

**Hand Composite Employee Benefit Trust
Horizon Risk Assist Funds**

Independent Auditor's Report and Financial Statements

December 31, 2016



Hand Composite Employee Benefit Trust
December 31, 2016

Contents

Independent Auditor's Report..... 1

Basic Financial Statements

Statements of Assets and Liabilities – Selected Funds 3

Schedules of Investments

 Horizon Focused with Risk Assist Fund 4

 Horizon Moderate with Risk Assist Fund 5

 Horizon Conservative with Risk Assist Fund 6

 Horizon Conservation Plus with Risk Assist Fund 7

 Horizon Growth with Risk Assist Fund 8

Statements of Operations – Selected Funds 9

Statements of Changes in Net Assets – Selected Funds 10

Notes to Financial Statements 11

Supplemental Information

Schedules of Investment Purchases and Sales – Selected Funds 19

Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of selected funds (Horizon Focused with Risk Assist Fund, Horizon Moderate with Risk Assist Fund, Horizon Conservative with Risk Assist Fund, Horizon Conservation Plus with Risk Assist Fund and Horizon Growth with Risk Assist Fund) [five 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 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
May 26, 2017

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

	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Assets					
Investments, at cost	\$ 10,614,999	\$ 9,362,293	\$ 2,777,673	\$ 1,936,251	\$ 10,018,653
Investments, at fair value	\$ 10,871,110	\$ 9,453,793	\$ 2,782,012	\$ 1,924,982	\$ 10,184,542
Receivable for:					
Capital shares sold	3,469	1,708	945	259	2,295
Dividends and interest	-	6,164	3,082	2,839	2,817
Total assets	\$ 10,874,579	\$ 9,461,665	\$ 2,786,039	\$ 1,928,080	\$ 10,189,654
Liabilities					
Payable for capital shares redeemed	\$ -	\$ 3,752	\$ -	\$ -	\$ 4,757
Accounts payable and accrued liabilities	10,407	8,853	2,820	1,865	9,630
Total liabilities	\$ 10,407	\$ 12,605	\$ 2,820	\$ 1,865	\$ 14,387
Net assets held for participants:					
Class R1	\$ 8,859,605	\$ 8,599,593	\$ 2,156,494	\$ 1,645,892	\$ 8,998,732
Class R2	13	18,117	281,647	10	3,064
Class R3	1,348,562	11	4,979	47,599	214,771
Class R4	655,992	831,339	340,099	232,714	958,700
Total net assets held for participants	\$ 10,864,172	\$ 9,449,060	\$ 2,783,219	\$ 1,926,215	\$ 10,175,267
Units outstanding:					
Class R1	682,237	718,854	190,481	164,947	755,270
Class R2	1	1,519	24,934	1	259
Class R3	105,746	1	442	4,863	18,322
Class R4	51,597	70,809	30,518	24,250	82,239
Total units outstanding	839,581	791,183	246,375	194,061	856,090
Net asset value per unit:					
Class R1	\$ 12.99	\$ 11.96	\$ 11.32	\$ 9.98	\$ 11.91
Class R2	\$ 12.99	\$ 11.93	\$ 11.30	\$ 9.97	\$ 11.83
Class R3	\$ 12.75	\$ 11.33	\$ 11.26	\$ 9.79	\$ 11.72
Class R4	\$ 12.71	\$ 11.74	\$ 11.14	\$ 9.60	\$ 11.66

