

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

Independent Auditor's Report and Financial Statements

December 31, 2015



# Hand Composite Employee Benefit Trust

## December 31, 2015

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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 (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, 2015, 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, 2015, 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 7, 2016

**Hand Composite Employee Benefit Trust**  
**Statements of Assets and Liabilities – Selected Funds**  
**December 31, 2015**

	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
<b>Assets</b>					
Investments, at cost	\$ 12,847,718	\$ 11,392,938	\$ 3,891,011	\$ 3,090,418	\$ 11,788,953
Investments, at fair value	\$ 12,771,115	\$ 11,329,484	\$ 3,872,161	\$ 3,077,010	\$ 11,724,501
Receivable for:					
Capital shares sold	3,843	3,929	167	804	7,968
Dividends and interest	13,167	7,880	2,193	1,319	9,776
<b>Total assets</b>	<b>\$ 12,788,125</b>	<b>\$ 11,341,293</b>	<b>\$ 3,874,521</b>	<b>\$ 3,079,133</b>	<b>\$ 11,742,245</b>
<b>Liabilities</b>					
Payable for investment securities purchased	\$ 3,822	\$ 3,697	\$ 167	\$ 804	\$ 7,968
Accounts payable and accrued liabilities	11,473	10,414	3,477	2,666	10,612
<b>Total liabilities</b>	<b>\$ 15,295</b>	<b>\$ 14,111</b>	<b>\$ 3,644</b>	<b>\$ 3,470</b>	<b>\$ 18,580</b>
Net assets held for participants:					
Class R1	\$ 11,152,433	\$ 9,809,636	\$ 3,441,438	\$ 2,959,453	\$ 10,403,934
Class R2	13	2,023	681	10	29,845
Class R3	1,029,332	163,874	70,574	39,358	124,717
Class R4	591,052	1,351,649	358,184	76,842	1,165,169
<b>Total net assets held for participants</b>	<b>\$ 12,772,830</b>	<b>\$ 11,327,182</b>	<b>\$ 3,870,877</b>	<b>\$ 3,075,663</b>	<b>\$ 11,723,665</b>
Units outstanding:					
Class R1	887,586	835,826	309,752	298,705	892,380
Class R2	1	172	61	1	2,562
Class R3	83,090	14,142	6,425	4,034	10,830
Class R4	47,663	116,400	32,490	7,998	101,332
<b>Total units outstanding</b>	<b>1,018,340</b>	<b>966,540</b>	<b>348,728</b>	<b>310,738</b>	<b>1,007,104</b>
Net asset value per unit:					
Class R1	\$ 12.56	\$ 11.74	\$ 11.11	\$ 9.91	\$ 11.66
Class R2	\$ 12.57	\$ 11.73	\$ 11.12	\$ 9.90	\$ 11.65
Class R3	\$ 12.39	\$ 11.59	\$ 10.98	\$ 9.76	\$ 11.52
Class R4	\$ 12.40	\$ 11.61	\$ 11.02	\$ 9.61	\$ 11.50

