

**Hand Composite Employee Benefit Trust
FACETS Funds**

Independent Auditor's Report and Financial Statements

December 31, 2017



Hand Composite Employee Benefit Trust
December 31, 2017

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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 (FACETS Target Retirement NOW Fund, FACETS Target Retirement 2020 Fund, FACETS Target Retirement 2030 Fund, FACETS Target Retirement 2040 Fund, FACETS Target Retirement 2050 Fund, FACETS Lifestyle Aggressive Fund, FACETS Lifestyle Moderate Fund, FACETS Lifestyle Conservative Fund) [eight funds] included in the Hand Composite Employee Benefit Trust ("Trust" or "Funds"), which statements comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2017, 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, 2017, and the results of their operations and 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 25, 2018

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds
December 31, 2017

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Assets				
Investments, at cost	\$ 2,027,394	\$ 4,580,307	\$ 4,141,023	\$ 1,947,708
Investments, at fair value	\$ 2,158,663	\$ 5,270,586	\$ 4,911,335	\$ 2,336,935
Receivable for:				
Capital shares sold	2,957	2,013	4,206	5,098
Total assets	<u>\$ 2,161,620</u>	<u>\$ 5,272,599</u>	<u>\$ 4,915,541</u>	<u>\$ 2,342,033</u>
Liabilities				
Payable for capital shares redeemed	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	<u>2,627</u>	<u>5,892</u>	<u>5,253</u>	<u>2,366</u>
Total liabilities	<u>\$ 2,627</u>	<u>\$ 5,892</u>	<u>\$ 5,253</u>	<u>\$ 2,366</u>
Net assets held for participants:				
Class R5	\$ 2,158,982	\$ 5,266,695	\$ 4,910,276	\$ 2,339,654
Class R6	<u>11</u>	<u>12</u>	<u>12</u>	<u>13</u>
Total net assets held for participants	<u>\$ 2,158,993</u>	<u>\$ 5,266,707</u>	<u>\$ 4,910,288</u>	<u>\$ 2,339,667</u>
Units outstanding:				
Class R5	189,972	446,650	400,925	185,621
Class R6	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total units outstanding	<u>189,973</u>	<u>446,651</u>	<u>400,926</u>	<u>185,622</u>
Net asset value per unit:				
Class R5	<u>\$ 11.36</u>	<u>\$ 11.79</u>	<u>\$ 12.25</u>	<u>\$ 12.60</u>
Class R6	<u>\$ 11.44</u>	<u>\$ 11.87</u>	<u>\$ 12.33</u>	<u>\$ 12.68</u>

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds (Continued)
December 31, 2017

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Assets				
Investments, at cost	\$ 815,774	\$ 6,192,283	\$ 7,769,615	\$ 5,797,559
Investments, at fair value	\$ 964,264	\$ 7,611,115	\$ 9,111,767	\$ 6,483,124
Receivable for:				
Capital shares sold	157	1,048	2,423	1,907
Total assets	\$ 964,421	\$ 7,612,163	\$ 9,114,190	\$ 6,485,031
Liabilities				
Payable for capital shares redeemed	\$ -	\$ 52,019	\$ 75,001	\$ -
Accounts payable and accrued liabilities	878	7,749	9,789	6,465
Total liabilities	\$ 878	\$ 59,768	\$ 84,790	\$ 6,465
Net assets held for participants:				
Class R5	\$ 959,275	\$ 7,321,936	\$ 8,826,280	\$ 6,166,790
Class R6	4,268	230,459	203,120	311,776
Total net assets held for participants	\$ 963,543	\$ 7,552,395	\$ 9,029,400	\$ 6,478,566
Units outstanding:				
Class R5	73,820	486,012	633,346	475,133
Class R6	325	15,088	14,396	23,722
Total units outstanding	74,145	501,100	647,742	498,855
Net asset value per unit:				
Class R5	\$ 12.99	\$ 15.07	\$ 13.94	\$ 12.98
Class R6	\$ 13.12	\$ 15.27	\$ 14.11	\$ 13.14