Hand Composite Employee Benefit Trust
Schedules of Investments
Horizon Focused with Risk Assist Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
78,789	DWS Govt & Agency Securities Port Service Shares	\$ 78,789	\$ 78,789
	Total Short Term Investment	0.73% <u>78,789</u>	<u>78,789</u>
<i><u>Exchange-traded Funds</u></i>			
<i>Equity</i>			
30,692	iShares MSCI Emerging Market Index	1,131,427	1,074,527
22,762	iShares S&P 500 Growth Index	2,696,363	2,772,184
37,118	iShares MSCI EAFE Index Fund	2,116,841	2,142,822
4,803	Vanguard Small Cap Growth ETF	621,110	639,472
6,182	Vanguard Small Cap Value ETF	698,625	748,022
35,503	Vanguard Value ETF	3,158,684	3,302,134
	Total Equity	98.23% <u>10,423,050</u>	<u>10,679,161</u>
	Total Exchange-traded Funds	98.23% <u>10,423,050</u>	<u>10,679,161</u>
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
113,160	HB&T Short Term Income Fund	113,160	113,160
	Total Fixed Income	1.04% <u>113,160</u>	<u>113,160</u>
	Total Common Trust Fund	1.04% <u>113,160</u>	<u>113,160</u>
	Total Investments	100.00% <u>\$ 10,614,999</u>	<u>\$ 10,871,110</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Horizon Moderate with Risk Assist Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
49,928	DWS Govt & Agency Securities Port Service Shares	\$ 49,928	\$ 49,928
	Total Short Term Investment	0.53% <u>49,928</u>	<u>49,928</u>
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
3,369	iShares Iboxx\$ Inv Grade Corp Bd Fd	414,217	394,779
2,505	iShares Barclays 7-10 Year Treasury Bond	263,751	262,574
5,005	iShares Barclays 1-3 Yr Treas Bond Idx	423,073	422,672
2,263	iShares Iboxx Hi Yld Corporate Bond	193,098	195,863
34,684	Powershares Financial Preferred Portfolio	649,998	622,925
10,090	Spdr Doubleline Ttl Rtn Tactical ETF	492,290	488,255
31,717	Spdr Barclays Short Term HY Bond	871,558	877,927
	Total Fixed Income	34.54% <u>3,307,985</u>	<u>3,264,995</u>
<i>Equity</i>			
17,149	iShares MSCI Emerging Market Index	631,936	600,387
12,718	iShares S&P 500 Growth Index	1,515,707	1,548,925
20,739	iShares MSCI EAFE Index Fund	1,182,642	1,197,262
2,683	Vanguard Small Cap Growth ETF	346,830	357,215
3,454	Vanguard Small Cap Value ETF	390,265	417,934
19,836	Vanguard Value ETF	1,764,799	1,844,946
	Total Equity	63.11% <u>5,832,179</u>	<u>5,966,669</u>
	Total Exchange-traded Funds	97.65% <u>9,140,164</u>	<u>9,231,664</u>
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
172,201	HB&T Short Term Income Fund	172,201	172,201
	Total Fixed Income	1.82% <u>172,201</u>	<u>172,201</u>
	Total Common Trust Fund	1.82% <u>172,201</u>	<u>172,201</u>
	Total Investments	100.00% <u>\$ 9,362,293</u>	<u>\$ 9,453,793</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Horizon Conservative with Risk Assist Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
11,442	DWS Govt & Agency Securities Port Service Shares	\$ 11,442	\$ 11,442
	Total Short Term Investment	0.41% <u>11,442</u>	<u>11,442</u>
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
1,684	iShares Iboxx\$ Inv Grade Corp Bd Fd	206,862	197,331
1,252	iShares Barclays 7-10 Year Treasury Bond	131,823	131,235
2,503	iShares Barclays 1-3 Yr Treas Bond Idx	211,578	211,378
1,131	iShares Iboxx Hi Yld Corporate Bond	96,507	97,888
17,343	Powershares Financial Preferred Portfolio	323,545	311,480
5,045	Spdr Doubleline Ttl Rtn Tactical ETF	246,145	244,127
15,859	Spdr Barclays Short Term HY Bond	435,793	438,977
	Total Fixed Income	58.68% <u>1,652,253</u>	<u>1,632,416</u>
<i>Equity</i>			
3,078	iShares MSCI Emerging Market Index	113,137	107,761
2,282	iShares S&P 500 Growth Index	272,225	277,925
3,722	iShares MSCI EAFE Index Fund	212,232	214,871
481	Vanguard Small Cap Growth ETF	62,179	64,040
620	Vanguard Small Cap Value ETF	70,053	75,020
3,560	Vanguard Value ETF	316,731	331,116
	Total Equity	38.49% <u>1,046,557</u>	<u>1,070,733</u>
	Total Exchange-traded Funds	97.17% <u>2,698,810</u>	<u>2,703,149</u>
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
67,421	HB&T Short Term Income Fund	67,421	67,421
	Total Fixed Income	2.42% <u>67,421</u>	<u>67,421</u>
	Total Common Trust Fund	2.42% <u>67,421</u>	<u>67,421</u>
	Total Investments	100.00% <u>\$ 2,777,673</u>	<u>\$ 2,782,012</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Horizon Conservation Plus with Risk Assist Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
5,865	DWS Govt & Agency Securities Port Service Shares	\$ 5,865	\$ 5,865
	Total Short Term Investment	0.31% <u>5,865</u>	<u>5,865</u>
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
1,552	iShares Iboxx\$ Inv Grade Corp Bd Fd	189,671	181,863
1,154	iShares Barclays 7-10 Year Treasury Bond	121,429	120,963
2,305	iShares Barclays 1-3 Yr Treas Bond Idx	194,835	194,657
1,042	iShares Iboxx Hi Yld Corporate Bond	89,011	90,185
15,976	Powershares Financial Preferred Portfolio	297,819	286,929
4,647	Spdr Doubleline Ttl Rtn Tactical ETF	226,681	224,868
14,610	Spdr Barclays Short Term HY Bond	401,768	404,405
	Total Fixed Income	78.12% <u>1,521,214</u>	<u>1,503,870</u>
<i>Equity</i>			
1,063	iShares MSCI Emerging Market Index	40,346	37,216
788	iShares S&P 500 Growth Index	94,111	95,971
1,285	iShares MSCI EAFE Index Fund	73,433	74,183
166	Vanguard Small Cap Growth ETF	21,535	22,101
214	Vanguard Small Cap Value ETF	24,314	25,894
1,230	Vanguard Value ETF	109,953	114,402
	Total Equity	19.21% <u>363,692</u>	<u>369,767</u>
	Total Exchange-traded Funds	97.33% <u>1,884,906</u>	<u>1,873,637</u>
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
45,480	HB&T Short Term Income Fund	45,480	45,480
	Total Fixed Income	2.36% <u>45,480</u>	<u>45,480</u>
	Total Common Trust Fund	2.36% <u>45,480</u>	<u>45,480</u>
	Total Investments	100.00% <u>\$ 1,936,251</u>	<u>\$ 1,924,982</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Horizon Growth with Risk Assist Fund
December 31, 2016

