

**Hand Composite Employee Benefit Trust
P-Solve 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 (P-Solve Return Seeking Fund and P-Solve Long Credit 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 audit 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

	P-Solve Return Seeking Fund	P-Solve Long Credit Fund
Assets		
Investments, at cost	\$ 55,329,324	\$ 124,813,050
Investments, at fair value	\$ 62,384,188	\$ 128,763,269
Receivable for:		
Investment advisor	1,407	-
Dividends and interest	15,659	392,792
Total assets	\$ 62,401,254	\$ 129,156,061
Liabilities		
Accounts payable and accrued liabilities	\$ 10,210	\$ 21,428
Total liabilities	\$ 10,210	\$ 21,428
Net assets held for participants - Class R	\$ 62,391,044	\$ 129,134,633
Units outstanding - Class R	4,692,182	9,275,867
Net asset value per unit - Class R	\$ 13.30	\$ 13.92

Hand Composite Employee Benefit Trust
Schedules of Investments
P-Solve Return Seeking Fund
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<u>Short Term Investment</u>			
2,603,646	Blackrock Liq Treas Tr Instl Fd 62	\$ 2,603,646	\$ 2,603,646
	Total Short Term Investment	4.17% 2,603,646	2,603,646
<u>U.S. Government Obligations</u>			
\$ 1,632,000	U.S. Treasury Bd Prin Strip	1,948,029	1,948,029
1,970,000	U.S. Treasury Bill	1,403,865	1,319,950
	Total U.S. Government Obligations	5.24% 3,351,894	3,267,979
<u>Mutual Funds</u>			
<u>Fixed Income</u>			
204,092	Eaton Vance Floating Rate-I	1,821,995	1,836,826
168,874	Fidelity Total Bond Fund-TB	1,804,417	1,796,821
151,097	TCW Core Fxd Incm-I	1,695,918	1,660,557
66,484	T Rowe Pr Dyn Gbl Bnd-I	2,661,952	2,616,876
	Total Fixed Income	12.68% 7,984,282	7,911,080
<u>Equity</u>			
202,209	Boston P A/cap Value-IS	4,566,781	5,362,580
90,992	Dodge & Cox Intl Stock Fund	3,521,516	4,214,735
58,547	Harding Loevner Inst Emg M-I	951,225	1,324,322
268,518	Lazard Inter Strat Eq-Inst	3,839,393	4,215,730
123,214	Pioneer-Dynamic Credit-Y	1,167,384	1,155,745
	Total Equity	26.09% 14,046,299	16,273,112
	Total Mutual Funds	38.77% 22,030,581	24,184,192