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments**  
**Horizon Focused with Risk Assist Fund**  
**December 31, 2015**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
49,891	Cash Force Bank Insured Deposit Fund	\$ 49,891	\$ 49,891
	Total Short Term Investment	0.39% <u>49,891</u>	<u>49,891</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
17,582	iShares Barclays 1-3 Yr Treas Bond Idx	1,493,197	1,483,218
	Total Fixed Income	11.61% <u>1,493,197</u>	<u>1,483,218</u>
<b><i>Equity</i></b>			
25,531	First Trust Large Cap Core A	1,121,418	1,104,471
21,891	iShares S&P 500 Growth Index	2,452,366	2,534,978
26,132	iShares S&P 500 Value Index	2,350,912	2,313,466
55,791	iShares MSCI ACWI Ex US Index Fund	2,205,978	2,209,882
5,920	Powershares QQQ Series ETF	679,174	662,211
10,862	S & P 500 Depository Receipts	2,296,219	2,214,435
	Total Equity	86.45% <u>11,106,067</u>	<u>11,039,443</u>
	Total Exchange-traded Funds	98.06% <u>12,599,264</u>	<u>12,522,661</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
198,563	HB&T Short Term Income Fund	198,563	198,563
	Total Fixed Income	1.55% <u>198,563</u>	<u>198,563</u>
	Total Common Trust Fund	1.55% <u>198,563</u>	<u>198,563</u>
	Total Investments	100.00% <u>\$ 12,847,718</u>	<u>\$ 12,771,115</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Horizon Moderate with Risk Assist Fund**  
**December 31, 2015**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
89,540	Cash Force Bank Insured Deposit Fund	\$ 89,540	\$ 89,540
	Total Short Term Investment	0.79% <u>89,540</u>	<u>89,540</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
10,652	iShares Barclays Aggregate Bond Fund	1,152,548	1,150,523
18,557	iShares Barclays 1-3 Yr Treas Bond Idx	1,576,149	1,565,469
2,978	iShares S&P Natl AMT-free Bond Fund	329,309	329,694
4,593	iShares Barclays Intermed Credit Bond	497,166	492,737
5,974	iShares Barclays Short Treasury Bond Fd	658,933	658,454
6,750	Spdr Doubleline Ttl Rtn Tactical ETF	335,406	328,050
6,211	Vanguard Total International Bond ETF	329,457	328,438
	Total Fixed Income	42.84% <u>4,878,968</u>	<u>4,853,365</u>
<b><i>Equity</i></b>			
14,201	First Trust Large Cap Core A	624,058	614,335
12,177	iShares S&P 500 Growth Index	1,369,288	1,410,096
14,536	iShares S&P 500 Value Index	1,306,891	1,286,872
31,033	iShares MSCI ACWI Ex US Index Fund	1,227,047	1,229,217
3,293	Powershares QQQ Series ETF	377,155	368,355
6,042	S & P 500 Depository Receipts	1,274,070	1,231,783
	Total Equity	54.20% <u>6,178,509</u>	<u>6,140,658</u>
	Total Exchange-traded Funds	97.04% <u>11,057,477</u>	<u>10,994,023</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
245,921	HB&T Short Term Income Fund	245,921	245,921
	Total Fixed Income	2.17% <u>245,921</u>	<u>245,921</u>
	Total Common Trust Fund	2.17% <u>245,921</u>	<u>245,921</u>
	Total Investments	100.00% <u>\$ 11,392,938</u>	<u>\$ 11,329,484</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Horizon Conservative with Risk Assist Fund**  
**December 31, 2015**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
24,144	Cash Force Bank Insured Deposit Fund	\$ 24,144	\$ 24,144
	Total Short Term Investment	0.62% <u>24,144</u>	<u>24,144</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
6,975	iShares Barclays Aggregate Bond Fund	754,697	753,370
2,126	iShares Barclays 1-3 Yr Treas Bond Idx	180,700	179,349
1,950	iShares S&P Natl AMT-free Bond Fund	215,633	215,885
3,007	iShares Barclays Intermed Credit Bond	325,498	322,591
3,911	iShares Barclays Short Treasury Bond Fd	431,390	431,070
4,419	Spdr Doubleline Ttl Rtn Tactical ETF	219,439	214,763
4,066	Vanguard Total International Bond ETF	215,612	215,010
	Total Fixed Income	60.23% <u>2,342,969</u>	<u>2,332,038</u>
<b><i>Equity</i></b>			
3,338	First Trust Large Cap Core A	146,577	144,402
2,862	iShares S&P 500 Growth Index	321,863	331,420
3,417	iShares S&P 500 Value Index	307,249	302,507
7,294	iShares MSCI ACWI Ex US Index Fund	288,407	288,915
774	Powershares QQQ Series ETF	88,704	86,580
1,420	S & P 500 Depository Receipts	298,438	289,495
	Total Equity	37.27% <u>1,451,238</u>	<u>1,443,319</u>
	Total Exchange-traded Funds	97.50% <u>3,794,207</u>	<u>3,775,357</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
72,660	HB&T Short Term Income Fund	72,660	72,660
	Total Fixed Income	1.88% <u>72,660</u>	<u>72,660</u>
	Total Common Trust Fund	1.88% <u>72,660</u>	<u>72,660</u>
	Total Investments	100.00% <u>\$ 3,891,011</u>	<u>\$ 3,872,161</u>



