

**Hand Composite Employee Benefit Trust  
Merganser 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 (Merganser Short Term Bond Institutional Trust Fund and Merganser Core Bond Institutional Trust Fund) [two 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, 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**

	<b>Merganser Short Term Bond Institutional Trust Fund</b>	<b>Merganser Core Bond Institutional Trust Fund</b>
<b>Assets</b>		
Investments, at cost	\$ 1,943,721	\$ 1,686,261
Investments, at fair value	\$ 1,936,389	\$ 1,692,431
Receivable for:		
Investment securities sold	-	827
Capital shares sold	5,811	4,528
Investment advisor	3,129	3,137
Dividends and interest	6,418	8,881
Total assets	\$ 1,951,747	\$ 1,709,804
<b>Liabilities</b>		
Payable for securities purchased	\$ 6	\$ -
Accounts payable and accrued liabilities	7,754	7,790
Total liabilities	\$ 7,760	\$ 7,790
Net assets held for participants - Class R1	\$ 1,943,987	\$ 1,702,014
Units outstanding - Class R1	185,087	154,411
Net asset value per unit - Class R1	\$ 10.50	\$ 11.02

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments**  
**Merganser Short Term Bond Institutional Trust Fund**  
**December 31, 2017**

Number of Shares or Principal Amount		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
102,140	Blackrock Liq Treas Tr Instl Fd 62	\$ 102,140	\$ 102,140
	Total Short Term Investment	5.27% 102,140	102,140
<b><u>U.S. Government Obligations</u></b>			
\$ 226,000	U S Treasury Note 1.125% 02/28/2021 Dd 02/29/16	221,594	219,776
600	U S Treasury Note 1.500% 05/15/2020 Dd 05/15/17	595	594
	Total U.S. Government Obligations	11.38% 222,189	220,370
<b><u>Corporate Bonds</u></b>			
<b><u>Consumer Discretionary</u></b>			
20,000	CVS Health Corp 2.800% 07/20/2020 Dd 07/20/15	20,357	20,083
15,000	Costco Wholesale Corp 2.150% 05/18/2021 Dd 05/18/17	14,978	14,934
15,000	Ventas Realty LP / Ventas Capi 2.700% 04/01/2020 Dd 03/19/13	15,162	15,066
	Total Consumer Discretionary	2.59% 50,497	50,083
<b><u>Consumer Staples</u></b>			
25,000	Anheuser-busch Inbev Finance I 1.900% 02/01/2019 Dd 01/25/16	25,047	24,948
10,000	Kroger Co/the 6.800% 12/15/2018 Dd 12/11/98	10,414	10,437
	Total Consumer Staples	1.83% 35,461	35,385
<b><u>Energy</u></b>			
15,000	XTO Energy Inc 6.500% 12/15/2018 Dd 08/07/08	15,686	15,621
	Total Energy	0.81% 15,686	15,621
<b><u>Financials</u></b>			
10,000	American Express Credit Corp 1.875% 11/05/2018 Dd 11/05/15	9,999	9,996
10,000	Bank of America Corp 2.650% 04/01/2019 Dd 04/01/14	10,089	10,057
10,000	Bank of New York Mellon Corp/t 2.050% 05/03/2021 Dd 05/02/16	9,848	9,878
5,000	Bank of Nova Scotia/the 2.150% 07/14/2020 Dd 07/14/17	4,999	4,975
25,000	Caterpillar Financial Services 5.450% 04/15/2018 Dd 03/27/08	25,285	25,240
10,000	Citigroup Inc 2.150% 07/30/2018 Dd 07/30/15	9,997	10,006
10,000	General Motors Financial Co In 3.200% 07/13/2020 Dd 07/13/15	10,187	10,136
10,000	General Motors Financial Co In 3.700% 11/24/2020 Dd 11/24/15	10,134	10,266