Hand Composite Employee Benefit Trust
Schedules of Investments
FACETS Target Retirement NOW Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
904	Vanguard Reit Index Fund Adm	\$ 103,414	\$ 106,349
	Total Equity	4.93% <u>103,414</u>	<u>106,349</u>
	Total Mutual Fund	4.93% <u>103,414</u>	<u>106,349</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
94,470	Blackrock US Debt Index Fund M	1,038,461	1,057,593
6,287	Blackrock US Tips Fund M	63,130	64,162
214,870	HB&T Short Term Income Fund	215,870	215,870
	Total Fixed Income	61.96% <u>1,317,461</u>	<u>1,337,625</u>
<i>Equity</i>			
9,935	Blackrock EAFE Equity Index Fund T	187,143	216,730
3,464	Blackrock Emerging Markets Index M	38,164	44,242
2,409	Blackrock Midcap Equity Index Fund K	98,174	118,382
1,328	Blackrock Russell 2000 Index T	46,919	55,808
2,641	Blackrock US Equity Index T	236,119	279,527
	Total Equity	33.11% <u>606,519</u>	<u>714,689</u>
	Total Common Trust Funds	95.07% <u>1,923,980</u>	<u>2,052,314</u>
	Total Investments	100.00% <u>\$ 2,027,394</u>	<u>\$ 2,158,663</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2020 Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
2,174	Vanguard Reit Index Fund Adm	\$ 236,763	\$ 255,520
	Total Equity	4.85% <u>236,763</u>	<u>255,520</u>
	Total Mutual Fund	4.85% <u>236,763</u>	<u>255,520</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
169,494	Blackrock US Debt Index Fund M	1,825,202	1,897,495
10,068	Blackrock US Tips Fund M	100,377	102,747
369,028	HB&T Short Term Income Fund	369,028	369,028
	Total Fixed Income	44.95% <u>2,294,607</u>	<u>2,369,270</u>
<i>Equity</i>			
37,764	Blackrock EAFE Equity Index Fund T	671,882	823,830
10,416	Blackrock Emerging Markets Index M	103,879	133,034
9,567	Blackrock Midcap Equity Index Fund K	339,104	470,100
5,889	Blackrock Russell 2000 Index T	178,098	247,450
9,180	Blackrock US Equity Index T	755,974	971,382
	Total Equity	50.20% <u>2,048,937</u>	<u>2,645,796</u>
	Total Common Trust Funds	95.15% <u>4,343,544</u>	<u>5,015,066</u>
	Total Investments	100.00% <u>\$ 4,580,307</u>	<u>\$ 5,270,586</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2030 Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
2,029	Vanguard Reit Index Fund Adm	\$ 218,663	\$ 238,553
	Total Equity	4.86% <u>218,663</u>	<u>238,553</u>
	Total Mutual Fund	4.86% <u>218,663</u>	<u>238,553</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
109,699	Blackrock US Debt Index Fund M	1,178,251	1,228,080
4,719	Blackrock US Tips Fund M	47,000	48,161
245,672	HB&T Short Term Income Fund	245,672	245,672
	Total Fixed Income	30.99% <u>1,470,923</u>	<u>1,521,913</u>
<i>Equity</i>			
44,748	Blackrock EAFE Equity Index Fund T	794,988	976,191