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
128,468	DWS Govt & Agency Securities Port Service Shares	\$ 128,468	\$ 128,468
	Total Short Term Investment	1.26% 128,468	128,468
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
1,534	iShares Iboxx\$ Inv Grade Corp Bd Fd	188,963	179,754
1,141	iShares Barclays 7-10 Year Treasury Bond	120,136	119,600
2,290	iShares Barclays 1-3 Yr Treas Bond Idx	193,574	193,391
1,033	iShares Iboxx Hi Yld Corporate Bond	88,144	89,406
15,830	Powershares Financial Preferred Portfolio	296,930	284,307
4,612	Spdr Doubleline Ttl Rtn Tactical ETF	225,019	223,175
14,490	Spdr Barclays Short Term HY Bond	398,174	401,083
	Total Fixed Income	14.64% 1,510,940	1,490,716
<i>Equity</i>			
24,113	iShares MSCI Emerging Market Index	890,489	844,196
17,701	iShares S&P 500 Growth Index	2,108,220	2,155,805
29,007	iShares MSCI EAFE Index Fund	1,654,236	1,674,574
3,730	Vanguard Small Cap Growth ETF	482,175	496,612
4,795	Vanguard Small Cap Value ETF	541,784	580,195
27,629	Vanguard Value ETF	2,458,138	2,569,773
	Total Equity	81.70% 8,135,042	8,321,155
	Total Exchange-traded Funds	96.34% 9,645,982	9,811,871
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
244,203	HB&T Short Term Income Fund	244,203	244,203
	Total Fixed Income	2.40% 244,203	244,203
	Total Common Trust Fund	2.40% 244,203	244,203
	Total Investments	100.00% \$ 10,018,653	\$ 10,184,542

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

	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Income					
Interest	\$ 3	\$ 3	\$ 1	\$ 1	\$ 3
Dividends	251,970	242,023	82,969	63,749	238,492
Total income	251,973	242,026	82,970	63,750	238,495
Expenses					
Investment management and administrative	87,228	78,297	24,514	18,154	80,771
Audit	2,326	2,088	654	484	2,154
Other fees	281	282	242	309	307
Class R2 expenses	-	36	610	-	28
Class R3 expenses	4,836	16	141	176	683
Class R4 expenses	4,629	9,379	2,858	729	8,836
Total expenses	99,300	90,098	29,019	19,852	92,779
Net Investment Income	152,673	151,928	53,951	43,898	145,716
Net Realized and Unrealized Gains (Losses) on Investments					
Net realized losses on investments	(154,975)	(136,791)	(28,778)	(3,099)	(187,427)
Net change in unrealized appreciation/ depreciation on investments	332,714	154,954	23,189	2,139	230,341
Net realized and unrealized gains (losses)	177,739	18,163	(5,589)	(960)	42,914
Net Increase in Net Assets Resulting From Operations	\$ 330,412	\$ 170,091	\$ 48,362	\$ 42,938	\$ 188,630

