

Hand Composite Employee Benefit Trust
FACETS Funds

Independent Auditor's Report and Financial Statements
December 31, 2019



Hand Composite Employee Benefit Trust

December 31, 2019

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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 and 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, 2019, 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, 2019, 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 22, 2020

Hand Composite Employee Benefit Trust

Statements of Assets and Liabilities – Selected Funds

December 31, 2019

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Assets				
Investments, at cost	\$ 4,797	\$ 1,535,676	\$ 444	\$ 25,516
Investments, at fair value	\$ 4,797	\$ 1,867,707	\$ 444	\$ 27,736
Cash	414	-	-	-
Receivable for:				
Advisory fees	-	-	265	-
Capital shares sold	-	-	-	-
Total assets	<u>\$ 5,211</u>	<u>\$ 1,867,707</u>	<u>\$ 709</u>	<u>\$ 27,736</u>
Liabilities				
Payable for capital shares redeemed	\$ 23	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	<u>538</u>	<u>1,985</u>	<u>679</u>	<u>275</u>
Total liabilities	<u>\$ 561</u>	<u>\$ 1,985</u>	<u>\$ 679</u>	<u>\$ 275</u>
Net assets held for participants:				
Class R5	\$ 4,637	\$ 1,865,709	\$ 15	\$ 27,446
Class R6	<u>13</u>	<u>13</u>	<u>15</u>	<u>15</u>
Total net assets held for participants	<u>\$ 4,650</u>	<u>\$ 1,865,722</u>	<u>\$ 30</u>	<u>\$ 27,461</u>
Units outstanding:				
Class R5	363	142,416	1	1,906
Class R6	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total units outstanding	<u>364</u>	<u>142,417</u>	<u>2</u>	<u>1,907</u>
Net asset value per unit:				
Class R5	<u>\$ 12.78</u>	<u>\$ 13.10</u>	<u>\$ 13.11</u>	<u>\$ 14.40</u>
Class R6	<u>\$ 12.95</u>	<u>\$ 13.24</u>	<u>\$ 13.10</u>	<u>\$ 14.56</u>

Hand Composite Employee Benefit Trust

Statements of Assets and Liabilities – Selected Funds (Continued)

December 31, 2019

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Assets				
Investments, at cost	\$ 31,611	\$ 2,222,290	\$ 3,585,412	\$ 3,640,525
Investments, at fair value	\$ 34,390	\$ 2,869,057	\$ 4,376,991	\$ 4,305,183
Cash	-	-	-	-
Receivable for:				
Investment securities sold	-	-	-	-
Capital shares sold	-	748	1,033	1,320
Total assets	\$ 34,390	\$ 2,869,805	\$ 4,378,024	\$ 4,306,503
Liabilities				
Payable for capital shares redeemed	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	145	5,415	6,291	4,506
Total liabilities	\$ 145	\$ 5,415	\$ 6,291	\$ 4,506
Net assets held for participants:				
Class R5	\$ 34,230	\$ 2,809,449	\$ 4,064,644	\$ 3,843,908
Class R6	15	54,941	307,089	458,089
Total net assets held for participants	\$ 34,245	\$ 2,864,390	\$ 4,371,733	\$ 4,301,997
Units outstanding:				
Class R5	2,299	163,095	260,188	266,293
Class R6	1	3,158	19,316	31,217
Total units outstanding	2,300	166,253	279,504	297,510
Net asset value per unit:				
Class R5	\$ 14.89	\$ 17.22	\$ 15.62	\$ 14.43
Class R6	\$ 15.01	\$ 17.39	\$ 15.90	\$ 14.67

Hand Composite Employee Benefit Trust
Schedules of Investments
FACETS Target Retirement NOW Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Common Trust Fund</i></u>			
<i>Fixed Income</i>			
4,797	HB&T Short Term Income Fund	\$ 4,797	\$ 4,797
	Total Fixed Income	100.00% 4,797	4,797
	Total Common Trust Fund	100.00% 4,797	4,797
	Total Investments	100.00% \$ 4,797	\$ 4,797