11,423	Blackrock Emerging Markets Index M	113,544	145,890
11,114	Blackrock Midcap Equity Index Fund K	398,499	546,074
5,920	Blackrock Russell 2000 Index T	178,583	248,761
11,661	Blackrock US Equity Index T	965,823	1,233,953
	Total Equity	64.15% <u>2,451,437</u>	<u>3,150,869</u>
	Total Common Trust Funds	95.14% <u>3,922,360</u>	<u>4,672,782</u>
	Total Investments	100.00% <u>\$ 4,141,023</u>	<u>\$ 4,911,335</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2040 Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
998	Vanguard Reit Index Fund Adm	\$ 112,219	\$ 117,307
	Total Equity	5.02% <u>112,219</u>	<u>117,307</u>
	Total Mutual Fund	5.02% <u>112,219</u>	<u>117,307</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
35,494	Blackrock US Debt Index Fund M	383,559	397,355
70,451	HB&T Short Term Income Fund	<u>70,451</u>	<u>70,451</u>
	Total Fixed Income	20.02% <u>454,010</u>	<u>467,806</u>
<i>Equity</i>			
24,529	Blackrock EAFE Equity Index Fund T	438,464	535,105
6,478	Blackrock Emerging Markets Index M	64,493	82,736
6,451	Blackrock Midcap Equity Index Fund K	238,029	316,967
3,430	Blackrock Russell 2000 Index T	108,733	144,114
6,359	Blackrock US Equity Index T	<u>531,760</u>	<u>672,900</u>
	Total Equity	74.96% <u>1,381,479</u>	<u>1,751,822</u>
	Total Common Trust Funds	94.98% <u>1,835,489</u>	<u>2,219,628</u>
	Total Investments	100.00% <u>\$ 1,947,708</u>	<u>\$ 2,336,935</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2050 Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
412	Vanguard Reit Index Fund Adm	\$ 48,735	\$ 48,407
	Total Equity	5.02% <u>48,735</u>	<u>48,407</u>
	Total Mutual Fund	5.02% <u>48,735</u>	<u>48,407</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
7,754	Blackrock US Debt Index Fund M	85,244	86,811
29,046	HB&T Short Term Income Fund	29,046	29,046
	Total Fixed Income	12.02% <u>114,290</u>	<u>115,857</u>
<i>Equity</i>			
10,988	Blackrock EAFE Equity Index Fund T	200,856	239,705
3,055	Blackrock Emerging Markets Index M	31,160	39,018
2,965	Blackrock Midcap Equity Index Fund K	116,317	145,706
1,575	Blackrock Russell 2000 Index T	51,246	66,184
2,924	Blackrock US Equity Index T	253,170	309,387
	Total Equity	82.96% <u>652,749</u>	<u>800,000</u>
	Total Common Trust Funds	94.98% <u>767,039</u>	<u>915,857</u>
	Total Investments	100.00% <u>\$ 815,774</u>	<u>\$ 964,264</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Aggressive Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
3,251	Vanguard Reit Index Fund Adm	\$ 363,197	\$ 382,113
	Total Equity	5.02% <u>363,197</u>	<u>382,113</u>
	Total Mutual Fund	5.02% <u>363,197</u>	<u>382,113</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
81,610	Blackrock US Debt Index Fund M	879,363	913,625