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Return Seeking Fund (Continued)
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
47,669	Vanguard Total Bond Market	\$ 3,974,565	\$ 3,888,360
	Total Fixed Income	6.23% <u>3,974,565</u>	<u>3,888,360</u>
<i>Equity</i>			
157,280	iShares Core Intl Stock ETF	8,551,484	9,921,222
17,083	iShares Core S&P Small-Cap E	1,164,258	1,312,145
48,981	iShares Currency Hedged MSCI	1,190,617	1,316,119
15,864	iShares Edge MSCI USA Qualit	1,235,488	1,315,126
30,059	iShares MSCI Eurozone ETF	1,227,421	1,303,959
167,747	Schwab US Broad Market ETF	7,946,831	10,823,036
17,839	Vanguard Tot Stk Mkt-Inst	2,052,539	2,448,404
	Total Equity	45.59% <u>23,368,638</u>	<u>28,440,011</u>
	Total Exchange-traded Funds	51.82% <u>27,343,203</u>	<u>32,328,371</u>
	Total Investments	100.00% <u>\$ 55,329,324</u>	<u>\$ 62,384,188</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Long Credit Fund
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<u>Short Term Investment</u>			
1,971,620	Blackrock Liq Treas Tr Instl Fd 62	\$ 1,971,620	\$ 1,971,620
	Total Short Term Investment	1.53% 1,971,620	1,971,620
<u>U.S. Government Obligations</u>			
\$ 4,219,000	U.S. Treasury Bd Prin Strip 0.000% 08/15/2045 Dd 08/17/15	1,711,759	1,964,690
865,000	U.S. Treasury Bond 2.750% 08/15/2047 Dd 08/15/17	860,474	866,081
85,000	U.S. Treasury Note 2.250% 11/15/2027 Dd 11/15/17	83,954	83,802
	Total U.S. Government Obligations	2.26% 2,656,187	2,914,573
<u>Non-U.S. Government Obligations</u>			
295,000	Colombia Government Internatio 5.000% 06/15/2045 Dd 01/28/15	295,892	311,963
465,000	Mexico Government Internationa 4.750% 03/08/2044 Dd 03/08/12	465,528	470,115
65,000	Philippine Government Internat 3.700% 03/01/2041 Dd 03/01/16	61,014	64,643
275,000	Philippine Government Internat 3.700% 02/02/2042 Dd 02/02/17	274,074	273,123
	Total Non-U.S. Government Obligations	0.87% 1,096,508	1,119,844
<u>Municipals</u>			
155,000	Illinois St 5.100% 06/01/2033 Dd 06/12/03	155,110	155,014
120,000	New York City Ny Transitional 5.508% 08/01/2037 Dd 08/16/10	156,720	153,026
	Total Municipals	0.24% 311,830	308,040
<u>Corporate Bonds</u>			
<u>Consumer Discretionary</u>			
235,000	Cvs Health Corp 5.125% 07/20/2045 Dd 07/20/15	262,328	269,332
215,000	Ford Motor Co 4.750% 01/15/2043 Dd 01/08/13	198,380	218,038
150,000	General Motors Co 6.750% 04/01/2046 Dd 02/23/16	174,724	188,860
95,000	General Motors Co 5.150% 04/01/2038 Dd 08/07/17	95,954	101,285
335,000	Home Depot Inc/the 4.250% 04/01/2046 Dd 06/02/15	353,143	374,127
175,000	Lowe's Cos Inc 4.050% 05/03/2047 Dd 05/03/17	176,587	186,291
250,000	Target Corp 3.625% 04/15/2046 Dd 04/11/16	230,555	243,328
	Total Consumer Discretionary	1.23% 1,491,671	1,581,261

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Long Credit Fund (Continued)
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<i>Consumer Staples</i>			
\$ 100,000	Anheuser-busch Inbev Finance I 4.700% 02/01/2036 Dd 01/25/16	\$ 110,422	\$ 111,815
360,000	Anheuser-busch Inbev Finance I 4.900% 02/01/2046 Dd 01/25/16	409,288	417,236
290,000	Kroger Co/the 4.450% 02/01/2047 Dd 01/24/17	282,523	289,561
135,000	Pepsico Inc 4.450% 04/14/2046 Dd 10/14/15	143,868	153,406
145,000	Procter & Gamble Co/the 3.500% 10/25/2047 Dd 10/25/17	144,227	146,414
	Total Consumer Staples	0.87% 1,090,328	1,118,432
<i>Energy</i>			
290,000	Boardwalk Pipelines LP 5.950% 06/01/2026 Dd 05/16/16	317,987	323,481
165,000	Boardwalk Pipelines LP 4.450% 07/15/2027 Dd 01/12/17	165,292	167,861
200,000	Conoco Funding Co 7.250% 10/15/2031 Dd 10/11/01	215,378	275,808
355,000	Energy Transfer LP 5.950% 10/01/2043 Dd 09/19/13	388,118	377,446
295,000	Enterprise Products Operating 5.100% 02/15/2045 Dd 02/12/14	308,276	336,615
420,000	Eqf Corp 3.900% 10/01/2027 Dd 10/04/17	417,952	417,535
185,000	Kinder Morgan Energy Partners 6.500% 09/01/2039 Dd 09/16/09	208,591	218,337
185,000	Marathon Petroleum Corp 5.850% 12/15/2045 Dd 12/14/15	194,510	213,096
165,000	Oneok Inc 4.950% 07/13/2047 Dd 07/13/17	168,368	171,663
87,000	Petroleos Mexicanos 5.500% 06/27/2044 Dd 06/26/12	81,550	80,037
221,000	Petroleos Mexicanos 6.750% 09/21/2047 Dd 09/21/16	226,515	230,691
320,000	Sabine Pass Liquefaction LLC5.000% 03/15/2027 Dd 03/15/17	340,804	343,384
370,000	Shell International Finance Bv 4.375% 05/11/2045 Dd 05/11/15	377,767	416,018
90,000	Shell International Finance Bv 3.750% 09/12/2046 Dd 09/12/16	85,069	91,793
	Total Energy	2.85% 3,496,177	3,663,765
<i>Financials</i>			
365,000	Allstate Corp/the 4.200% 12/15/2046 Dd 12/08/16	374,234	398,244
275,000	Banco Santander Sa 5.179% 11/19/2025 Dd 11/19/15	276,532	296,999
300,000	Bank Of America Corp Var Rt 04/24/2038 Dd 04/24/17	313,153	325,359
5,000	Burlington Resources Finance C 7.200% 08/15/2031 Dd 08/24/01	6,146	6,851
305,000	Capital One Financial Corp 3.750% 03/09/2027 Dd 03/09/17	306,762	308,254
389,000	GE Capital International Fund 4.418% 11/15/2035 Dd 05/15/16	380,949	420,998
60,000	Goldman Sachs Group Inc/the 6.125% 02/15/2033 Dd 02/13/03	74,850	76,473
210,000	HSBC Bank USA Na/New York NY 5.875% 11/01/2034 Dd 10/25/04	252,455	270,847
350,000	JP Morgan Chase & Co 3.900% 07/15/2025 Dd 07/21/15	363,903	366,920
235,000	JP Morgan Chase & Co Var Rt 05/01/2028 Dd 04/25/17	236,282	239,076
185,000	Lincoln National Corp 7.000% 06/15/2040 Dd 06/18/10	241,861	255,012
210,000	Manulife Financial Corp Var Rt 02/24/2032 Dd 02/24/17	211,310	211,584
280,000	Progressive Corp/the 4.125% 04/15/2047 Dd 04/06/17	286,311	302,397
185,000	Protective Life Corp 8.450% 10/15/2039 Dd 10/09/09	263,905	278,133
525,000	Wells Fargo & Co 3.900% 05/01/2045 Dd 04/30/15	517,623	544,544
303,000	Westpac Banking Corp Var Rt 11/23/2031 Dd 11/23/16	310,043	312,185
	Total Financials	3.58% 4,416,319	4,613,876