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Short Term Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<i>Financial (Continued)</i>			
\$ 5,000	General Motors Financial Co In 3.450% 01/14/2022 Dd 01/17/17	\$ 5,039	\$ 5,067
32,000	Goldman Sachs Group Inc/the Var Rt 04/23/2021 Dd 04/25/16	32,632	32,787
5,000	John Deere Capital Corp 1.950% 06/22/2020 Dd 06/22/17	4,997	4,965
20,000	JP Morgan Chase & Co 2.550% 10/29/2020 Dd 10/29/15	20,210	20,059
5,000	Paccar Financial Corp 1.750% 08/14/2018 Dd 08/14/15	4,996	4,998
37,000	Paccar Financial Corp Var Rt 12/06/2018 Dd 12/06/13	37,149	37,167
10,000	Royal Bank Of Canada 2.150% 10/26/2020 Dd 10/26/17	9,995	9,935
5,000	Toyota Motor Credit Corp 2.125% 07/18/2019 Dd 07/18/14	5,027	5,000
10,000	Travelers Cos Inc/the 5.800% 05/15/2018 Dd 05/13/08	10,155	10,141
10,000	Visa Inc 2.200% 12/14/2020 Dd 12/14/15	9,993	9,992
15,000	Wells Fargo & Co 2.500% 03/04/2021 Dd 03/04/16	15,016	14,993
	Total Financials	12.69% <u>245,747</u>	<u>245,658</u>
<i>Healthcare</i>			
10,000	Abbvie Inc 1.800% 05/14/2018 Dd 05/14/15	9,999	9,995
5,000	Allergan Funding Scs 2.350% 03/12/2018 Dd 03/12/15	4,998	5,004
10,000	Gilead Sciences Inc 2.350% 02/01/2020 Dd 11/17/14	10,083	10,047
	Total Healthcare	1.29% <u>25,080</u>	<u>25,046</u>
<i>Industrials</i>			
10,000	Ecolab Inc 1.550% 01/12/2018 Dd 01/15/15	10,000	9,999
18,000	General Electric Co Var Rt 04/15/2020 Dd 04/04/13	18,010	18,157
15,000	Precision Castparts Corp 2.250% 06/15/2020 Dd 06/10/15	15,046	15,052
	Total Industrials	2.23% <u>43,056</u>	<u>43,208</u>
<i>Information Technology</i>			
10,000	Altera Corp 2.500% 11/15/2018 Dd 11/01/13	10,018	10,058
10,000	Apple Inc 1.800% 05/11/2020 Dd 05/11/17	10,006	9,915
	Total Information Technology	1.03% <u>20,024</u>	<u>19,973</u>
<i>Real Estate</i>			
20,000	Erp Operating Lp 2.375% 07/01/2019 Dd 06/19/14	20,171	20,050
10,000	Simon Property Group Lp 2.200% 02/01/2019 Dd 01/21/14	10,051	10,010
	Total Real Estate	1.55% <u>30,222</u>	<u>30,060</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Short Term Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<i>Telecommunication Services</i>			
\$ 15,000	Comcast Corp 5.875% 02/15/2018 Dd 11/17/06	\$ 15,081	\$ 15,077
	Total Telecommunication Services	0.78% <u>15,081</u>	<u>15,077</u>
<i>Utilities</i>			
10,000	AT&T Inc 2.800% 02/17/2021 Dd 02/09/16	10,005	10,044
20,000	Sempra Energy 6.150% 06/15/2018 Dd 06/12/08	20,367	20,371
20,000	Southern Co/the 2.150% 09/01/2019 Dd 08/22/14	20,083	19,940
15,000	Verizon Communications Inc 3.125% 03/16/2022 Dd 03/16/17	15,334	15,211
	Total Utilities	3.39% <u>65,789</u>	<u>65,566</u>
	Total Corporate Bonds	28.19% <u>546,643</u>	<u>545,677</u>
<i>Mortgage-backed Securities</i>			
8,677	CD 2017-cd3 Mortgage Tr Cd3 A1 1.965% 02/10/2050 Dd 02/01/17	8,677	8,619
19,192	CD 2017-cd5 Mortgage Tr Cd5 A1 2.028% 08/15/2050 Dd 08/01/17	19,192	18,992
20,000	Citigroup Commercial M Gc11 A4 3.093% 04/10/2046 Dd 04/01/13	20,448	20,287
20,000	Citigroup Commercial M Gc21 A2 2.904% 05/10/2047 Dd 05/01/14	20,332	20,135
13,857	Comm 2014-ubs4 Mortgag Ubs4 A1 1.309% 08/10/2047 Dd 07/01/14	13,754	13,809
10,164	Comm 2015-ccre27 Mortg Cr27 A1 1.577% 10/10/2048 Dd 10/01/15	10,101	10,066
5,093	Comm 2015-lc19 Mortgag Lc19 A1 1.399% 02/10/2048 Dd 02/01/15	5,078	5,060
14,834	Fresb 2016-sb23 Mortg Sb23 A5F Var Rt 09/25/2021 Dd 10/01/16	14,887	14,493
8,207	Morgan Stanley Capital Bnk2 A1 1.424% 11/15/2049 Dd 11/01/16	8,207	8,057
8,265	Morgan Stanley Capital Ub12 A1 1.779% 12/15/2049 Dd 12/01/16	8,265	8,170
10,000	Morgan Stanley Capital Hr2 A2 3.345% 12/15/2050 Dd 12/01/17	10,300	10,290
18,620	Morgan Stanley Bank Of C33 A1 2.031% 05/15/2050 Dd 05/01/17	18,620	18,460
7,887	Sequoia Mortgage Trust 20 8 A1 Var Rt 01/20/2034 Dd 12/23/03	7,627	7,672
3,658	WFRBS Commercial Mortga C21 A1 1.413% 08/15/2047 Dd 08/01/14	3,633	3,640
10,000	WFRBS Commercial Mortga C24 A2 2.863% 11/15/2047 Dd 11/01/14	10,307	10,058
	Total Mortgage-backed Securities	9.18% <u>179,428</u>	<u>177,808</u>
<i>Asset-backed Securities</i>			
15,000	Ally Auto Receivables Tru 3 A2 1.530% 03/16/2020 Dd 05/24/17	14,999	14,978
10,000	Ally Auto Receivables Tru 4 A4 1.960% 07/15/2022 Dd 08/23/17	9,999	9,898
15,000	Ally Master Owner Trust 3 A2 2.040% 06/15/2022 Dd 06/28/17	14,999	14,875
15,000	American Express Credit Ac 1 A 1.930% 09/15/2022 Dd 02/21/17	15,015	14,931
2,077	Americredit Automobile R 3 A2a 1.370% 11/08/2019 Dd 08/11/16	2,077	2,076
22,000	Americredit Automobile Rec 4 C 2.880% 07/08/2021 Dd 11/12/17	21,938	22,190
15,000	BA Credit Card Trust A2 A 1.360% 09/15/2020 Dd 04/29/15	15,055	14,984
20,000	BA Credit Card Trust A1 A1 1.950% 08/15/2022 Dd 03/30/17	19,994	19,911
22,000	Barclays Dryrock Issuance 3 A 2.410% 07/15/2022 Dd 09/18/14	22,234	22,099