228,574	HB&T Short Term Income Fund	228,574	228,574
	Total Fixed Income	15.01% <u>1,107,937</u>	<u>1,142,199</u>
<i>Equity</i>			
84,104	Blackrock EAFE Equity Index Fund T	1,482,242	1,834,739
24,116	Blackrock Emerging Markets Index M	231,481	308,009
22,712	Blackrock Midcap Equity Index Fund K	819,659	1,115,973
11,893	Blackrock Russell 2000 Index T	368,098	499,715
22,004	Blackrock US Equity Index T	1,819,669	2,328,367
	Total Equity	79.97% <u>4,721,149</u>	<u>6,086,803</u>
	Total Common Trust Funds	94.98% <u>5,829,086</u>	<u>7,229,002</u>
	Total Investments	100.00% <u>\$ 6,192,283</u>	<u>\$ 7,611,115</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Moderate Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
3,800	Vanguard Reit Index Fund Adm	\$ 407,977	\$ 446,746
	Total Equity	4.90% <u>407,977</u>	<u>446,746</u>
	Total Mutual Fund	4.90% <u>407,977</u>	<u>446,746</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
268,612	Blackrock US Debt Index Fund M	2,881,980	3,007,121
17,644	Blackrock US Tips Fund M	175,447	180,058
455,799	HB&T Short Term Income Fund	455,799	455,799
	Total Fixed Income	39.98% <u>3,513,226</u>	<u>3,642,978</u>
<i>Equity</i>			
71,306	Blackrock EAFE Equity Index Fund T	1,258,997	1,555,541
18,286	Blackrock Emerging Markets Index M	167,485	233,555
17,569	Blackrock Midcap Equity Index Fund K	609,204	863,282
10,593	Blackrock Russell 2000 Index T	313,961	445,123
18,188	Blackrock US Equity Index T	1,498,765	1,924,542
	Total Equity	55.12% <u>3,848,412</u>	<u>5,022,043</u>
	Total Common Trust Funds	95.10% <u>7,361,638</u>	<u>8,665,021</u>
	Total Investments	100.00% <u>\$ 7,769,615</u>	<u>\$ 9,111,767</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Conservative Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Mutual Fund</u></i>			
<i>Equity</i>			
2,686	Vanguard Reit Index Fund Adm	\$ 291,815	\$ 315,707
	Total Equity	4.87% <u>291,815</u>	<u>315,707</u>
	Total Mutual Fund	4.87% <u>291,815</u>	<u>315,707</u>
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
283,713	Blackrock US Debt Index Fund M	3,057,521	3,176,178
18,663	Blackrock US Tips Fund M	185,640	190,450
648,596	HB&T Short Term Income Fund	648,596	648,596
	Total Fixed Income	61.93% <u>3,891,757</u>	<u>4,015,224</u>
<i>Equity</i>			
30,113	Blackrock EAFE Equity Index Fund T	502,847	656,925
10,282	Blackrock Emerging Markets Index M	103,018	131,319
7,275	Blackrock Midcap Equity Index Fund K	242,231	357,449
3,975	Blackrock Russell 2000 Index T	112,542	167,045
7,933	Blackrock US Equity Index T	653,349	839,455
	Total Equity	33.20% <u>1,613,987</u>	<u>2,152,193</u>
	Total Common Trust Funds	95.13% <u>5,505,744</u>	<u>6,167,417</u>
	Total Investments	100.00% <u>\$ 5,797,559</u>	<u>\$ 6,483,124</u>