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

	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Operations					
Net investment income	\$ 152,673	\$ 151,928	\$ 53,951	\$ 43,898	\$ 145,716
Net realized losses	(154,975)	(136,791)	(28,778)	(3,099)	(187,427)
Change in unrealized appreciation/ depreciation	332,714	154,954	23,189	2,139	230,341
Net increase in net assets from operations	330,412	170,091	48,362	42,938	188,630
Net Decrease in Net Assets From Participant Transactions	(2,239,070)	(2,048,213)	(1,136,020)	(1,192,386)	(1,737,028)
Decrease in Net Assets	(1,908,658)	(1,878,122)	(1,087,658)	(1,149,448)	(1,548,398)
Net Assets					
Beginning of year	12,772,830	11,327,182	3,870,877	3,075,663	11,723,665
End of year	\$ 10,864,172	\$ 9,449,060	\$ 2,783,219	\$ 1,926,215	\$ 10,175,267

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 five 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, 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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

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
Horizon Focused with Risk Assist Fund	Horizon Investments, LLC
Horizon Moderate with Risk Assist Fund	Horizon Investments, LLC
Horizon Conservative with Risk Assist Fund	Horizon Investments, LLC
Horizon Conservation Plus with Risk Assist Fund	Horizon Investments, LLC
Horizon Growth with Risk Assist Fund	Horizon Investments, LLC

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.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Other Fees	Total Fees
All Horizon Focused Funds					
Class R1	0.15%	0.60%	0.00%	0.02%	0.77%
Class R2	0.15%	0.60%	0.25%	0.02%	1.02%
Class R3	0.15%	0.60%	0.40%	0.02%	1.17%
Class R4	0.15%	0.60%	0.80%	0.02%	1.57%

Note 3: Financial Highlights

	Class R1				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 12.56	\$ 11.74	\$ 11.11	\$ 9.91	\$ 11.66
Net investment income	0.18	0.18	0.20	0.19	0.17
Net realized and unrealized gains (losses)	0.25	0.04	0.01	(0.12)	0.08
Net increase from investment operations	0.43	0.22	0.21	0.07	0.25
Net asset value, end of year	\$ 12.99	\$ 11.96	\$ 11.32	\$ 9.98	\$ 11.91
Total return	3.42%	1.87%	1.89%	0.71%	2.14%
Ratio to average net assets:					
Net investment income	1.40%	1.55%	1.78%	1.87%	1.45%
Expenses	0.78%	0.78%	0.79%	0.79%	0.78%
	Class R2				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 12.57	\$ 11.73	\$ 11.12	\$ 9.90	\$ 11.65
Net investment income	0.18	0.16	0.18	0.19	0.14
Net realized and unrealized gains (losses)	0.24	0.04	0.00	(0.12)	0.04
Net increase from investment operations	0.42	0.20	0.18	0.07	0.18
Net asset value, end of year	\$ 12.99	\$ 11.93	\$ 11.30	\$ 9.97	\$ 11.83
Total return	3.34%	1.71%	1.62%	0.71%	1.55%
Ratio to average net assets:					
Net investment income	1.76%	1.32%	1.55%	1.89%	1.19%
Expenses	0.98%	1.01%	1.02%	0.80%	1.09%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

	Class R3				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 12.39	\$ 11.59	\$ 10.98	\$ 9.76	\$ 11.52
Net investment income	0.13	0.06	0.16	0.15	0.12
Net realized and unrealized gains (losses)	0.23	(0.32)	0.12	(0.12)	0.08
Net increase (decrease) from investment operations	0.36	(0.26)	0.28	0.03	0.20
Net asset value, end of year	\$ 12.75	\$ 11.33	\$ 11.26	\$ 9.79	\$ 11.72
Total return	2.91%	(2.24)%	2.55%	0.31%	1.74%
Ratio to average net assets:					
Net investment income	1.02%	0.55%	1.39%	1.51%	1.07%
Expenses	1.18%	1.91%	1.19%	1.20%	1.18%