**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Horizon Conservation Plus with Risk Assist Fund**  
**December 31, 2015**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
8,092	Cash Force Bank Insured Deposit Fund	\$ 8,092	\$ 8,092
	Total Short Term Investment	0.26% <u>8,092</u>	<u>8,092</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
7,926	iShares Barclays Aggregate Bond Fund	857,595	856,087
2,216	iShares S&P Natl AMT-free Bond Fund	245,047	245,333
3,418	iShares Barclays Intermed Credit Bond	369,895	366,683
4,445	iShares Barclays Short Treasury Bond Fd	490,270	489,928
5,022	Spdr Doubleline Ttl Rtn Tactical ETF	249,536	244,069
4,621	Vanguard Total International Bond ETF	244,999	244,358
	Total Fixed Income	79.51% <u>2,457,342</u>	<u>2,446,458</u>
<b><i>Equity</i></b>			
1,422	First Trust Large Cap Core A	62,259	61,516
1,220	iShares S&P 500 Growth Index	136,706	141,276
1,456	iShares S&P 500 Value Index	130,880	128,900
3,108	iShares MSCI ACWI Ex US Index Fund	122,892	123,108
329	Powershares QQQ Series ETF	37,300	36,802
605	S & P 500 Depository Receipts	127,431	123,342
	Total Equity	19.99% <u>617,468</u>	<u>614,944</u>
	Total Exchange-traded Funds	99.50% <u>3,074,810</u>	<u>3,061,402</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
7,516	HB&T Short Term Income Fund	7,516	7,516
	Total Fixed Income	0.24% <u>7,516</u>	<u>7,516</u>
	Total Common Trust Fund	0.24% <u>7,516</u>	<u>7,516</u>
	Total Investments	100.00% <u>\$ 3,090,418</u>	<u>\$ 3,077,010</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Horizon Growth with Risk Assist Fund**  
**December 31, 2015**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
53,065	Cash Force Bank Insured Deposit Fund	\$ 53,065	\$ 53,065
	Total Short Term Investment	0.45% <u>53,065</u>	<u>53,065</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
4,477	iShares Barclays Aggregate Bond Fund	484,413	483,561
25,693	iShares Barclays 1-3 Yr Treas Bond Idx	2,181,969	2,167,461
1,252	iShares S&P Natl AMT-free Bond Fund	138,448	138,609
1,930	iShares Barclays Intermed Credit Bond	208,883	207,050
2,511	iShares Barclays Short Treasury Bond Fd	276,977	276,762
2,837	Spdr Doubleline Ttl Rtn Tactical ETF	140,671	137,878
2,610	Vanguard Total International Bond ETF	138,352	138,017
	Total Fixed Income	30.27% <u>3,569,713</u>	<u>3,549,338</u>
<b><i>Equity</i></b>			
18,213	First Trust Large Cap Core A	801,204	787,894
15,617	iShares S&P 500 Growth Index	1,760,060	1,808,449
18,642	iShares S&P 500 Value Index	1,676,375	1,650,376
39,801	iShares MSCI ACWI Ex US Index Fund	1,573,734	1,576,518
4,223	Powershares QQQ Series ETF	480,839	472,385
7,749	S & P 500 Depository Receipts	1,627,276	1,579,789
	Total Equity	67.18% <u>7,919,488</u>	<u>7,875,411</u>
	Total Exchange-traded Funds	97.45% <u>11,489,201</u>	<u>11,424,749</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
246,687	HB&T Short Term Income Fund	246,687	246,687
	Total Fixed Income	2.10% <u>246,687</u>	<u>246,687</u>
	Total Common Trust Fund	2.10% <u>246,687</u>	<u>246,687</u>
	Total Investments	100.00% <u>\$ 11,788,953</u>	<u>\$ 11,724,501</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Operations – Selected Funds**  
**Year Ended December 31, 2015**