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds
Year Ended December 31, 2017

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Income				
Dividends	\$ 7,272	\$ 15,203	\$ 12,768	\$ 5,664
Expenses				
Investment management and administrative	2,375	5,216	4,591	2,034
Class R5 expenses	5,265	11,568	10,186	4,513
Audit	2,097	4,607	4,058	1,798
Other fees	35	65	28	5
Total expenses	9,772	21,456	18,863	8,350
Net Investment Loss	(2,500)	(6,253)	(6,095)	(2,686)
Net Realized and Unrealized Gains (Losses)				
on Investments				
Net realized gains on investments	238,300	299,772	251,009	102,495
Net change in unrealized appreciation/ depreciation on investments	(23,262)	326,702	427,783	238,151
Net realized and unrealized gains	215,038	626,474	678,792	340,646
Net Increase in Net Assets Resulting From Operations	\$ 212,538	\$ 620,221	\$ 672,697	\$ 337,960

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds (Continued)
Year Ended December 31, 2017

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Income				
Dividends	\$ 2,135	\$ 18,403	\$ 23,792	\$ 18,620
Expenses				
Investment management and administrative	727	6,708	8,581	5,583
Class R5 expenses	1,604	14,434	18,705	11,843
Audit	644	5,932	7,587	4,938
Other fees	4	5	28	-
Total expenses	<u>2,979</u>	<u>27,079</u>	<u>34,901</u>	<u>22,364</u>
Net Investment Loss	<u>(844)</u>	<u>(8,676)</u>	<u>(11,109)</u>	<u>(3,744)</u>
Net Realized and Unrealized Gains on Investments				
Net realized gains on investments	30,307	294,706	376,612	109,386
Net change in unrealized appreciation/ depreciation on investments	<u>102,674</u>	<u>896,465</u>	<u>765,922</u>	<u>396,889</u>
Net realized and unrealized gains	<u>132,981</u>	<u>1,191,171</u>	<u>1,142,534</u>	<u>506,275</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 132,137</u>	<u>\$ 1,182,495</u>	<u>\$ 1,131,425</u>	<u>\$ 502,531</u>

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds
Year Ended December 31, 2017

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Operations				
Net investment loss	\$ (2,500)	\$ (6,253)	\$ (6,095)	\$ (2,686)
Net realized gains	238,300	299,772	251,009	102,495
Change in unrealized appreciation/depreciation	<u>(23,262)</u>	<u>326,702</u>	<u>427,783</u>	<u>238,151</u>
Net increase in net assets from operations	212,538	620,221	672,697	337,960
Net Decrease in Net Assets From Participant Transactions	<u>(1,628,687)</u>	<u>(2,428,145)</u>	<u>(1,279,267)</u>	<u>(321,119)</u>
Increase (Decrease) in Net Assets	(1,416,149)	(1,807,924)	(606,570)	16,841
Net Assets				
Beginning of year	<u>3,575,142</u>	<u>7,074,631</u>	<u>5,516,858</u>	<u>2,322,826</u>
End of year	<u>\$ 2,158,993</u>	<u>\$ 5,266,707</u>	<u>\$ 4,910,288</u>	<u>\$ 2,339,667</u>

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds (Continued)
Year Ended December 31, 2017

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Operations				
Net investment loss	\$ (844)	\$ (8,676)	\$ (11,109)	\$ (3,744)
Net realized gains	30,307	294,706	376,612	109,386
Change in unrealized appreciation/depreciation	<u>102,674</u>	<u>896,465</u>	<u>765,922</u>	<u>396,889</u>
Net increase in net assets from operations	132,137	1,182,495	1,131,425	502,531
Net Increase (Decrease) in Net Assets From Participant Transactions	<u>112,944</u>	<u>(1,039,817)</u>	<u>(2,044,460)</u>	<u>183,287</u>
Increase (Decrease) in Net Assets	245,081	142,678	(913,035)	685,818
Net Assets				
Beginning of year	<u>718,462</u>	<u>7,409,717</u>	<u>9,942,435</u>	<u>5,792,748</u>
End of year	<u>\$ 963,543</u>	<u>\$ 7,552,395</u>	<u>\$ 9,029,400</u>	<u>\$ 6,478,566</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

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 105 funds (the Funds); the financial statements of eight 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 recorded on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are determined using the identified cost basis.

Investment Income and Distribution of Income

Dividend income less foreign taxes withheld, if any, is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Funds

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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 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 May 25, 2018, 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 Advisors
FACETS Target Retirement NOW Fund	Hand Benefits and Trust Company
FACETS Target Retirement 2020 Fund	Hand Benefits and Trust Company
FACETS Target Retirement 2030 Fund	Hand Benefits and Trust Company
FACETS Target Retirement 2040 Fund	Hand Benefits and Trust Company
FACETS Target Retirement 2050 Fund	Hand Benefits and Trust Company
FACETS Lifestyle Aggressive Fund	Hand Benefits and Trust Company
FACETS Lifestyle Moderate Fund	Hand Benefits and Trust Company
FACETS Lifestyle Conservative Fund	Hand Benefits and Trust Company

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.