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2020 Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Mutual Fund</i></u>			
<i>Equity</i>			
683	Vanguard Real Estate Index Fund Adm	\$ 77,732	\$ 89,806
	Total Equity	4.81% 77,732	89,806
	Total Mutual Fund	4.81% 77,732	89,806
<u><i>Common Trust Funds</i></u>			
<i>Fixed Income</i>			
55,707	Blackrock US Debt Index Fund M	614,312	678,412
6,553	Blackrock US Tips Fund M	66,072	71,699
96,583	HB&T Short Term Income Fund	96,583	96,583
	Total Fixed Income	45.33% 776,967	846,694
<i>Equity</i>			
12,472	Blackrock EAFE Equity Index Fund T	249,093	288,112
3,860	Blackrock Emerging Markets Index M	47,597	49,726
2,961	Blackrock Midcap Equity Index Fund K	111,151	163,250
1,773	Blackrock Russell 2000 Index T	56,900	83,425
2,605	Blackrock US Equity Index T	216,236	346,694
	Total Equity	49.86% 680,977	931,207
	Total Common Trust Funds	95.19% 1,457,944	1,777,901
	Total Investments	100.00% \$ 1,535,676	\$ 1,867,707

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2030 Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Common Trust Fund</i></u>			
<i>Fixed Income</i>			
444 HB&T Short Term Income Fund		\$ 444	\$ 444
Total Fixed Income	100.00%	<u>444</u>	<u>444</u>
Total Common Trust Fund	100.00%	<u>444</u>	<u>444</u>
Total Investments	100.00%	<u>\$ 444</u>	<u>\$ 444</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2040 Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Mutual Fund</i></u>			
<i>Equity</i>			
10	Vanguard Real Estate Index Fund Adm	\$ 1,258	\$ 1,314
	Total Equity	4.74% 1,258	1,314
	Total Mutual Fund	4.74% 1,258	1,314
<u><i>Common Trust Funds</i></u>			
<i>Fixed Income</i>			
383	Blackrock US Debt Index Fund M	4,553	4,670
716	HB&T Short Term Income Fund	716	716
	Total Fixed Income	19.42% 5,269	5,386
<i>Equity</i>			
267	Blackrock EAFE Equity Index Fund T	5,634	6,172
78	Blackrock Emerging Markets Index M	908	1,008
69	Blackrock Midcap Equity Index Fund K	3,505	3,817
37	Blackrock Russell 2000 Index T	1,595	1,752
62	Blackrock US Equity Index T	7,347	8,287
	Total Equity	75.84% 18,989	21,036
	Total Common Trust Funds	95.26% 24,258	26,422
	Total Investments	100.00% \$ 25,516	\$ 27,736

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Target Retirement 2050 Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Mutual Fund</i></u>			
<i>Equity</i>			
12 Vanguard Real Estate Index Fund Adm		\$ 1,522	\$ 1,616
Total Equity	4.70%	<u>1,522</u>	<u>1,616</u>
Total Mutual Fund	4.70%	<u>1,522</u>	<u>1,616</u>
<u><i>Common Trust Funds</i></u>			
<i>Fixed Income</i>			
237 Blackrock US Debt Index Fund M		2,780	2,882
883 HB&T Short Term Income Fund		883	883
Total Fixed Income	10.95%	<u>3,663</u>	<u>3,765</u>
<i>Equity</i>			
366 Blackrock EAFE Equity Index Fund T		7,767	8,450
111 Blackrock Emerging Markets Index M		1,298	1,424
96 Blackrock Midcap Equity Index Fund K		4,917	5,295
52 Blackrock Russell 2000 Index T		2,260	2,438
86 Blackrock US Equity Index T		10,184	11,402
Total Equity	84.35%	<u>26,426</u>	<u>29,009</u>
Total Common Trust Funds	95.30%	<u>30,089</u>	<u>32,774</u>
Total Investments	100.00%	<u>\$ 31,611</u>	<u>\$ 34,390</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Aggressive Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Mutual Fund</i></u>			
<i>Equity</i>			
1,059	Vanguard Real Estate Index Fund Adm	\$ 122,554	\$ 139,338
	Total Equity	4.86% 122,554	139,338
	Total Mutual Fund	4.86% 122,554	139,338
<u><i>Common Trust Funds</i></u>			
<i>Fixed Income</i>			
26,765	Blackrock US Debt Index Fund M	300,156	325,952
110,901	HB&T Short Term Income Fund	110,901	110,901
	Total Fixed Income	15.23% 411,057	436,853
<i>Equity</i>			
29,635	Blackrock EAFE Equity Index Fund T	585,022	684,592
9,136	Blackrock Emerging Markets Index M	109,518	117,675
7,628	Blackrock Midcap Equity Index Fund K	301,333	420,508
4,015	Blackrock Russell 2000 Index T	139,531	188,913
6,621	Blackrock US Equity Index T	553,275	881,178
	Total Equity	79.91% 1,688,679	2,292,866
	Total Common Trust Funds	95.14% 2,099,736	2,729,719
	Total Investments	100.00% \$ 2,222,290	\$ 2,869,057