	<b>Horizon Focused Fund</b>	<b>Horizon Moderate Fund</b>	<b>Horizon Conservative Fund</b>	<b>Horizon Conservation Plus Fund</b>	<b>Horizon Growth Fund</b>
<b>Income</b>					
Interest	\$ 4	\$ 3	\$ 2	\$ 1	\$ 4
Dividends	285,025	251,434	85,560	70,515	241,226
Total income	<u>285,029</u>	<u>251,437</u>	<u>85,562</u>	<u>70,516</u>	<u>241,230</u>
<b>Expenses</b>					
Investment management and administrative	93,795	85,074	27,457	21,931	83,278
Audit	2,501	2,269	732	585	2,221
Other fees	219	269	147	177	192
Class R2 expenses	-	1	-	-	11
Class R3 expenses	3,864	659	171	83	380
Class R4 expenses	4,139	8,779	3,197	524	9,783
Total expenses	<u>104,518</u>	<u>97,051</u>	<u>31,704</u>	<u>23,300</u>	<u>95,865</u>
<b>Net Investment Income</b>	<u>180,511</u>	<u>154,386</u>	<u>53,858</u>	<u>47,216</u>	<u>145,365</u>
<b>Net Realized and Unrealized Losses on Investments</b>					
Net realized losses on investments	(699,644)	(330,617)	(95,281)	(69,123)	(567,747)
Net change in unrealized appreciation/ depreciation on investments	<u>(218,555)</u>	<u>(207,589)</u>	<u>(55,583)</u>	<u>(27,537)</u>	<u>(207,033)</u>
Net realized and unrealized losses	<u>(918,199)</u>	<u>(538,206)</u>	<u>(150,864)</u>	<u>(96,660)</u>	<u>(774,780)</u>
<b>Net Decrease in Net Assets Resulting From Operations</b>	<u>\$ (737,688)</u>	<u>\$ (383,820)</u>	<u>\$ (97,006)</u>	<u>\$ (49,444)</u>	<u>\$ (629,415)</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Changes in Net Assets – Selected Funds**  
**Year Ended December 31, 2015**

	<b>Horizon Focused Fund</b>	<b>Horizon Moderate Fund</b>	<b>Horizon Conservative Fund</b>	<b>Horizon Conservation Plus Fund</b>	<b>Horizon Growth Fund</b>
<b>Operations</b>					
Net investment income	\$ 180,511	\$ 154,386	\$ 53,858	\$ 47,216	\$ 145,365
Net realized losses	(699,644)	(330,617)	(95,281)	(69,123)	(567,747)
Change in unrealized appreciation/ depreciation	(218,555)	(207,589)	(55,583)	(27,537)	(207,033)
Net decrease in net assets from operations	(737,688)	(383,820)	(97,006)	(49,444)	(629,415)
<b>Net Increase in Net Assets From Participant Transactions</b>	<b>3,036,791</b>	<b>1,396,716</b>	<b>547,004</b>	<b>621,649</b>	<b>2,977,755</b>
<b>Increase in Net Assets</b>	<b>2,299,103</b>	<b>1,012,896</b>	<b>449,998</b>	<b>572,205</b>	<b>2,348,340</b>
<b>Net Assets</b>					
Beginning of year	10,473,727	10,314,286	3,420,879	2,503,458	9,375,325
End of year	<u>\$ 12,772,830</u>	<u>\$ 11,327,182</u>	<u>\$ 3,870,877</u>	<u>\$ 3,075,663</u>	<u>\$ 11,723,665</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2015

### 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 94 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, 2015

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:

<b>Fund</b>	<b>Investment Management Advisor</b>
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, 2015

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Other Fees	Total Fees
All Horizon Focused Funds					
Class R1	0.15%	0.60%	0.00%	0.05%	0.80%
Class R2	0.15%	0.60%	0.25%	0.05%	1.05%
Class R3	0.15%	0.60%	0.40%	0.05%	1.20%
Class R4	0.15%	0.60%	0.80%	0.05%	1.60%