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

Fund	Administrative Fees	Investment	Service Fees	Other Fees	Total Fees
		Advisory Fees			
All FACETS Funds					
Class R5	0.09%	0.00%	0.20%	0.08%	0.37%
Class R6	0.09%	0.00%	0.00%	0.08%	0.17%

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Note 3: Financial Highlights

Class R5

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Net asset value, beginning of year	\$ 10.46	\$ 10.60	\$ 10.73	\$ 10.86	\$ 11.05	\$ 12.85	\$ 12.37	\$ 11.97
Net investment loss	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)
Net realized and unrealized gains	0.91	1.20	1.53	1.75	1.95	2.24	1.59	1.02
Net increase from investment operations	0.90	1.19	1.52	1.74	1.94	2.22	1.57	1.01
Net asset value, end of year	<u>\$ 11.36</u>	<u>\$ 11.79</u>	<u>\$ 12.25</u>	<u>\$ 12.60</u>	<u>\$ 12.99</u>	<u>\$ 15.07</u>	<u>\$ 13.94</u>	<u>\$ 12.98</u>
Total return	8.60%	11.23%	14.17%	16.02%	17.56%	17.28%	12.69%	8.44%
Ratio to average net assets:								
Net investment loss	(0.10)%	(0.11)%	(0.12)%	(0.12)%	(0.11)%	(0.15)%	(0.14)%	(0.12)%
Expenses	0.37%	0.38%	0.37%	0.37%	0.36%	0.32%	0.33%	0.31%

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Class R6

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Net asset value, beginning of year	\$ 10.51	\$ 10.65	\$ 10.78	\$ 10.90	\$ 11.13	\$ 13.00	\$ 12.50	\$ 12.09
Net investment income	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02
Net realized and unrealized gains	<u>0.92</u>	<u>1.21</u>	<u>1.54</u>	<u>1.77</u>	<u>1.98</u>	<u>2.26</u>	<u>1.60</u>	<u>1.03</u>
Net increase from investment operations	<u>0.93</u>	<u>1.22</u>	<u>1.55</u>	<u>1.78</u>	<u>1.99</u>	<u>2.27</u>	<u>1.61</u>	<u>1.05</u>
Net asset value, end of year	<u>\$ 11.44</u>	<u>\$ 11.87</u>	<u>\$ 12.33</u>	<u>\$ 12.68</u>	<u>\$ 13.12</u>	<u>\$ 15.27</u>	<u>\$ 14.11</u>	<u>\$ 13.14</u>
Total return	8.85%	11.46%	14.38%	16.33%	17.88%	17.46%	12.88%	8.68%
Ratio to average net assets:								
Net investment income	0.13%	0.11%	0.09%	0.08%	0.06%	0.08%	0.10%	0.14%
Expenses	0.22%	0.20%	0.19%	0.17%	0.10%	0.17%	0.21%	0.18%

Hand Composite Employee Benefit Trust
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Note 4: Participant Unit Transactions

	FACETS Target Retirement NOW Fund		FACETS Target Retirement 2020 Fund		FACETS Target Retirement 2030 Fund		FACETS Target Retirement 2040 Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R5:								
Proceeds from sales of units	102,835	\$ 1,125,277	35,809	\$ 399,271	44,676	\$ 512,919	39,457	\$ 460,651
Cost of units redeemed	<u>(254,503)</u>	<u>(2,753,964)</u>	<u>(256,708)</u>	<u>(2,827,416)</u>	<u>(157,870)</u>	<u>(1,792,186)</u>	<u>(67,760)</u>	<u>(781,770)</u>
Net change in Class R5 from participant transactions	<u><u>(151,668)</u></u>	<u><u>(1,628,687)</u></u>	<u><u>(220,899)</u></u>	<u><u>(2,428,145)</u></u>	<u><u>(113,194)</u></u>	<u><u>(1,279,267)</u></u>	<u><u>(28,303)</u></u>	<u><u>(321,119)</u></u>
Class R6:								
Proceeds from sales of units	-	-	-	-	-	-	-	-
Cost of units redeemed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Class R6 from participant transactions	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Net change in total net assets from participant transactions		<u><u>\$ (1,628,687)</u></u>		<u><u>\$ (2,428,145)</u></u>		<u><u>\$ (1,279,267)</u></u>		<u><u>\$ (321,119)</u></u>