**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Short Term Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<i>Asset-backed Securities (Continued)</i>			
\$ 15,000	Barclays Dryrock Issuance 1 A 2.200% 12/15/2022 Dd 03/12/15	\$ 15,066	\$ 14,988
15,000	Barclays Dryrock Issuance 4 A 1.720% 08/16/2021 Dd 11/04/15	14,992	14,978
40,000	Cabela's Credit Card Mas 1a A1 2.260% 03/15/2023 Dd 03/16/15	40,175	40,046
15,000	Cabela's Credit Card Mast 1 A1 1.780% 06/15/2022 Dd 06/29/16	14,989	14,913
13,000	Capital Auto Receivables 2 A4 1.630% 01/20/2021 Dd 07/20/16	13,004	12,915
15,000	Capital Auto Receivables A 1 B 2.670% 12/21/2020 Dd 03/16/16	14,984	15,073
15,000	Capital Auto Receivables 3 A3 1.540% 08/20/2020 Dd 09/21/16	14,998	14,961
15,000	Capital One Multi-asset A7 A7 1.450% 08/16/2021 Dd 10/27/15	15,034	14,950
10,000	Capital One Multi-asset A3 A3 1.340% 04/15/2022 Dd 07/26/16	10,000	9,898
15,000	Capital One Multi-asset A4 A4 1.330% 06/15/2022 Dd 08/25/16	14,996	14,814
15,000	Capital One Multi-asset A1 A1 2.000% 01/17/2023 Dd 03/27/17	14,997	14,908
30,000	Capital One Multi-asset A4 A4 1.990% 07/17/2023 Dd 10/10/17	29,998	29,810
7,124	Carmax Auto Owner Trust 2 4 A2 1.210% 11/15/2019 Dd 10/26/16	7,124	7,109
9,705	Centex Home Equity Loan C Af4 Var Rt 06/25/2031 Dd 08/01/02	9,699	9,734
14,000	Chase Issuance Trust A4 A4 1.580% 08/16/2021 Dd 07/26/12	13,944	13,884
12,000	Citibank Credit Card Iss A1 A1 2.880% 01/23/2023 Dd 01/24/14	12,377	12,215
19,000	Citibank Credit Card Iss A3 A3 1.920% 04/07/2022 Dd 04/11/17	18,990	18,881
23,391	CNH Equipment Trust 2014- B A4 1.610% 05/17/2021 Dd 06/11/14	23,340	23,380
10,000	CNH Equipment Trust 2016- C A3 1.440% 12/15/2021 Dd 09/21/16	9,998	9,899
10,000	CNH Equipment Trust 2017- A A3 2.070% 05/16/2022 Dd 03/22/17	10,000	9,966
20,890	Educational Funding Of Th 1 A2 Var Rt 04/25/2035 Dd 05/09/11	20,890	20,890
13,700	Fifth Third Auto Trust 20 3 A4 1.470% 05/17/2021 Dd 10/29/14	13,743	13,690
18,000	Ford Credit Floorplan Mas 1 A1 1.760% 02/15/2021 Dd 02/17/16	18,000	17,940
6,774	Honda Auto Receivables 20 4 A2 1.040% 04/18/2019 Dd 10/25/16	6,774	6,762
15,000	Hyundai Auto Receivables B A3 1.770% 01/18/2022 Dd 08/16/17	14,997	14,883
15,000	John Deere Owner Trust 20 A A4 1.650% 12/15/2021 Dd 03/11/15	15,035	14,979
15,000	Mercedes-benz Auto Receiv 1 A4 1.750% 12/15/2021 Dd 07/22/15	15,144	14,945
20,000	Nissan Master Owner Trust A A2 1.440% 01/15/2020 Dd 01/30/15	20,007	19,997
6,477	Nissan Auto Lease Trust B A2a 1.260% 12/17/2018 Dd 09/21/16	6,477	6,470
20,948	North Carolina State Educ 2 A2 Var Rt 07/25/2025 Dd 06/02/11	20,737	20,990
10,000	Toyota Auto Receivables 2 B A4 2.050% 09/15/2022 Dd 05/17/17	9,997	9,949
15,000	Toyota Auto Receivables 2 B A4 1.520% 08/16/2021 Dd 05/11/16	14,997	14,852
8,289	Toyota Auto Receivables A A2a 1.420% 09/16/2019 Dd 03/15/17	8,288	8,275
15,000	World Omni Auto Receivable A B 2.040% 01/18/2022 Dd 03/04/15	14,984	14,980
10,000	World Omni Auto Receivabl B A3 1.950% 02/15/2023 Dd 08/02/17	9,997	9,913
15,000	World Omni Auto Receivabl A A3 1.770% 09/15/2021 Dd 03/23/16	15,134	14,952
		<u>15,134</u>	<u>14,952</u>
	Total Asset-backed Securities	35.00% <u>680,216</u>	<u>677,731</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Short Term Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<i><u>U.S. Government Agencies</u></i>			
<i>Federal National Mortgage Association</i>			
\$ 10,651	FNMA Gtd Remic P/t 14-m5 Asq2 2.034% 03/25/2019 Dd 05/01/14	\$ 10,730	\$ 10,651
14,109	FNMA Pool #0464111 4.180% 12/01/2019 Dd 12/01/09	13,655	13,524
13,057	FNMA Pool #0fn0004 3.615% 12/01/2020 Dd 03/01/11	14,894	14,577
	Total Federal National Mortgage Association	2.00% <u>39,279</u>	<u>38,752</u>
<i>Federal Home Loan Mortgage Corporation</i>			
40,000	FHLMC Multiclass Mtg K008 A2 3.531% 06/25/2020 Dd 09/01/10	41,469	41,090
14,476	FHLMC Multiclass Mtg K704 A2 2.412% 08/25/2018 Dd 11/01/11	14,577	14,482
20,000	FHLMC Multiclass Mtg K707 A2 2.220% 12/25/2018 Dd 04/01/12	20,119	20,022
13,000	FHLMC Multiclass Mtg K035 A1 M 2.615% 03/25/2023 Dd 12/01/13	13,406	13,085
10,000	FHLMC Multiclass Mtg K718 A2 2.791% 01/25/2022 Dd 05/01/15	10,140	10,136
14,581	FHLMC Multiclass Mtg K722 A1 2.183% 05/25/2022 Dd 06/01/16	14,598	14,449
19,954	FHLMC Multiclass Mtg KJ17 A1 2.404% 10/25/2024 Dd 11/01/17	19,954	19,851
	Total Federal Home Loan Mortgage Corporation	6.87% <u>134,263</u>	<u>133,115</u>
<i>Government National Mortgage Association</i>			
6,344	GNMA II Pool #0002233 7.500% 06/20/2026 Dd 06/01/96	6,824	7,298
10,236	GNMA III Pool #0002471 7.000% 08/20/2027 Dd 08/01/97	10,853	11,724
4,641	GNMA II Pool #0002755 7.000% 05/20/2029 Dd 05/01/99	4,969	5,401
4,159	GNMA II Pool #0004261 6.500% 10/20/2038 Dd 10/01/08	4,475	4,371
5,030	GNMA II Pool #0757319 Var Rt 03/20/2061 Dd 03/01/11	2,826	2,697
2,660	GNMA II Pool #0777424 Var Rt 10/20/2062 Dd 11/01/12	5,457	5,149
3,926	GNMA Pool #0723371 4.500% 11/15/2024 Dd 11/01/09	4,159	4,156
	Total Government National Mortgage Association	2.11% <u>39,563</u>	<u>40,796</u>
	Total U.S. Government Agencies	8.87% <u>213,105</u>	<u>212,663</u>
	Total Investments	100.00% <u>\$ 1,943,721</u>	<u>\$ 1,936,389</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Core Bond Institutional Trust Fund**  
**December 31, 2017**