### 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	\$ 13.23	\$ 12.15	\$ 11.39	\$ 10.05	\$ 12.26
Net investment income	0.20	0.17	0.19	0.18	0.17
Net realized and unrealized losses	(0.87)	(0.58)	(0.47)	(0.32)	(0.77)
Net decrease from investment operations	(0.67)	(0.41)	(0.28)	(0.14)	(0.60)
Net asset value, end of year	\$ 12.56	\$ 11.74	\$ 11.11	\$ 9.91	\$ 11.66
Total return	(5.06)%	(3.37)%	(2.46)%	(1.39)%	(4.89)%
Ratio to average net assets:					
Net investment income	1.51%	1.41%	1.58%	1.61%	1.41%
Expenses	0.77%	0.75%	0.78%	0.76%	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	\$ 13.24	\$ 12.15	\$ 11.39	\$ 10.05	\$ 12.26
Net investment income	0.19	0.29	0.29	0.15	0.47
Net realized and unrealized losses	(0.86)	(0.71)	(0.56)	(0.30)	(1.08)
Net decrease from investment operations	(0.67)	(0.42)	(0.27)	(0.15)	(0.61)
Net asset value, end of year	\$ 12.57	\$ 11.73	\$ 11.12	\$ 9.90	\$ 11.65
Total return	(5.06)%	(3.46)%	(2.37)%	(1.49)%	(4.98)%
Ratio to average net assets:					
Net investment income	1.85%	2.45%	2.62%	1.54%	4.01%
Expenses	0.95%	1.44%	1.30%	0.73%	2.39%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2015

	Class R3				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 13.10	\$ 12.04	\$ 11.31	\$ 9.95	\$ 12.16
Net investment income	0.15	0.13	0.22	0.24	0.16
Net realized and unrealized losses	(0.86)	(0.58)	(0.55)	(0.43)	(0.80)
Net decrease from investment operations	(0.71)	(0.45)	(0.33)	(0.19)	(0.64)
Net asset value, end of year	\$ 12.39	\$ 11.59	\$ 10.98	\$ 9.76	\$ 11.52
Total return	(5.42)%	(3.74)%	(2.92)%	(1.91)%	(5.26)%
Ratio to average net assets:					
Net investment income	1.19%	1.06%	1.99%	2.43%	1.35%
Expenses	1.22%	1.18%	1.56%	1.70%	1.35%

	Class R4				
	Horizon Focused Fund	Horizon Moderate Fund	Horizon Conservative Fund	Horizon Conservation Plus Fund	Horizon Growth Fund
Net asset value, beginning of year	\$ 13.16	\$ 12.12	\$ 11.39	\$ 9.82	\$ 12.19
Net investment income	0.12	0.12	0.06	0.10	0.06
Net realized and unrealized losses	(0.88)	(0.63)	(0.43)	(0.31)	(0.75)
Net decrease from investment operations	(0.76)	(0.51)	(0.37)	(0.21)	(0.69)
Net asset value, end of year	\$ 12.40	\$ 11.61	\$ 11.02	\$ 9.61	\$ 11.50
Total return	(5.78)%	(4.21)%	(3.25)%	(2.14)%	(5.66)%
Ratio to average net assets:					
Net investment income	0.90%	0.97%	0.54%	1.05%	0.48%
Expenses	1.65%	1.71%	1.48%	1.65%	1.50%