	Class R4				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 12.40	\$ 11.61	\$ 11.02	\$ 9.61	\$ 11.50
Net investment income	0.08	0.09	0.11	0.11	0.08
Net realized and unrealized gains (losses)	0.23	0.04	0.01	(0.12)	0.08
Net increase (decrease) from investment operations	0.31	0.13	0.12	(0.01)	0.16
Net asset value, end of year	\$ 12.71	\$ 11.74	\$ 11.14	\$ 9.60	\$ 11.66
Total return	2.50%	1.12%	1.09%	(0.10)%	1.39%
Ratio to average net assets:					
Net investment income	0.63%	0.77%	1.00%	1.16%	0.67%
Expenses	1.59%	1.59%	1.60%	1.60%	1.59%

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

Note 4: Participant Unit Transactions

	Horizon Focused Fund		Horizon Moderate Fund		Horizon Conservative Fund		Horizon Conservation Plus Fund		Horizon Growth Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R1:										
Proceeds from sales of units	209,796	\$ 2,622,584	254,022	\$ 2,998,257	72,091	\$ 813,171	43,650	\$ 437,500	242,308	\$ 2,823,085
Cost of units redeemed	(415,145)	(5,188,697)	(370,994)	(4,365,585)	(191,362)	(2,131,840)	(177,407)	(1,794,110)	(379,419)	(4,402,525)
Net change in Class R1 from participant transactions	<u>(205,349)</u>	<u>(2,566,113)</u>	<u>(116,972)</u>	<u>(1,367,328)</u>	<u>(119,271)</u>	<u>(1,318,669)</u>	<u>(133,757)</u>	<u>(1,356,610)</u>	<u>(137,111)</u>	<u>(1,579,440)</u>
Class R2:										
Proceeds from sales of units	-	-	1,354	15,452	24,987	271,242	-	-	142	1,615
Cost of units redeemed	-	-	(7)	(77)	(114)	(1,284)	-	-	(2,446)	(28,491)
Net change in Class R2 from participant transactions	<u>0</u>	<u>0</u>	<u>1,347</u>	<u>15,375</u>	<u>24,873</u>	<u>269,958</u>	<u>0</u>	<u>0</u>	<u>(2,304)</u>	<u>(26,876)</u>
Class R3:										
Proceeds from sales of units	25,926	317,876	1	-	5,359	59,583	830	8,240	13,249	152,247
Cost of units redeemed	(3,271)	(40,786)	(14,142)	(159,677)	(11,342)	(124,550)	-	-	(5,757)	(65,665)
Net change in Class R3 from participant transactions	<u>22,655</u>	<u>277,090</u>	<u>(14,141)</u>	<u>(159,677)</u>	<u>(5,983)</u>	<u>(64,967)</u>	<u>830</u>	<u>8,240</u>	<u>7,492</u>	<u>86,582</u>
Class R4:										
Proceeds from sales of units	12,909	158,932	14,735	171,228	171	1,887	19,821	190,155	9,385	107,308
Cost of units redeemed	(8,975)	(108,979)	(60,326)	(707,811)	(2,143)	(24,229)	(3,569)	(34,171)	(28,478)	(324,602)
Net change in Class R4 from participant transactions	<u>3,934</u>	<u>49,953</u>	<u>(45,591)</u>	<u>(536,583)</u>	<u>(1,972)</u>	<u>(22,342)</u>	<u>16,252</u>	<u>155,984</u>	<u>(19,093)</u>	<u>(217,294)</u>
Net change in net assets from participant transactions		<u>\$ (2,239,070)</u>		<u>\$ (2,048,213)</u>		<u>\$ (1,136,020)</u>		<u>\$ (1,192,386)</u>		<u>\$ (1,737,028)</u>