Number of Shares or Principal Amount		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
87,704	BNY Mellon Cash Reserve	\$ 87,704	\$ 87,704
	Total Short Term Investment	5.18% 87,704	87,704
<b><u>U.S. Government Obligations</u></b>			
\$ 122,300	U.S. Treasury Bond 3.000% 11/15/2045 Dd 11/15/15	124,391	128,439
187,900	U.S. Treasury Note 2.250% 08/15/2027 Dd 08/15/17	186,069	185,258
3,100	U.S. Treasury Note Var Rt 07/31/2018 Dd 07/31/16	3,103	3,103
5,000	U.S. Treasury Note Var Rt 01/31/2019 Dd 01/31/17	5,009	5,008
	Total U.S. Government Obligations	19.01% 318,572	321,808
<b><u>Corporate Bonds</u></b>			
<b><u>Consumer Discretionary</u></b>			
10,000	Autozone Inc 4.000% 11/15/2020 Dd 11/15/10	10,442	10,379
15,000	Ford Motor Co 4.346% 12/08/2026 Dd 12/08/16	15,409	15,639
15,000	Home Depot Inc/the 2.625% 06/01/2022 Dd 06/02/15	15,051	15,084
	Total Consumer Discretionary	2.43% 40,902	41,102
<b><u>Consumer Staples</u></b>			
10,000	Anheuser-Busch Inbev Finance I 4.900% 02/01/2046 Dd 01/25/16	9,977	11,590
15,000	Kraft Heinz Foods Co 5.000% 06/04/2042 Dd 12/04/12	15,392	16,095
5,000	Kroger Co/the 3.400% 04/15/2022 Dd 04/16/12	5,011	5,118
	Total Consumer Staples	1.94% 30,380	32,803
<b><u>Energy</u></b>			
15,000	BP Capital Markets Plc var Rt 09/26/2018 Dd 09/26/13	14,943	15,056
20,000	Chevron Corp 3.191% 06/24/2023 Dd 06/24/13	20,354	20,553
10,000	Petroleos Mexicanos 6.000% 03/05/2020 Dd 09/05/10	10,509	10,610
	Total Energy	2.73% 45,806	46,219
<b><u>Financials</u></b>			
15,000	Bank of America Corp 3.300% 01/11/2023 Dd 01/11/13	15,185	15,366
5,000	Bank of Nova Scotia/the 2.150% 07/14/2020 Dd 07/14/17	4,999	4,975
5,000	Brookfield Finance Inc 4.250% 06/02/2026 Dd 06/02/16	4,997	5,161
10,000	Caterpillar Financial Services Var Rt 02/23/2018 Dd 02/25/16	10,006	10,007
5,000	Charles Schwab Corp/the 3.000% 03/10/2025 Dd 03/10/15	4,987	4,983
15,000	Citigroup Inc Var Rt 01/10/2020 Dd 01/10/17	15,003	15,089