**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2015**

**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
<b>Class R1:</b>										
Proceeds from sales of units	516,338	\$ 6,868,139	350,653	\$ 4,247,330	157,260	\$ 1,781,581	159,354	\$ 1,606,783	362,543	\$ 4,406,422
Cost of units redeemed	(320,289)	(4,200,925)	(301,460)	(3,679,345)	(108,878)	(1,234,793)	(107,742)	(1,083,861)	(167,735)	(2,005,064)
Net change in Class R1 from participant transactions	<u>196,049</u>	<u>2,667,214</u>	<u>49,193</u>	<u>567,985</u>	<u>48,382</u>	<u>546,788</u>	<u>51,612</u>	<u>522,922</u>	<u>194,808</u>	<u>2,401,358</u>
<b>Class R2:</b>										
Proceeds from sales of units	-	-	200	2,380	60	674	-	-	2,669	31,390
Cost of units redeemed	-	-	(29)	(340)	-	-	-	-	(108)	(1,288)
Net change in Class R2 from participant transactions	<u>0</u>	<u>0</u>	<u>171</u>	<u>2,040</u>	<u>60</u>	<u>674</u>	<u>0</u>	<u>0</u>	<u>2,561</u>	<u>30,102</u>
<b>Class R3:</b>										
Proceeds from sales of units	22,305	288,176	1,353	16,197	5,894	66,290	3,654	36,104	6,907	83,193
Cost of units redeemed	(8,599)	(114,232)	(404)	(4,690)	-	-	(53)	(527)	(1,310)	(14,750)
Net change in Class R3 from participant transactions	<u>13,706</u>	<u>173,944</u>	<u>949</u>	<u>11,507</u>	<u>5,894</u>	<u>66,290</u>	<u>3,601</u>	<u>35,577</u>	<u>5,597</u>	<u>68,443</u>
<b>Class R4:</b>										
Proceeds from sales of units	37,381	474,390	71,757	871,627	6,579	75,163	10,696	105,228	77,150	935,187
Cost of units redeemed	(21,241)	(278,757)	(4,687)	(56,443)	(12,528)	(141,911)	(4,260)	(42,078)	(38,061)	(457,335)
Net change in Class R4 from participant transactions	<u>16,140</u>	<u>195,633</u>	<u>67,070</u>	<u>815,184</u>	<u>(5,949)</u>	<u>(66,748)</u>	<u>6,436</u>	<u>63,150</u>	<u>39,089</u>	<u>477,852</u>
Net change in net assets from participant transactions		<u>\$ 3,036,791</u>		<u>\$ 1,396,716</u>		<u>\$ 547,004</u>		<u>\$ 621,649</u>		<u>\$ 2,977,755</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2015

### 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 year ended December 31, 2015.

**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, 2015.

**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2015**

	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)
<b>Horizon Focused Fund</b>				
Short Term Investment	\$ 49,891	\$ 49,891	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,483,218	1,483,218	-	-
Exchange-traded Funds - Equity	11,039,443	11,039,443	-	-
Common Trust Fund - Fixed Income (A)	198,563	-	-	-
Total	<u>\$ 12,771,115</u>			
<b>Horizon Moderate Fund</b>				
Short Term Investment	\$ 89,540	\$ 89,540	\$ -	\$ -
Exchange-traded Funds - Fixed Income	4,853,365	4,853,365	-	-
Exchange-traded Funds - Equity	6,140,658	6,140,658	-	-
Common Trust Fund - Fixed Income (A)	245,921	-	-	-
Total	<u>\$ 11,329,484</u>			
<b>Horizon Conservative Fund</b>				
Short Term Investment	\$ 24,144	\$ 24,144	\$ -	\$ -
Exchange-traded Funds - Fixed Income	2,332,038	2,332,038	-	-
Exchange-traded Funds - Equity	1,443,319	1,443,319	-	-
Common Trust Fund - Fixed Income (A)	72,660	-	-	-
Total	<u>\$ 3,872,161</u>			
<b>Horizon Conservation Plus Fund</b>				
Short Term Investment	\$ 8,092	\$ 8,092	\$ -	\$ -
Exchange-traded Funds - Fixed Income	2,446,458	2,446,458	-	-
Exchange-traded Funds - Equity	614,944	614,944	-	-
Common Trust Fund - Fixed Income (A)	7,516	-	-	-
Total	<u>\$ 3,077,010</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, 2015

	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)
<b>Horizon Growth Fund</b>				
Short Term Investment	\$ 53,065	\$ 53,065	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,549,338	3,549,338	-	-
Exchange-traded Funds - Equity	7,875,411	7,875,411	-	-
Common Trust Fund - Fixed Income (A)	246,687	-	-	-
Total	<u>\$ 11,724,501</u>			