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Moderate Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Mutual Fund</u>			
<i>Equity</i>			
1,657	Vanguard Real Estate Index Fund Adm	\$ 192,527	\$ 218,093
	Total Equity	4.98% 192,527	218,093
	Total Mutual Fund	4.98% 192,527	218,093
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
115,501	Blackrock US Debt Index Fund M	1,298,297	1,406,588
11,705	Blackrock US Tips Fund M	119,428	128,075
158,646	HB&T Short Term Income Fund	158,646	158,646
	Total Fixed Income	38.69% 1,576,371	1,693,309
<i>Equity</i>			
32,854	Blackrock EAFE Equity Index Fund T	641,445	758,955
8,952	Blackrock Emerging Markets Index M	95,056	115,306
7,706	Blackrock Midcap Equity Index Fund K	288,589	424,816
4,566	Blackrock Russell 2000 Index T	149,678	214,832
7,150	Blackrock US Equity Index T	641,746	951,680
	Total Equity	56.33% 1,816,514	2,465,589
	Total Common Trust Funds	95.02% 3,392,885	4,158,898
	Total Investments	100.00% \$ 3,585,412	\$ 4,376,991

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
FACETS Lifestyle Conservative Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u><i>Mutual Fund</i></u>			
<i>Equity</i>			
1,633	Vanguard Real Estate Index Fund Adm	\$ 185,163	\$ 214,873
	Total Equity	4.99% <u>185,163</u>	<u>214,873</u>
	Total Mutual Fund	4.99% <u>185,163</u>	<u>214,873</u>
<u><i>Common Trust Funds</i></u>			
<i>Fixed Income</i>			
162,404	Blackrock US Debt Index Fund M	1,787,550	1,977,778
34,657	Blackrock US Tips Fund M	348,554	379,218
275,119	HB&T Short Term Income Fund	275,119	275,119
	Total Fixed Income	61.14% <u>2,411,223</u>	<u>2,632,115</u>
<i>Equity</i>			
19,045	Blackrock EAFE Equity Index Fund T	347,061	439,960
7,065	Blackrock Emerging Markets Index M	83,460	91,001
4,393	Blackrock Midcap Equity Index Fund K	166,883	242,187
2,342	Blackrock Russell 2000 Index T	78,474	110,207
4,319	Blackrock US Equity Index T	368,261	574,840
	Total Equity	33.87% <u>1,044,139</u>	<u>1,458,195</u>
	Total Common Trust Funds	95.01% <u>3,455,362</u>	<u>4,090,310</u>
	Total Investments	100.00% <u>\$ 3,640,525</u>	<u>\$ 4,305,183</u>

Hand Composite Employee Benefit Trust

Statements of Operations – Selected Funds

Year Ended December 31, 2019

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Income				
Dividends	\$ 497	\$ 5,020	\$ 712	\$ 535
Expenses				
Investment management and administrative	307	1,716	467	302
Class R5 expenses	674	3,809	1,028	664
Audit	273	1,525	415	268
Other fees	12	15	99	50
Total expenses	1,266	7,065	2,009	1,284
Net Investment Loss	(769)	(2,045)	(1,297)	(749)
Net Realized and Unrealized Gains (Losses)				
on Investments				
Net realized gains on investments	84,730	89,804	252,949	148,123
Net change in unrealized appreciation/ depreciation on investments	(530)	221,730	(91,137)	(35,421)
Net realized and unrealized gains	84,200	311,534	161,812	112,702
Net Increase in Net Assets Resulting				
From Operations	\$ 83,431	\$ 309,489	\$ 160,515	\$ 111,953

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds (Continued)
Year Ended December 31, 2019

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Income				
Dividends	\$ 456	\$ 12,718	\$ 16,009	\$ 12,977
Expenses				
Investment management and administrative	154	5,296	5,906	3,959
Class R5 expenses	340	5,685	11,311	7,558
Audit	136	4,707	5,250	3,520
Other fees	28	112	153	-
Total expenses	658	15,800	22,620	15,037
Net Investment Loss	(202)	(3,082)	(6,611)	(2,060)
Net Realized and Unrealized Gains				
on Investments				
Net realized gains on investments	22,918	1,118,472	926,258	147,041
Net change in unrealized appreciation/ depreciation on investments	11,914	36,217	179,704	447,194
Net realized and unrealized gains	34,832	1,154,689	1,105,962	594,235
Net Increase in Net Assets Resulting				
From Operations	\$ 34,630	\$ 1,151,607	\$ 1,099,351	\$ 592,175

