth Construction Corp	74,923	70,433
77,700	Hon Hai Precision Industry Co	201,560	202,995
1,000	Largan Precision Co Ltd	107,046	117,596
39,000	Lite-on Technology Corp	60,461	58,810
28,000	Nan Ya Plastics Corp	56,118	61,857
42,000	Pegatron Corp	104,201	100,344
7,199	Pharmaengine Inc	43,122	40,542
25,000	Quanta Computer Inc	51,180	46,775
11,000	Realtek Semiconductor Corp	43,074	34,813
60,052	Taishin Financial Holding Co L	22,535	21,987
14,700	Taiwan Semiconductor Manufactu	413,773	422,625
21,000	Uni-President Enterprises Corp	43,404	34,795
	Total Taiwan	14.21% <u>1,424,793</u>	<u>1,429,450</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClariVest Emerging Markets Equity Collective Fund (Continued)
December 31, 2016

Number of Shares		Cost	Fair Value
<i>Thailand</i>			
7,700 Kasikornbank Pcl		\$ 40,937	\$ 38,166
27,500 PTT Global Chemical Pcl		47,689	48,380
50,100 Supalai Pcl		35,535	34,976
Total Thailand	1.21%	<u>124,161</u>	<u>121,522</u>
Total Foreign Stock	94.60%	<u>9,314,257</u>	<u>9,513,674</u>
<u><i>Preferred Securities</i></u>			
<i>Brazil</i>			
50,300 Itausa - Investimentos Itau Sa		128,475	127,964
13,500 Petroleo Brasileiro Sa Adr		122,693	118,935
Total Brazil	2.44%	<u>251,168</u>	<u>246,899</u>
Total Preferred Securities	2.44%	<u>251,168</u>	<u>246,899</u>
Total Investments	100.00%	<u>\$ 9,863,382</u>	<u>\$ 10,058,530</u>

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Period Ended December 31, 2016

	ClariVest Emerging Markets Equity Collective Fund
Income	
Interest	\$ 604
Dividends	100,060
Total income	100,664
Expenses	
Investment management and administrative	2,906
Custody fees	37,000
Audit	10,000
Class R3 expenses	21,550
Total expenses before reimbursement	71,456
Reimbursement of fees	(39,670)
Net expenses	31,786
Net Investment Income	68,878
Net Realized Losses on Investments and Foreign Currency	
Net realized losses on investments	(144,490)
Net realized losses on foreign currency transactions	(22,212)
Net realized losses on foreign currency forward exchange contracts	(11,742)
Net realized losses on investments and foreign currency	(178,444)
Change in Unrealized Appreciation/Depreciation on Investments and Foreign Currency	
Investments	312,091
Translation of assets and liabilities in foreign currencies	(116,985)
Change in unrealized appreciation/depreciation on investments and foreign currency	195,106
Net realized and unrealized gains on investments and foreign currency	16,662
Net Increase in Net Assets Resulting From Operations	\$ 85,540

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Period Ended December 31, 2016

	ClariVest Emerging Markets Equity Collective Fund
Operations	
Net investment income	\$ 68,878
Net realized losses	(178,444)
Change in unrealized appreciation/depreciation	195,106
	85,540
Net increase in net assets from operations	85,540
Net Increase in Net Assets From Participant Transactions	10,000,107
Increase in Net Assets Held For Participants	10,085,647
Net Assets Held For Participants	
Beginning of period	-
End of period	\$ 10,085,647

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 one of those funds, the ClariVest Emerging Markets Equity Collective Fund (the Fund), are included in this report.

Each class of the Fund 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 and foreign currency are allocated to each class of units based on its relative net assets.

The reporting period is from July 14, 2016 to December 31, 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 of investments are reported on the identified cost basis.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Foreign Currency

Investment securities and other assets and liabilities denominated in, or expected to settle in, foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held.

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short term securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at December 31, 2016, resulting from changes in the exchange rates.

Foreign Currency Forward Exchange Contracts

The Fund may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Fund's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses are included in the statement of operations. These instruments involve market risk, credit risk or both kinds of risks in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates.