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

### Note 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, 2015**

**Purchases**

<b>Investment Class</b>	<b>Cost</b>
Common Trust Funds - Money Market	\$ 4,371,213
Exchange-traded Funds - Equity	53,869,437
Exchange-traded Funds - Fixed Income	<u>1,573,603</u>
Total Investments Purchased	<u>\$ 59,814,253</u>

**Sales**

<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Loss</b>
Common Trust Funds - Money Market	\$ 4,463,311	\$ 4,463,311	\$ -
Exchange-traded Funds - Equity	52,041,347	52,740,597	(699,250)
Exchange-traded Funds - Fixed Income	<u>80,012</u>	<u>80,406</u>	<u>(394)</u>
Total Investments Sold	<u>\$ 56,584,670</u>	<u>\$ 57,284,314</u>	<u>\$ (699,644)</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Horizon Moderate with Risk Assist Fund**  
**Year Ended December 31, 2015**

**Purchases**

Investment Class	Cost
Common Trust Funds - Money Market	\$ 5,497,787
Exchange-traded Funds - Equity	30,538,209
Exchange-traded Funds - Fixed Income	<u>13,723,286</u>
Total Investments Purchased	<u>\$ 49,759,282</u>

**Sales**

Investment Class	Proceeds	Cost	Loss
Common Trust Funds - Money Market	\$ 2,922,294	\$ 2,922,294	\$ -
Exchange-traded Funds - Equity	30,475,429	30,737,573	(262,144)
Exchange-traded Funds - Fixed Income	<u>12,258,191</u>	<u>12,326,664</u>	<u>(68,473)</u>
Total Investments Sold	<u>\$ 45,655,914</u>	<u>\$ 45,986,531</u>	<u>\$ (330,617)</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Horizon Conservative with Risk Assist Fund**  
**Year Ended December 31, 2015**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Common Trust Funds - Money Market	\$ 1,856,240
Exchange-traded Funds - Equity	6,315,504
Exchange-traded Funds - Fixed Income	7,365,388
Total Investments Purchased	\$ 15,537,132

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Loss</b>
Common Trust Funds - Money Market	\$ 1,329,760	\$ 1,329,760	\$ -
Exchange-traded Funds - Equity	6,107,487	6,165,230	(57,743)
Exchange-traded Funds - Fixed Income	6,968,949	7,006,487	(37,538)
Total Investments Sold	\$ 14,406,196	\$ 14,501,477	\$ (95,281)



**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, 2015**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Common Trust Funds - Money Market	\$ 1,657,525
Exchange-traded Funds - Fixed Income	7,855,554
Exchange-traded Funds - Equity	2,629,710
Total Investments Purchased	\$ 12,142,789

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Loss</b>
Common Trust Funds - Money Market	\$ 1,677,269	\$ 1,677,269	\$ -
Exchange-traded Funds - Fixed Income	7,312,778	7,359,459	(46,681)
Exchange-traded Funds - Equity	2,475,633	2,498,075	(22,442)
Total Investments Sold	\$ 11,465,680	\$ 11,534,803	\$ (69,123)

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Horizon Growth with Risk Assist Fund**  
**Year Ended December 31, 2015**

**Purchases**

<b>Investment Class</b>	<b>Cost</b>
Common Trust Funds - Money Market	\$ 5,434,237
Exchange-traded Funds - Equity	39,581,640
Exchange-traded Funds - Fixed Income	<u>8,156,946</u>
Total Investments Purchased	<u>\$ 53,172,823</u>

**Sales**

<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Loss</b>
Common Trust Funds - Money Market	\$ 3,131,570	\$ 3,131,570	\$ -
Exchange-traded Funds - Equity	38,746,349	39,281,056	(534,707)
Exchange-traded Funds - Fixed Income	<u>5,931,302</u>	<u>5,964,342</u>	<u>(33,040)</u>
Total Investments Sold	<u>\$ 47,809,221</u>	<u>\$ 48,376,968</u>	<u>\$ (567,747)</u>