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Core Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

<b>Principal Amount</b>		<b>Cost</b>	<b>Fair Value</b>
<i>Financial (Continued)</i>			
\$ 10,000	General Motors Financial Co In 3.700% 11/24/2020 Dd 11/24/15	\$ 10,134	\$ 10,266
10,000	Goldman Sachs Group Inc/the 2.350% 11/15/2021 Dd 09/27/16	9,810	9,848
10,000	JP Morgan Chase & Co 6.300% 04/23/2019 Dd 04/23/09	10,545	10,528
15,000	Morgan Stanley 2.650% 01/27/2020 Dd 01/27/15	15,006	15,068
11,000	Morgan Stanley Var Rt 09/22/2019 Dd 09/22/10	11,157	11,138
20,000	Progressive Corp/the 3.750% 08/23/2021 Dd 08/22/11	20,900	20,831
25,000	Prudential Financial Inc 4.500% 11/15/2020 Dd 11/18/10	26,052	26,419
15,000	Wells Fargo & Co 3.069% 01/24/2023 Dd 01/24/17	15,000	15,113
	Total Financials	10.33% <u>173,781</u>	<u>174,792</u>
<i>Healthcare</i>			
10,000	Abbvie Inc 3.200% 11/06/2022 Dd 05/14/15	10,345	10,154
5,000	Gilead Sciences Inc 2.550% 09/01/2020 Dd 09/14/15	4,991	5,044
20,000	New York And Presbyterian Hosp 4.763% 08/01/2046 Dd 06/28/16	18,902	21,293
10,000	Teva Pharmaceutical Finance Iv 2.250% 03/18/2020 Dd 12/18/12	9,509	9,670
	Total Healthcare	2.73% <u>43,747</u>	<u>46,161</u>
<i>Industrials</i>			
10,000	Burlington Northern Santa Fe L 8.125% 04/15/2020 Dd 04/14/00	11,282	11,260
10,000	Northrop Grumman Corp 2.930% 01/15/2025 Dd 10/13/17	9,999	9,941
15,000	Steelcase Inc 6.375% 02/15/2021 Dd 02/03/11	16,385	16,416
5,000	Weingarten Realty Investors 4.450% 01/15/2024 Dd 10/15/13	5,249	5,247
	Total Industrials	2.53% <u>42,915</u>	<u>42,864</u>
<i>Information Technology</i>			
5,000	Apple Inc 2.250% 02/23/2021 Dd 02/23/16	5,072	4,994
	Total Information Technology	0.30% <u>5,072</u>	<u>4,994</u>
<i>Real Estate</i>			
15,000	ERP Operating LP 4.625% 12/15/2021 Dd 12/12/11	15,957	16,067
10,000	Essex Portfolio LP 3.250% 05/01/2023 Dd 04/15/13	9,938	10,081
10,000	Hcp Inc 4.000% 06/01/2025 Dd 05/20/15	10,067	10,310
10,000	Ventas Realty LP 3.500% 02/01/2025 Dd 01/14/15	10,109	10,074
5,000	Vornado Realty LP 3.500% 01/15/2025 Dd 12/27/17	4,980	4,988
10,000	Welltower Inc 4.950% 01/15/2021 Dd 11/16/10	10,615	10,626
	Total Real Estate	3.67% <u>61,666</u>	<u>62,146</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Core Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<i>Telecommunication Services</i>			
\$ 15,000	Comcast Corp 3.375% 02/15/2025 Dd 08/12/14	\$ 15,425	\$ 15,401
	Total Telecommunication Services	0.91% <u>15,425</u>	<u>15,401</u>
<i>Utilities</i>			
14,000	Appalachian Power Co 5.800% 10/01/2035 Dd 09/29/05	16,304	17,205
5,000	AT&T Inc 3.400% 05/15/2025 Dd 05/04/15	4,985	4,916
5,000	Sempra Energy 2.400% 03/15/2020 Dd 03/13/15	4,996	4,997
7,990	Southaven Combined Cycle Gener 3.846% 08/15/2033 Dd 08/09/13	8,269	8,280
15,000	Verizon Communications Inc 2.625% 08/15/2026 Dd 08/01/16	13,924	14,128
	Total Utilities	2.93% <u>48,478</u>	<u>49,526</u>
	Total Corporate Bonds	30.50% <u>508,172</u>	<u>516,008</u>
<i>Mortgage-backed Securities</i>			
20,000	CD 2017-cd4 Mortgage Tr Cd4 Am 3.747% 05/10/2050 Dd 05/01/17	20,593	20,478
15,000	Cgms Commercial Mortgag B1 Aab 3.243% 08/15/2050 Dd 08/01/17	15,447	15,229
25,000	Citigroup Commercial Mor P8 A4 3.465% 09/15/2050 Dd 09/01/17	25,691	25,669
25,000	Comm 2015-ccre22 Mort Cr22 Asb 3.144% 03/10/2048 Dd 03/01/15	25,995	25,469
10,000	Gs Mortgage Securities Gs3 A3 2.592% 10/10/2049 Dd 09/01/16	9,694	9,658
10,000	Jpmbb Commercial Mortga C31 A3 3.801% 08/15/2048 Dd 08/01/15	10,425	10,480
17,173	Sequoia Mortgage Trust 20 8 A1 Var Rt 01/20/2034 Dd 12/23/03	10,806	10,869
15,000	Wfrbs Commercial Mortg C12 Asb 2.838% 03/15/2048 Dd 03/01/13	15,554	15,130
20,000	Wfrbs Commercial Mortga C11 A5 3.071% 03/15/2045 Dd 02/01/13	20,384	20,291
	Total Mortgage-backed Securities	9.06% <u>154,589</u>	<u>153,273</u>
<i>Asset-backed Securities</i>			
5,000	Americredit Automobile Rec 1 C 2.890% 01/10/2022 Dd 01/21/16	5,000	5,035
9,140	Bear Stearns Asset Back Bo1 M4 Var Rt 10/25/2034 Dd 10/26/04	9,090	9,179
15,000	Cabela's Credit Card Mast 2 A1 2.250% 07/17/2023 Dd 07/15/15	14,814	14,976
15,000	Capital One Multi-asset A5 A5 1.660% 06/17/2024 Dd 08/25/16	14,996	14,623
15,000	Capital One Multi-asset A6 A6 1.820% 09/15/2022 Dd 12/08/16	14,998	14,919
10,000	Carmax Auto Owner Trust 20 3 C 2.680% 06/15/2021 Dd 08/12/15	9,998	10,049
7,000	Centerpoint Energy Restor 1 A3 4.243% 08/15/2023 Dd 11/25/09	7,286	7,335
2,107	Chase Funding Trust Seri 1 1a7 Var Rt 11/25/2033 Dd 02/01/04	2,164	2,179
5,045	Chase Funding Trust Seri 3 1a5 Var Rt 03/25/2033 Dd 05/01/03	5,218	5,136
10,000	Cnh Equipment Trust 2015-a A B 2.140% 08/15/2022 Dd 03/04/15	9,997	9,977
20,000	Cnh Equipment Trust 2017-b B B 2.470% 12/16/2024 Dd 07/25/17	19,998	19,764
17,234	Educational Funding Of Th 1 A2 Var Rt 04/25/2035 Dd 05/09/11	17,234	17,234
15,351	Equity One Mortgage Pass- 2 M1 Var Rt 07/25/2034 Dd 04/01/04	14,676	15,664
11,000	Ford Credit Auto Owner Tru A C 2.410% 07/15/2023 Dd 01/25/17	11,000	10,948
15,000	Hyundai Auto Receivables T B B 2.230% 02/15/2023 Dd 08/16/17	14,999	14,810