Hand Composite Employee Benefit Trust

Statements of Changes in Net Assets – Selected Funds

Year Ended December 31, 2019

	FACETS Target Retirement NOW Fund	FACETS Target Retirement 2020 Fund	FACETS Target Retirement 2030 Fund	FACETS Target Retirement 2040 Fund
Operations				
Net investment loss	\$ (769)	\$ (2,045)	\$ (1,297)	\$ (749)
Net realized gains	84,730	89,804	252,949	148,123
Change in unrealized appreciation/depreciation	<u>(530)</u>	<u>221,730</u>	<u>(91,137)</u>	<u>(35,421)</u>
Net increase in net assets from operations	83,431	309,489	160,515	111,953
Net Decrease in Net Assets From Participant Transactions	<u>(1,377,439)</u>	<u>(450,856)</u>	<u>(1,849,552)</u>	<u>(1,150,165)</u>
Decrease in Net Assets	(1,294,008)	(141,367)	(1,689,037)	(1,038,212)
Net Assets				
Beginning of year	<u>1,298,658</u>	<u>2,007,089</u>	<u>1,689,067</u>	<u>1,065,673</u>
End of year	<u>\$ 4,650</u>	<u>\$ 1,865,722</u>	<u>\$ 30</u>	<u>\$ 27,461</u>

Hand Composite Employee Benefit Trust

Statements of Changes in Net Assets – Selected Funds (Continued)

Year Ended December 31, 2019

	FACETS Target Retirement 2050 Fund	FACETS Lifestyle Aggressive Fund	FACETS Lifestyle Moderate Fund	FACETS Lifestyle Conservative Fund
Operations				
Net investment loss	\$ (202)	\$ (3,082)	\$ (6,611)	\$ (2,060)
Net realized gains	22,918	1,118,472	926,258	147,041
Change in unrealized appreciation/depreciation	<u>11,914</u>	<u>36,217</u>	<u>179,704</u>	<u>447,194</u>
Net increase in net assets from operations	34,630	1,151,607	1,099,351	592,175
Net Decrease in Net Assets From Participant Transactions	<u>(210,774)</u>	<u>(4,122,041)</u>	<u>(3,379,735)</u>	<u>(322,904)</u>
Increase (Decrease) in Net Assets	(176,144)	(2,970,434)	(2,280,384)	269,271
Net Assets				
Beginning of year	<u>210,389</u>	<u>5,834,824</u>	<u>6,652,117</u>	<u>4,032,726</u>
End of year	<u>\$ 34,245</u>	<u>\$ 2,864,390</u>	<u>\$ 4,371,733</u>	<u>\$ 4,301,997</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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 76 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 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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Funds. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through May 22, 2020, 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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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 Advisory Fees	Service Fees	Other Fees	Total 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%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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	\$ 10.98	\$ 11.18	\$ 11.49	\$ 11.69	\$ 12.00	\$ 13.92	\$ 13.14	\$ 12.59
Net investment loss	(0.03)	(0.01)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)	(0.01)
Net realized and unrealized gains	1.83	1.93	1.64	2.74	2.91	3.32	2.50	1.85
Net increase from investment operations	1.80	1.92	1.62	2.71	2.89	3.30	2.48	1.84
Net asset value, end of year	\$ 12.78	\$ 13.10	\$ 13.11	\$ 14.40	\$ 14.89	\$ 17.22	\$ 15.62	\$ 14.43
Total return	16.39%	17.17%	14.10%	23.18%	24.08%	23.71%	18.87%	14.61%
Ratio to average net assets:								
Net investment loss	(0.25)%	(0.11)%	(0.20)%	(0.26)%	(0.13)%	(0.16)%	(0.13)%	(0.07)%
Expenses	0.41%	0.37%	0.30%	0.45%	0.43%	0.38%	0.38%	0.37%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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	\$ 11.08	\$ 11.27	\$ 11.59	\$ 11.78	\$ 12.08	\$ 14.13	\$ 13.33	\$ 12.77
Net investment income	-	-	-	-	-	0.01	0.01	0.02
Net realized and unrealized gains	1.87	1.97	1.51	2.78	2.93	3.25	2.56	1.88
Net increase from investment operations	1.87	1.97	1.51	2.78	2.93	3.26	2.57	1.90
Net asset value, end of year	\$ 12.95	\$ 13.24	\$ 13.10	\$ 14.56	\$ 15.01	\$ 17.39	\$ 15.90	\$ 14.67
Total return	16.88%	17.48%	13.03%	23.60%	24.25%	23.07%	19.28%	14.88%
Ratio to average net assets:								
Net investment income (losses)	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.07%	0.12%
Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.17%	0.17%