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Long Credit Fund (Continued)
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<i>Healthcare</i>			
\$ 337,000	Abbvie Inc 4.300% 05/14/2036 Dd 05/12/16	\$ 338,592	\$ 361,105
145,000	Anthem Inc 3.650% 12/01/2027 Dd 11/21/17	144,711	147,803
150,000	Anthem Inc 4.375% 12/01/2047 Dd 11/21/17	153,124	159,486
225,000	Celgene Corp 4.350% 11/15/2047 Dd 11/09/17	228,731	233,714
395,000	Duke University Health System 3.920% 06/01/2047 Dd 06/06/17	406,003	413,236
225,000	Johnson & Johnson 4.375% 12/05/2033 Dd 12/05/13	248,336	256,526
75,000	Johnson & Johnson 3.400% 01/15/2038 Dd 11/10/17	74,779	76,820
105,000	Johnson & Johnson 3.500% 01/15/2048 Dd 11/10/17	104,601	107,413
395,000	Medtronic Inc 4.375% 03/15/2035 Dd 03/15/15	436,708	445,289
75,000	Novartis Capital Corp 4.000% 11/20/2045 Dd 11/20/15	76,789	81,472
376,000	Unitedhealth Group Inc 4.750% 07/15/2045 Dd 07/23/15	405,348	444,133
	Total Healthcare	2.12% <u>2,617,722</u>	<u>2,726,997</u>
<i>Industrials</i>			
110,000	General Electric Co 4.500% 03/11/2044 Dd 03/11/14	120,818	121,855
140,000	Hasbro Inc 6.350% 03/15/2040 Dd 03/11/10	166,420	168,463
70,000	Mosaic Co/the 5.625% 11/15/2043 Dd 11/13/13	65,433	75,422
240,000	Newell Brands Inc 5.500% 04/01/2046 Dd 03/30/16	285,989	286,146
265,000	Nike Inc 3.375% 11/01/2046 Dd 10/21/16	249,083	255,568
80,000	Packaging Corp Of America 3.400% 12/15/2027 Dd 12/13/17	79,739	80,199
35,000	RPM International Inc 4.250% 01/15/2048 Dd 12/20/17	34,999	34,796
220,000	United Parcel Service Inc 3.750% 11/15/2047 Dd 11/14/17	220,871	227,151
90,000	United Technologies Corp 3.750% 11/01/2046 Dd 11/01/16	88,348	90,143
75,000	United Technologies Corp 4.050% 05/04/2047 Dd 05/04/17	75,153	78,501
	Total Industrials	1.10% <u>1,386,853</u>	<u>1,418,244</u>
<i>Information Technology</i>			
285,000	21st Century Fox America Inc 6.200% 12/15/2034 Dd 12/03/04	324,157	368,034
290,000	Alibaba Group Holding Ltd 3.400% 12/06/2027 Dd 12/06/17	288,451	289,927
390,000	Apple Inc 4.375% 05/13/2045 Dd 05/13/15	411,240	439,361
115,000	Apple Inc 3.750% 11/13/2047 Dd 11/13/17	112,531	118,278
230,000	CBS Corp 4.850% 07/01/2042 Dd 06/20/12	241,896	241,211
135,000	Charter Communications Operati 3.750% 02/15/2028 Dd 07/06/17	133,517	129,358
345,000	Comcast Corp 4.250% 01/15/2033 Dd 01/14/13	350,559	376,038
255,000	Microsoft Corp 4.100% 02/06/2037 Dd 02/06/17	266,222	284,709
400,000	Oracle Corp 3.800% 11/15/2037 Dd 11/09/17	406,846	419,508
145,000	Seagate Hdd Cayman 4.875% 06/01/2027 Dd 05/14/15	137,217	138,645
120,000	Time Warner Cable LLC 6.550% 05/01/2037 Dd 04/09/07	144,853	141,129
160,000	Walt Disney Co/the 4.125% 06/01/2044 Dd 06/02/14	163,188	172,796
	Total Information Technology	2.42% <u>2,980,677</u>	<u>3,118,994</u>