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Core Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

Principal Amount		Cost	Fair Value
<b><u>Asset-backed Securities (Continued)</u></b>			
\$ 7,000	John Deere Owner Trust 20 B A4 2.110% 07/15/2024 Dd 07/18/17	\$ 7,000	\$ 6,935
20,948	North Carolina State Educ 2 A2 Var Rt 07/25/2025 Dd 06/02/11	20,773	20,990
10,328	Sba Gtd Partn Ctfs 2007-20e 1 5.310% 05/01/2027 Dd 05/16/07	11,200	10,922
4,670	Sba Gtd Partn Ctfs 2008-20a 1 5.170% 01/01/2028 Dd 01/16/08	4,812	5,002
14,000	Synchrony Credit Card Mast 2 A 2.220% 01/15/2022 Dd 02/02/12	14,096	14,018
	Total Asset-backed Securities	13.57% <u>229,349</u>	<u>229,695</u>
<b><u>U.S. Government Agencies</u></b>			
<b><u>Federal National Mortgage Association</u></b>			
4,623	FNMA Gtd Remic P/t 06-w1 1a4 8.000% 12/25/2045 Dd 03/01/06	5,634	5,410
6,921	FNMA Gtd Remic P/t 12-93 Cy 1.500% 09/25/2027 Dd 08/01/12	6,259	6,125
14,891	FNMA Gtd Remic P/t 16-24 Ta 3.000% 04/25/2042 Dd 04/01/16	15,381	15,020
30,000	FNMA Gtd Remic P/t 16-m4 A2 2.576% 03/25/2026 Dd 04/01/16	30,050	29,417
15,000	FNMA Gtd Remic P/t 16-m5 A2 2.464% 04/25/2026 Dd 05/01/16	15,416	14,640
4,753	FNMA Gtd Remic P/t 16-m6 A1 2.137% 05/25/2026 Dd 06/01/16	4,741	4,650
14,770	FNMA Gtd Remic P/t 17-m7 A1 2.510% 12/25/2026 Dd 06/01/17	14,910	14,664
30,000	FNMA Gtd Remic P/t 17-m8 A2 Var Rt 05/25/2027 Dd 07/01/17	30,289	30,355
30,000	FNMA Gtd Remic P/t 17-m10 Av2 Var Rt 07/25/2024 Dd 08/01/17	30,258	29,745
25,000	FNMA Gtd Remic P/t 17-m13 A2 Var Rt 09/25/2027 Dd 11/01/17	25,215	25,163
25,000	FNMA Gtd Remic P/t 17-m15 Av2 Var Rt 11/25/2024 Dd 12/01/17	25,038	25,013
13,604	FNMA Pool #0as5137 4.000% 06/01/2045 Dd 05/01/15	14,546	14,234
19,407	FNMA Pool #0as6311 3.500% 12/01/2045 Dd 11/01/15	20,053	19,936
19,819	FNMA Pool #0as6520 3.500% 01/01/2046 Dd 12/01/15	20,468	20,360
	Total Federal National Mortgage Association	15.05% <u>258,258</u>	<u>254,732</u>
<b><u>Federal Home Loan Mortgage Corporation</u></b>			
2,705	FHLMC Multiclass Mtg 3936 Cj 3.000% 07/15/2040 Dd 10/01/11	2,765.00	2,706
7,000	FHLMC Multiclass Mtg K056 A2 2.525% 05/25/2026 Dd 08/01/16	6,911.00	6,860
20,000	FHLMC Multiclass Mtg K068 A2 3.244% 08/25/2027 Dd 10/01/17	20,590.00	20,496
10,000	FHLMC Multiclass Mtg K718 A2 2.791% 01/25/2022 Dd 05/01/15	10,140	10,136
	Total Federal Home Loan Mortgage Corporation	2.38% <u>40,406</u>	<u>40,198</u>
<b><u>Government National Mortgage Association</u></b>			
5,300	GNMA II Pool #0002233 7.500% 06/20/2026 Dd 06/01/96	5,702	6,097
8,544	GNMA II Pool #0002471 7.000% 08/20/2027 Dd 08/01/97	9,059	9,786
3,878	GNMA II Pool #0002755 7.000% 05/20/2029 Dd 05/01/99	4,153	4,513
3,519	GNMA II Pool #0004261 6.500% 10/20/2038 Dd 10/01/08	3,787	3,699