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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	5,249	\$ 62,761	10,905	\$ 132,443	6,134	\$ 76,929	6,199	\$ 79,611
Cost of units redeemed	(123,117)	(1,440,200)	(48,069)	(583,299)	(153,110)	(1,926,481)	(95,473)	(1,229,776)
Net change in Class R5 from participant transactions	(117,868)	(1,377,439)	(37,164)	(450,856)	(146,976)	(1,849,552)	(89,274)	(1,150,165)
Net change in total net assets from participant transactions		\$ (1,377,439)		\$ (450,856)		\$ (1,849,552)		\$ (1,150,165)
	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	10,279	\$ 140,096	20,655	\$ 325,361	35,000	\$ 508,052	21,385	\$ 292,912
Cost of units redeemed	(25,508)	(350,870)	(47,746)	(754,849)	(217,488)	(3,216,769)	(32,155)	(446,439)
Net change in Class R5 from participant transactions	(15,229)	(210,774)	(27,091)	(429,488)	(182,488)	(2,708,717)	(10,770)	(153,527)
Class R6:								
Proceeds from sales of units	-	-	13,897	220,396	66,248	1,018,989	7,883	109,952
Cost of units redeemed	-	-	(236,320)	(3,912,949)	(109,658)	(1,690,007)	19,310	(279,329)
Net change in Class R6 from participant transactions	0	0	(222,423)	(3,692,553)	(43,410)	(671,018)	27,193	(169,377)
Net change in total net assets from participant transactions		\$ (210,774)		\$ (4,122,041)		\$ (3,379,735)		\$ (322,904)

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Notes to Financial Statements

December 31, 2019

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, 2019.

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, 2019:

	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)
Fair Value			
FACETS Target Retirement NOW Fund			
Common Trust Funds - Fixed Income (A)	\$ 4,797		
Total	\$ 4,797		

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Notes to Financial Statements

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- (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.

	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)
	Fair Value			
FACETS Target Retirement 2020 Fund				
Mutual Fund - Equity	\$ 89,806	\$ 89,806	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	846,694			
Common Trust Funds - Equity (A)	931,207			
Total	\$ 1,867,707			
FACETS Target Retirement 2030 Fund				
Common Trust Funds - Fixed Income (A)	\$ 444			
Total	\$ 444			
FACETS Target Retirement 2040 Fund				
Mutual Fund - Equity	\$ 1,314	\$ 1,314	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	5,386			
Common Trust Funds - Equity (A)	21,036			
Total	\$ 27,736			
FACETS Target Retirement 2050 Fund				
Mutual Fund - Equity	\$ 1,616	\$ 1,616	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	3,765			
Common Trust Funds - Equity (A)	29,009			
Total	\$ 34,390			
FACETS Lifestyle Aggressive Fund				
Mutual Fund - Equity	\$ 139,338	\$ 139,338	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	436,853			
Common Trust Funds - Equity (A)	2,292,866			
Total	\$ 2,869,057			

