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December 31, 2017

Hand Composite Employee Benefit Trust
HB&T Short Term Income Fund

Dear HB&T Short Term Income Fund Investor,

Hand Benefits & Trust Company has been serving as trustee and manager for the HB&T Short Term Income Fund (“HB&T STIF”) since 1971.

In 2013, the office of the Comptroller of Currency (OCC) published a final rule that revised the requirements imposed on Banks sponsoring short term income funds within their collective investment fund offerings. Pursuant to 12 CFR 9.18(b)(4)(ii)(B), the Short-Term Investment Fund rule became effective July 1, 2013.

The OCC’s new STIF rules include that STIFs have a primary objective to operate with a stable value of \$1.00 per unit and the STIF maintain a dollar-weighted average maturity of 60 days or less (down from 90 days or less from the previous OCC STIF rule). In addition, the OCC added additional administrative procedures and reporting requirements for monthly reporting to Unit holders of this type of fund.

Based on these rules, Hand Benefits & Trust Company’s Investment Review Committee monitors the duration of the portfolio, which currently has a 14-day average maturity. The 12/31/17 valuation is 0.999401 per unit, well within the acceptable range of between \$.9950 per unit value and \$1.00 per unit. During the last 42 years, this fund has maintained the \$1.00 per unit value and we will continue to manage the portfolio to meet these regulatory standards.

In response to the reporting requirements, Hand Benefits & Trust is providing monthly HB&T STIF reports which include the characteristics of the fund on the Institutional Trust Services section of the BPAS website, located in the Notices section. The reporting requirements are also included on the fund’s fact sheet. The report follows here.

Your business is appreciated. If you have any questions about the HB&T STIF, please contact Stephen Hand at (713) 744-3826 or at shand@bpas.com

Sincerely,

Stephen S. Hand
President, CIMA

Solving Tomorrow’s Benefit Challenges Today

BPAS Family of Services: Plan Administration & Recordkeeping Services | TPA Services | Actuarial & Pension Services | VEBA & HRA/HSA Services |

Fiduciary Services AutoRollovers & MyPlanLoan Services | Healthcare Consulting Services | Hand Benefits & Trust, a BPAS Company | BPAS Trust Co of Puerto Rico

BPAS offices in: Rochester, Syracuse, Utica, & New York, NY | Philadelphia & Pittsburgh, PA | Houston, TX | E. Hanover, NJ | San Juan, PR



HB&T SHORT TERM INCOME FUND

Collective Investment Fund 12 CFR 9.18(a)(2)

CUSIP: 41023R578

CUSIP	Description	Maturity Date	Units	Tax Cost	Market Value	Pct of MV
	CASH			\$2,567,724.00	\$2,567,724.00	8.41%
147539845	CASH TRUST MONEY MARKET			\$8,452.00	\$8,452.00	0.03%
94975P405	WELLS FARGO GOVERNMENT MMF-INSTL			\$3,746,178.00	\$3,746,178.00	12.27%
	Commercial Paper / repo Agreements					
03785EA46	APPLE INC A1/P1	01/04/2018	1,000,000.00	\$998,198.00	\$999,874.00	3.27%
06538CAR2	BANK OF TOKYO-MITSUBISHUI UFJ A1/P1	01/25/2018	3,000,000.00	\$2,986,803.00	\$2,997,251.00	9.81%
41282KAK4	HARLEY DAVIDSON A2/P2	01/19/2018	2,000,000.00	\$1,996,036.00	\$1,998,523.00	6.54%
59157UAN0	METLIFE SHORT TERM FUND A1/P1	01/22/2018	3,000,000.00	\$2,988,010.00	\$2,997,745.00	9.82%
65475MA42	NISSAN MOTOR ACCEPTANCE CORP A1/P1	01/04/2018	1,000,000.00	\$997,992.00	\$999,859.00	3.27%
	Guaranteed Contracts					
852320423	UNION BOND & TRUST CO STABLE VALUE FUND		5,165,829.00	\$5,165,829.00	\$5,165,829.00	16.92%
	U S Government Obligations					
912828Q45	UNITED STATES TREASURY NOTES .875%	03/31/2018	2,000,000.00	\$1,998,155.00	\$1,997,500.00	6.54%
912828UJ7	UNITED STATES TREASURY NOTES .75%	01/31/2018	2,000,000.00	\$1,999,631.00	\$1,999,440.00	6.55%
	Common Trust Funds—Fixed Income					
912828PA2	GOLDMAN SACHS STABLE VALUE COLLECTIVE TR IV		5,059,362.00	5,059,362.00	\$5,059,362.00	16.57%
	TOTAL PORTFOLIO			\$30,512,368.00	\$30,537,737.00	100.00%
	SHAREHOLDER UNITS		30,556,042.89			
	MV NAV CALCULATION		0.999401			
	UNIT VALUE		\$1.00			
	WEIGHTED AVERAGE MATURITY		14 days			