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Long Credit Fund (Continued)
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<i>Real Estate</i>			
\$ 240,000	Crown Castle International Cor 4.750% 05/15/2047 Dd 05/01/17	\$ 246,725	\$ 252,648
220,000	Highwoods Realty Lp 3.875% 03/01/2027 Dd 02/23/17	220,651	220,389
120,000	Kimco Realty Corp 4.450% 09/01/2047 Dd 08/10/17	119,119	123,274
35,000	Simon Property Group Lp 3.375% 12/01/2027 Dd 12/11/17	34,726	35,162
	Total Real Estate	621,221	631,473
	0.49%		
<i>Utilities</i>			
310,000	Alabama Power Co 4.300% 01/02/2046 Dd 01/13/16	321,738	346,240
295,000	Ameren Illinois Co 3.700% 12/01/2047 Dd 11/28/17	293,514	301,850
145,000	AT&T Inc 4.350% 06/15/2045 Dd 06/15/13	132,957	133,777
225,000	AT&T Inc 4.500% 05/15/2035 Dd 05/04/15	221,362	223,665
210,000	AT&T Inc 5.250% 03/01/2037 Dd 02/09/17	213,776	222,101
280,000	AT&T Inc 4.900% 08/14/2037 Dd 08/07/17	280,379	283,527
120,000	AT&T Inc 5.300% 08/14/2058 Dd 08/07/17	119,721	120,394
335,000	Consolidated Edison Co of New 4.500% 12/01/2045 Dd 11/17/15	353,449	385,279
260,000	Dte Electric Co 3.700% 06/01/2046 Dd 05/17/16	258,444	268,753
240,000	Duke Energy Progress LLC4.375% 03/30/2044 Dd 03/06/14	252,744	272,738
175,000	Duke Energy Progress LLC3.600% 09/15/2047 Dd 09/08/17	173,609	175,436
150,000	Exelon Generation Co LLC5.600% 06/15/2042 Dd 12/15/12	163,790	164,470
390,000	Florida Power & Light Co 3.700% 12/01/2047 Dd 11/16/17	392,123	406,501
245,000	Midamerican Energy Co 4.800% 09/15/2043 Dd 09/19/13	288,351	294,277
135,000	Motorola Solutions Inc 5.500% 09/01/2044 Dd 08/19/14	142,643	137,090
90,000	Pacific Gas & Electric Co 6.050% 03/01/2034 Dd 03/23/04	113,223	113,440
250,000	PPL Electric Utilities Corp 4.750% 07/15/2043 Dd 07/11/13	288,943	297,472
355,000	Potomac Electric Power Co 4.150% 03/15/2043 Dd 03/18/13	371,427	387,066
35,000	Public Service Electric & Gas 3.600% 12/01/2047 Dd 12/06/17	34,974	35,838
335,000	Southwestern Public Service Co 4.500% 08/15/2041 Dd 08/10/11	361,369	382,423
210,000	Telefonica Emisiones Sau 5.213% 03/08/2047 Dd 03/08/17	228,974	238,319
660,000	Verizon Communications Inc 4.400% 11/01/2034 Dd 10/29/14	654,279	672,566
35,000	Verizon Communications Inc 4.522% 09/15/2048 Dd 03/13/15	33,390	34,463
280,000	Verizon Communications Inc 5.250% 03/16/2037 Dd 03/16/17	285,914	307,911
99,000	Virginia Electric & Power Co 6.350% 11/30/2037 Dd 12/04/07	127,691	136,473
	Total Utilities	6,108,784	6,342,069
	4.93%		
	Total Corporate Bonds	24,209,752	25,215,111
	19.59%		