Hand Composite Employee Benefit Trust
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	FACETS Target Retirement 2050 Fund		FACETS Lifestyle Aggressive Fund		FACETS Lifestyle Moderate Fund		FACETS Lifestyle Conservative Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R5:								
Proceeds from sales of units	27,575	\$ 333,339	51,494	\$ 709,314	64,761	\$ 853,254	41,885	\$ 522,616
Cost of units redeemed	<u>(18,259)</u>	<u>(217,957)</u>	<u>(124,866)</u>	<u>(1,718,889)</u>	<u>(223,565)</u>	<u>(2,940,437)</u>	<u>(30,776)</u>	<u>(387,806)</u>
Net change in Class R5 from participant transactions	<u>9,316</u>	<u>115,382</u>	<u>(73,372)</u>	<u>(1,009,575)</u>	<u>(158,804)</u>	<u>(2,087,183)</u>	<u>11,109</u>	<u>134,810</u>
Class R6:								
Proceeds from sales of units	-	-	4,314	60,112	3,738	50,143	3,835	48,477
Cost of units redeemed	<u>(190)</u>	<u>(2,438)</u>	<u>(6,441)</u>	<u>(90,354)</u>	<u>(560)</u>	<u>(7,420)</u>	<u>-</u>	<u>-</u>
Net change in Class R6 from participant transactions	<u>(190)</u>	<u>(2,438)</u>	<u>(2,127)</u>	<u>(30,242)</u>	<u>3,178</u>	<u>42,723</u>	<u>3,835</u>	<u>48,477</u>
Net change in total net assets from participant transactions		<u>\$ 112,944</u>		<u>\$ (1,039,817)</u>		<u>\$ (2,044,460)</u>		<u>\$ 183,287</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

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, 2017.

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

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, 2017.

	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)
FACETS Target Retirement NOW Fund				
Mutual Fund - Equity	\$ 106,349	\$ 106,349	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	1,337,625			
Common Trust Funds - Equity (A)	714,689			
Total	<u>\$ 2,158,663</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

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	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)
FACETS Target Retirement 2020 Fund				
Mutual Fund - Equity	\$ 255,520	\$ 255,520	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	2,369,270			
Common Trust Funds - Equity (A)	<u>2,645,796</u>			
Total	<u>\$ 5,270,586</u>			
FACETS Target Retirement 2030 Fund				
Mutual Fund - Equity	\$ 238,553	\$ 238,553	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	1,521,913			
Common Trust Funds - Equity (A)	<u>3,150,869</u>			
Total	<u>\$ 4,911,335</u>			
FACETS Target Retirement 2040 Fund				
Mutual Fund - Equity	\$ 117,307	\$ 117,307	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	467,806			
Common Trust Funds - Equity (A)	<u>1,751,822</u>			
Total	<u>\$ 2,336,935</u>			
FACETS Target Retirement 2050 Fund				
Mutual Fund - Equity	\$ 48,407	\$ 48,407	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	115,857			
Common Trust Funds - Equity (A)	<u>800,000</u>			
Total	<u>\$ 964,264</u>			
FACETS Lifestyle Aggressive Fund				
Mutual Fund - Equity	\$ 382,113	\$ 382,113	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	1,142,199			
Common Trust Funds - Equity (A)	<u>6,086,803</u>			
Total	<u>\$ 7,611,115</u>			
FACETS Lifestyle Moderate Fund				
Mutual Fund - Equity	\$ 446,746	\$ 446,746	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	3,642,978			
Common Trust Funds - Equity (A)	<u>5,022,043</u>			
Total	<u>\$ 9,111,767</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.