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

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

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

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Horizon Focused Fund				
Short Term Investment	\$ 78,789	\$ 78,789	\$ -	\$ -
Exchange-traded Funds - Equity	10,679,161	10,679,161	-	-
Common Trust Fund - Fixed Income (A)	113,160			
Total	<u>\$ 10,871,110</u>			
Horizon Moderate Fund				
Short Term Investment	\$ 49,928	\$ 49,928	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,264,995	3,264,995	-	-
Exchange-traded Funds - Equity	5,966,669	5,966,669	-	-
Common Trust Fund - Fixed Income (A)	172,201			
Total	<u>\$ 9,453,793</u>			
Horizon Conservative Fund				
Short Term Investment	\$ 11,442	\$ 11,442	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,632,416	1,632,416	-	-
Exchange-traded Funds - Equity	1,070,733	1,070,733	-	-
Common Trust Fund - Fixed Income (A)	67,421			
Total	<u>\$ 2,782,012</u>			
Horizon Conservation Plus Fund				
Short Term Investment	\$ 5,865	\$ 5,865	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,503,870	1,503,870	-	-
Exchange-traded Funds - Equity	369,767	369,767	-	-
Common Trust Fund - Fixed Income (A)	45,480			
Total	<u>\$ 1,924,982</u>			

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

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

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Horizon Growth Fund				
Short Term Investment	\$ 128,468	\$ 128,468	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,490,716	1,490,716	-	-
Exchange-traded Funds - Equity	8,321,155	8,321,155	-	-
Common Trust Fund - Fixed Income (A)	244,203			
Total	\$ 10,184,542			

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

Note 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
Horizon Focused with Risk Assist Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Money Market	\$ 3,402,149
Exchange-traded Funds - Equity	42,583,971
Exchange-traded Funds - Fixed Income	3,897,785
Total Investments Purchased	\$ 49,883,905

Sales			
Investment Class	Proceeds	Cost	Loss
Common Trust Funds - Money Market	\$ 3,487,552	\$ 3,487,552	\$ -
Exchange-traded Funds - Equity	43,127,566	43,266,988	(139,422)
Exchange-traded Funds - Fixed Income	5,375,429	5,390,982	(15,553)
Total Investments Sold	\$ 51,990,547	\$ 52,145,522	\$ (154,975)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Horizon Moderate with Risk Assist Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Money Market	\$ 3,650,666
Exchange-traded Funds - Equity	24,408,243
Exchange-traded Funds - Fixed Income	12,360,924
Total Investments Purchased	\$ 40,419,833

Sales			
Investment Class	Proceeds	Cost	Loss
Common Trust Funds - Money Market	\$ 3,724,386	\$ 3,724,386	\$ -
Exchange-traded Funds - Equity	24,695,563	24,754,572	(59,009)
Exchange-traded Funds - Fixed Income	13,854,126	13,931,908	(77,782)
Total Investments Sold	\$ 42,274,075	\$ 42,410,866	\$ (136,791)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Horizon Conservative with Risk Assist Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Money Market	\$ 1,227,357
Exchange-traded Funds - Equity	4,401,692
Exchange-traded Funds - Fixed Income	4,784,077
Total Investments Purchased	\$ 10,413,126

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Money Market	\$ 1,232,597	\$ 1,232,597	\$ -
Exchange-traded Funds - Equity	4,815,402	4,806,373	9,029
Exchange-traded Funds - Fixed Income	5,436,986	5,474,793	(37,807)
Total Investments Sold	\$ 11,484,985	\$ 11,513,763	\$ (28,778)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Horizon Conservation Plus with Risk Assist Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Money Market	\$ 907,754
Exchange-traded Funds - Fixed Income	1,571,296
Exchange-traded Funds - Equity	4,663,813
Total Investments Purchased	\$ 7,142,863

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Common Trust Funds - Money Market	\$ 869,790	\$ 869,790	\$ -
Exchange-traded Funds - Equity	1,833,779	1,825,072	8,707
Exchange-traded Funds - Fixed Income	5,588,136	5,599,942	(11,806)
Total Investments Sold	\$ 8,291,705	\$ 8,294,804	\$ (3,099)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Horizon Growth with Risk Assist Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Common Trust Funds - Money Market	\$ 3,353,243
Exchange-traded Funds - Equity	34,305,195
Exchange-traded Funds - Fixed Income	9,099,837
Total Investments Purchased	\$ 46,758,275

Sales			
Investment Class	Proceeds	Cost	Loss
Common Trust Funds - Money Market	\$ 3,355,727	\$ 3,355,727	\$ -
Exchange-traded Funds - Equity	33,948,013	34,089,641	(141,628)
Exchange-traded Funds - Fixed Income	11,112,811	11,158,610	(45,799)
Total Investments Sold	\$ 48,416,551	\$ 48,603,978	\$ (187,427)