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Merganser Core Bond Institutional Trust Fund (Continued)**  
**December 31, 2017**

<b>Principal Amount</b>		<b>Cost</b>	<b>Fair Value</b>
<i>Government National Mortgage Association (Continued)</i>			
\$ 14,633	GNMA II Pool #0AH1154 Var Rt 10/20/2065 Dd 11/01/15	\$ 16,089	\$ 15,890
10,254	GNMA II Pool #0AT2417 Var Rt 07/20/2066 Dd 08/01/16	11,629	11,219
18,386	GNMA Gtd Remic P/t 16-H13 Ga 2.000% 12/20/2064 Dd 06/01/16	18,403	17,944
10,000	GNMA Gtd Remic P/t 15-91 Qa Var Rt 05/20/2045 Dd 06/01/15	10,834	10,293
9,214	GNMA Pool #0ak7613 4.100% 09/15/2037 Dd 02/01/15	9,555	9,572
	Total Government National Mortgage Association	5.25% <u>89,211</u>	<u>89,013</u>
	Total U.S. Government Agencies	17.43% <u>387,875</u>	<u>383,943</u>
	Total Investments	100.00% <u>\$ 1,686,261</u>	<u>\$ 1,692,431</u>

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

	<b>Merganser Short Term Bond Institutional Trust Fund</b>	<b>Merganser Core Bond Institutional Trust Fund</b>
<b>Income</b>		
Interest	\$ 32,884	\$ 44,589
<b>Expenses</b>		
Investment management and administrative	4,852	5,296
Custody fees	16,059	15,912
Audit	6,000	6,000
Total expenses before reimbursement of fees	26,911	27,208
Reimbursement of fees	(19,897)	(19,985)
Net expenses	7,014	7,223
<b>Net Investment Income</b>	25,870	37,366
<b>Net Realized and Unrealized Gains (Losses) on Investments</b>		
Net realized losses	(2,657)	(5,167)
Net change in unrealized appreciation/depreciation	(4,534)	25,554
Net realized and unrealized gains (losses)	(7,191)	20,387
<b>Net Increase in Net Assets Resulting From Operations</b>	\$ 18,679	\$ 57,753



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

	<b>Merganser Short Term Bond Institutional Trust Fund</b>	<b>Merganser Core Bond Institutional Trust Fund</b>
<b>Operations</b>		
Net investment income	\$ 25,870	\$ 37,366
Net realized losses	(2,657)	(5,167)
Change in unrealized appreciation/depreciation	(4,534)	25,554
	<hr/>	<hr/>
Net increase in net assets from operations	18,679	57,753
<b>Net Increase in Net Assets From Participant Transactions</b>	<hr/>	<hr/>
	447,850	178,878
<b>Increase in Net Assets Held For Participants</b>	466,529	236,631
<b>Net Assets Held for Participants</b>		
Beginning of year	<hr/>	<hr/>
	1,477,458	1,465,383
End of year	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,943,987	\$ 1,702,014

# 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 portfolios (the Funds); the financial statements of two of these funds are included in this report.

#### ***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 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.

#### ***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. The Funds are valued daily.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2017

### ***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 advisor for the Funds is Merganser Capital Management, Inc.

## **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 also entered into investment advisory and service agreements with a third-party advisor. These fees compensate the advisor for the services it provides and for expenses borne by the advisor under the agreement.

During the year ended December 31, 2017, the investment advisor voluntarily reimbursed the Funds for a portion of their expenses.