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	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)
FACETS Lifestyle Conservative Fund				
Mutual Fund - Equity	\$ 315,707	\$ 315,707	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	4,015,224			
Common Trust Funds - Equity (A)	<u>2,152,193</u>			
Total	<u>\$ 6,483,124</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 changes 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
FACETS Target Retirement NOW Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 53,272
Common Trust Funds - Fixed Income	2,596,171
Common Trust Funds - Equity	365,611
Total Investments Purchased	\$ 3,015,054

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 133,920	\$ 119,147	\$ 14,773
Common Trust Funds - Fixed Income	3,489,422	3,429,415	60,007
Common Trust Funds - Equity	1,022,185	858,665	163,520
Total Investments Sold	\$ 4,645,527	\$ 4,407,227	\$ 238,300

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2020 Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 30,822
Common Trust Funds - Fixed Income	2,218,950
Common Trust Funds - Equity	243,344
Total Investments Purchased	\$ 2,493,116

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 140,524	\$ 122,208	\$ 18,316
Common Trust Funds - Fixed Income	3,210,090	3,155,542	54,548
Common Trust Funds - Equity	1,575,338	1,348,430	226,908
Total Investments Sold	\$ 4,925,952	\$ 4,626,180	\$ 299,772

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2030 Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 32,514
Common Trust Funds - Fixed Income	1,992,685
Common Trust Funds - Equity	358,848
Total Investments Purchased	\$ 2,384,047

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 75,101	\$ 65,339	\$ 9,762
Common Trust Funds - Fixed Income	2,251,507	2,233,604	17,903
Common Trust Funds - Equity	1,343,055	1,119,711	223,344
Total Investments Sold	\$ 3,669,663	\$ 3,418,654	\$ 251,009

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2040 Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 32,944
Common Trust Funds - Fixed Income	822,106
Common Trust Funds - Equity	289,835
Total Investments Purchased	\$ 1,144,885

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 35,333	\$ 30,833	\$ 4,500
Common Trust Funds - Fixed Income	836,419	833,474	2,945
Common Trust Funds - Equity	595,285	500,235	95,050
Total Investments Sold	\$ 1,467,037	\$ 1,364,542	\$ 102,495

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2050 Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 20,431
Common Trust Funds - Fixed Income	450,127
Common Trust Funds - Equity	254,281
Total Investments Purchased	\$ 724,839

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Mutual Funds - Equity	\$ 8,167	\$ 8,254	\$ (87)
Common Trust Funds - Fixed Income	431,012	430,888	124
Common Trust Funds - Equity	172,548	142,278	30,270
Total Investments Sold	\$ 611,727	\$ 581,420	\$ 30,307

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Aggressive Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 87,428
Common Trust Funds - Fixed Income	2,067,243
Common Trust Funds - Equity	633,326
Total Investments Purchased	\$ 2,787,997

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 88,104	\$ 76,726	\$ 11,378
Common Trust Funds - Fixed Income	2,074,553	2,070,239	4,314
Common Trust Funds - Equity	1,618,271	1,339,257	279,014
Total Investments Sold	\$ 3,780,928	\$ 3,486,222	\$ 294,706

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Moderate Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 28,684
Common Trust Funds - Fixed Income	3,783,663
Common Trust Funds - Equity	369,032
Total Investments Purchased	\$ 4,181,379

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 90,740	\$ 79,222	\$ 11,518
Common Trust Funds - Fixed Income	4,258,801	4,212,124	46,677
Common Trust Funds - Equity	1,809,244	1,490,827	318,417
Total Investments Sold	\$ 6,158,785	\$ 5,782,173	\$ 376,612

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Conservative Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 23,092
Common Trust Funds - Fixed Income	2,008,377
Common Trust Funds - Equity	193,220
Total Investments Purchased	\$ 2,224,689

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 2,845	\$ 2,481	\$ 364
Common Trust Funds - Fixed Income	1,693,040	1,672,097	20,943
Common Trust Funds - Equity	322,843	234,764	88,079
Total Investments Sold	\$ 2,018,728	\$ 1,909,342	\$ 109,386