- (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, 2019

	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)
	Fair Value			
FACETS Lifestyle Moderate Fund				
Mutual Fund - Equity	\$ 218,093	\$ 218,093	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	1,693,309			
Common Trust Funds - Equity (A)	<u>2,465,589</u>			
Total	<u>\$ 4,376,991</u>			
FACETS Lifestyle Conservative Fund				
Mutual Fund - Equity	\$ 214,873	\$ 214,873	\$ -	\$ -
Common Trust Funds - Fixed Income (A)	2,632,115			
Common Trust Funds - Equity (A)	<u>1,458,195</u>			
Total	<u>\$ 4,305,183</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, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 1,195
Common Trust Funds - Fixed Income	261,494
Common Trust Funds - Equity	<u>8,457</u>
Total Investments Purchased	<u>\$ 271,146</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 78,056	\$ 73,992	\$ 4,064
Common Trust Funds - Fixed Income	1,069,084	1,039,601	29,483
Common Trust Funds - Equity	<u>503,699</u>	<u>452,516</u>	<u>51,183</u>
Total Investments Sold	<u>\$ 1,650,839</u>	<u>\$ 1,566,109</u>	<u>\$ 84,730</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2020 Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 5,108
Common Trust Funds - Fixed Income	441,396
Common Trust Funds - Equity	<u>26,883</u>
Total Investments Purchased	<u>\$ 473,387</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 37,965	\$ 36,615	\$ 1,350
Common Trust Funds - Fixed Income	604,271	588,287	15,984
Common Trust Funds - Equity	<u>285,268</u>	<u>212,798</u>	<u>72,470</u>
Total Investments Sold	<u>\$ 927,504</u>	<u>\$ 837,700</u>	<u>\$ 89,804</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2030 Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 1,223
Common Trust Funds - Fixed Income	200,446
Common Trust Funds - Equity	<u>19,162</u>
Total Investments Purchased	<u>\$ 220,831</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 99,021	\$ 91,488	\$ 7,533
Common Trust Funds - Fixed Income	756,567	729,530	27,037
Common Trust Funds - Equity	<u>1,218,090</u>	<u>999,711</u>	<u>218,379</u>
Total Investments Sold	<u>\$ 2,073,678</u>	<u>\$ 1,820,729</u>	<u>\$ 252,949</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2040 Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 4,385
Common Trust Funds - Fixed Income	173,532
Common Trust Funds - Equity	<u>33,021</u>
Total Investments Purchased	<u>\$ 210,938</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 62,469	\$ 58,263	\$ 4,206
Common Trust Funds - Fixed Income	407,611	397,505	10,106
Common Trust Funds - Equity	<u>892,920</u>	<u>759,109</u>	<u>133,811</u>
Total Investments Sold	<u>\$ 1,363,000</u>	<u>\$ 1,214,877</u>	<u>\$ 148,123</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Target Retirement 2050 Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 6,595
Common Trust Funds - Fixed Income	174,741
Common Trust Funds - Equity	<u>107,729</u>
Total Investments Purchased	<u>\$ 289,065</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 17,389	\$ 16,139	\$ 1,250
Common Trust Funds - Fixed Income	198,925	197,285	1,640
Common Trust Funds - Equity	<u>283,913</u>	<u>263,885</u>	<u>20,028</u>
Total Investments Sold	<u>\$ 500,227</u>	<u>\$ 477,309</u>	<u>\$ 22,918</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Aggressive Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 9,493
Common Trust Funds - Fixed Income	1,340,662
Common Trust Funds - Equity	<u>85,918</u>
Total Investments Purchased	<u>\$ 1,436,073</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 228,979	\$ 201,474	\$ 27,505
Common Trust Funds - Fixed Income	1,841,344	1,782,375	58,969
Common Trust Funds - Equity	<u>3,492,458</u>	<u>2,460,460</u>	<u>1,031,998</u>
Total Investments Sold	<u>\$ 5,562,781</u>	<u>\$ 4,444,309</u>	<u>\$ 1,118,472</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Moderate Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 60,782
Common Trust Funds - Fixed Income	2,636,043
Common Trust Funds - Equity	<u>381,585</u>
Total Investments Purchased	<u>\$ 3,078,410</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 251,847	\$ 205,468	\$ 46,379
Common Trust Funds - Fixed Income	3,812,599	3,636,370	176,229
Common Trust Funds - Equity	<u>2,402,789</u>	<u>1,699,139</u>	<u>703,650</u>
Total Investments Sold	<u>\$ 6,467,235</u>	<u>\$ 5,540,977</u>	<u>\$ 926,258</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
FACETS Lifestyle Conservative Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 11,435
Common Trust Funds - Fixed Income	1,027,747
Common Trust Funds - Equity	<u>107,425</u>
Total Investments Purchased	<u>\$ 1,146,607</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 46,246	\$ 37,837	\$ 8,409
Common Trust Funds - Fixed Income	1,101,285	1,069,427	31,858
Common Trust Funds - Equity	<u>325,936</u>	<u>219,162</u>	<u>106,774</u>
Total Investments Sold	<u>\$ 1,473,467</u>	<u>\$ 1,326,426</u>	<u>\$ 147,041</u>