The following table indicates the fees charged to 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.

<b>Fund</b>	<b>Administrative Fees</b>	<b>Investment Advisory Fees</b>	<b>Service Fees</b>	<b>Total Fees</b>
<b>Merganser Short Term Bond Institutional Trust Fund</b>				
Class R1	0.08%	0.20%	0.10%	0.38%
<b>Merganser Core Bond Institutional Trust Fund</b>				
Class R1	0.08%	0.25%	0.10%	0.43%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2017

### Note 3: Financial Highlights

	<b>Merganser Short Term Bond Institutional Trust Fund</b>	<b>Merganser Core Bond Institutional Trust Fund</b>
Net asset value, beginning of year	\$ 10.38	\$ 10.63
Net investment income	0.04	0.12
Net realized and unrealized gains	0.08	0.27
Net increase from investment operations	0.12	0.39
Net asset value, end of year	<u>\$ 10.50</u>	<u>\$ 11.02</u>
Total return	1.16%	3.67%
Ratio to average net assets:		
Net investment income	0.34%	1.08%
Expenses without reimbursements	1.53%	1.69%
Expenses with reimbursements	0.40%	0.45%

### Note 4: Participant Unit Transactions

	<b>Merganser Short Term Bond Institutional Trust Fund</b>		<b>Merganser Core Bond Institutional Trust Fund</b>	
	<b>Units</b>	<b>Dollars</b>	<b>Units</b>	<b>Dollars</b>
<b>Class R1:</b>				
Proceeds from sales of units	50,873	\$ 533,159	26,379	\$ 285,256
Cost of units redeemed	(8,137)	(85,309)	(9,842)	(106,378)
Net increase in net assets from participant transactions	<u>42,736</u>	<u>\$ 447,850</u>	<u>16,538</u>	<u>\$ 178,878</u>

### 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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2017

- 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.

**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.

**U.S. Government Obligations and U.S. Government Agencies.** U.S. Government obligations and U.S. Government Agency Securities are valued using models that incorporate market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

**Corporate Bonds.** The fair value of corporate bonds and mortgage securities is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. These securities are categorized as Level 2 in the hierarchy.

**Mortgage-backed Securities and Asset-backed Securities.** These securities are valued using models that incorporate observable data, such as prepayments, delinquencies, yields, bids, offers, collateral seasoning and other factors. Deal specific scenarios are derived from historical performance information and loan level details. These securities are categorized as Level 2 in the hierarchy.

The following table presents 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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

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)
<b>Merganser Short Term Bond Institutional Trust Fund</b>				
Short Term Investment	\$ 102,140	\$ 102,140	\$ -	\$ -
U.S. Government Obligations	220,370	-	220,370	-
Corporate Bonds	545,677	-	545,677	-
Mortgage-backed Securities	177,808	-	177,808	-
Asset-backed Securities	677,731	-	677,731	-
U.S. Government Agencies	212,663	-	212,663	-
Total	<u>\$ 1,936,389</u>	<u>\$ 102,140</u>	<u>\$ 1,834,249</u>	<u>\$ 0</u>
<b>Merganser Core Bond Institutional Trust Fund</b>				
Short Term Investment	\$ 87,704	\$ 87,704	\$ -	\$ -
U.S. Government Obligations	321,808	-	321,808	-
Corporate Bonds	516,008	-	516,008	-
Mortgage-backed Securities	153,273	-	153,273	-
Asset-backed Securities	229,695	-	229,695	-
U.S. Government Agencies	383,943	-	383,943	-
Total	<u>\$ 1,692,431</u>	<u>\$ 87,704</u>	<u>\$ 1,604,727</u>	<u>\$ 0</u>

### 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 statement of assets and liabilities.

## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds**  
**Merganser Short Term Bond Institutional Trust Fund**  
**Year Ended December 31, 2017**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Short Term Investment	\$ 1,468,377
U.S. Government Obligations	843,279
Corporate Bonds	438,945
Mortgage-backed Securities	142,359
U.S. Government Agencies	122,000
Asset-backed Securities	376,877
Total Investments Purchased	\$ 3,391,837

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Short Term Investments	\$ 1,454,790	\$ 1,456,453	\$ (1,663)
U.S. Government Obligations	781,032	782,873	(1,841)
Corporate Bonds	226,805	225,192	1,613
Mortgage-backed Securities	55,730	56,060	(330)
U.S. Government Agencies	24,422	24,858	(436)
Total Investments Sold	\$ 2,542,779	\$ 2,545,436	\$ (2,657)



**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Merganser Core Bond Institutional Trust Fund**  
**Year Ended December 31, 2017**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Short Term Investments	\$ 1,001,735
U.S. Government Obligations	854,948
Corporate Bonds	272,683
Mortgage-backed Securities	200,355
U.S. Government Agencies	350,682
Asset-backed Securities	102,021
Total Investments Purchased	\$ 2,782,424

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Short Term Investments	\$ 997,807	\$ 997,807	\$ -
U.S. Government Obligations	872,952	879,671	(6,719)
Corporate Bonds	166,814	161,803	5,011
Mortgage-backed Securities	202,101	201,773	328
U.S. Government Agencies	239,378	243,026	(3,648)
Asset-backed Securities	12,922	13,061	(139)
Total Investments Sold	\$ 2,491,974	\$ 2,497,141	\$ (5,167)