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 Fund 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 Fund are reinvested, thereby increasing the respective unit values.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

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. The Fund is valued daily.

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and apportions all of its taxable income to its 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 advisor for the Fund is ClariVest Asset Management LLC.

Note 2: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund has also entered into investment advisory with a third-party advisor. These fees compensate the advisor for the services it provides and for expenses borne by the advisor under the agreement.

During the period ended December 31, 2016, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

The following table indicates the fees charged to the Fund and the various classes of units within the Fund (as a percentage of net assets). These charges are calculated using the Fund's average daily net assets.

Fund	Trustee/ Administrative Fees	Investment Management Fees	Custody Fees	Other Fees	Total Fees
ClariVest Emerging Markets Equity Collective Fund:					
Class R1	0.06%	0.65%	0.15%	0.02%	0.88%
Class R2	0.06%	0.60%	0.15%	0.02%	0.83%
Class R3	0.06%	0.45%	0.15%	0.02%	0.68%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Note 3: Financial Highlights

	Class R1	Class R2	Class R3
Net asset value, beginning of year	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.01	0.01	0.03
Net realized and unrealized gains	0.08	0.08	0.06
Net increase from investment operations	0.09	0.09	0.09
Net asset value, end of year	\$ 10.09	\$ 10.09	\$ 10.09
Total return *	0.90%	0.90%	0.90%
Ratio to average net assets:**			
Net investment income	0.22%	0.22%	0.63%
Expenses without reimbursements	1.00%	1.00%	1.39%
Expenses with reimbursements	0.20%	0.20%	0.62%

*For the period July 14, 2016 to December 31, 2016

**Annualized

Note 4: Participant Unit Transactions

	ClariVest Emerging Markets Equity Collective Fund	
	Units	Dollars
Class R3:		
Proceeds from sales of units	1,000,001	\$ 10,000,117
Cost of units redeemed	(2)	(10)
Net increase in Class R3 from participant transactions	999,999	\$ 10,000,107

Hand Composite Employee Benefit Trust

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.

- Level 1:** Quoted prices in active markets for identical assets or liabilities that the Fund 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 statement 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, 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.

Common and Preferred Foreign Stock. 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. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depository Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy.

The following table presents the fair value measurements of assets recognized in the accompanying statement 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.

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)
ClariVest Emerging Markets Equity Collective Fund				
Short Term Investment	\$ 297,957	\$ 297,957	\$ -	\$ -
Foreign Stock	9,513,674	9,513,674	-	-
Preferred Stock	246,899	246,899	-	-
Total	<u>\$ 10,058,530</u>	<u>\$ 10,058,530</u>	<u>\$ 0</u>	

Note 6: Risk Factors

Investment Securities Risk

The Fund invests 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 changes could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Foreign Securities Risk

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. In particular, the Fund is subject to the risk that because there may be fewer investors on foreign exchanges and a smaller number of securities traded each day, it may be more difficult for the Fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may go up and down more than prices of securities traded in the United States.

Currency Risk

Securities and other instruments in which the Fund invests may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates may affect the value of the Fund's portfolio. Because the Fund's assets are primarily invested in securities of

Hand Composite Employee Benefit Trust

Notes to Financial Statements

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foreign countries, the U.S. dollar equivalent of the Fund's net assets would be adversely affected by reductions in the value of the foreign currencies relative to the U.S. dollar. For this reason, changes in foreign currency exchange rates can affect the value of the Fund's portfolio.

Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars. This risk, generally known as "currency risk," means that a strong U.S. dollar may reduce returns for U.S. investors in foreign stocks while a weak U.S. dollar may increase those returns.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
ClariVest Emerging Markets Equity Collective Fund
Period Ended December 31, 2016

Purchases	
Investment Class	Cost
Preferred Stock - Foreign	\$ 128,475
Common Stock - Foreign	12,488,757
Total Investments Purchased	\$ 12,617,232

Sales			
Investment Class	Proceeds	Cost	Loss
Common Stock - Foreign	\$ 2,908,036	\$ 3,052,526	\$ (144,490)
Total Investments Sold	\$ 2,908,036	\$ 3,052,526	\$ (144,490)