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
P-Solve Long Credit Fund (Continued)
December 31, 2017

Number of Shares or Principal Amount		Cost	Fair Value
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
4,265,722	Delaware Extnd Duration Bd-I	\$ 27,855,315	\$ 28,921,593
2,339,389	Pimco Long-term Credit-Inst	28,697,010	28,844,858
2,742,130	Vanguard L/T Invest Gr-Adm	28,370,021	29,203,680
	Total Fixed Income	67.53% <u>84,922,346</u>	<u>86,970,131</u>
	Total Mutual Funds	67.53% <u>84,922,346</u>	<u>86,970,131</u>
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
59,313	iShares 10+ Year Credit Bond	3,402,624	3,748,582
41,387	Vanguard Long-term Corp Bond	3,734,078	3,962,805
	Total Fixed Income	5.99% <u>7,136,702</u>	<u>7,711,387</u>
	Total Exchange-traded Funds	5.99% <u>7,136,702</u>	<u>7,711,387</u>
<u>Private Placements</u>			
<i>Private Placements</i>			
\$ 320,000	Amazon.com Inc 144a 3.875% 08/22/2037 Dd 08/22/17	326,420	339,552
305,000	Baker Hughes A Ge Co LLC144a 4.080% 12/15/2047 Dd 12/11/17	306,366	310,202
290,000	BrightHouse Financial Inc 144a 4.700% 06/22/2047 Dd 06/22/17	287,025	295,839
125,000	Celulosa Arauco Y Constit 144a 3.875% 11/02/2027 Dd 11/02/17	123,459	124,144
360,000	Electricite De France Sa 144a 4.950% 10/13/2045 Dd 10/13/15	403,240	408,450
195,000	Enel Finance Internationa 144a 4.750% 05/25/2047 Dd 05/25/17	208,580	211,141
15,000	Farmers Insurance Exchang 144a Var Rt 11/01/2057 Dd 10/16/17	150,591	150,420
370,000	Glencore Funding LLC144a 4.000% 03/27/2027 Dd 03/27/17	365,263	371,487
185,000	Northwestern Mutual Life 144a 3.850% 09/30/2047 Dd 09/26/17	183,764	187,545
55,000	SC Johnson & Son Inc 144a 4.350% 09/30/2044 Dd 10/03/14	59,487	59,638
	Total Private Placements	1.92% <u>2,414,195</u>	<u>2,458,418</u>
<i>Non-U.S. Government Private Placements</i>			
95,000	Saudi Government Internat 144a 3.625% 03/04/2028 Dd 10/04/17	93,910	94,145
	Total Non-U.S. Government Private Placements	0.07% <u>93,910</u>	<u>94,145</u>
	Total Private Placements	1.99% <u>2,508,105</u>	<u>2,552,563</u>
	Total Investments	100.00% <u>\$ 124,813,050</u>	<u>\$ 128,763,269</u>

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

	P-Solve Return Seeking Fund	P-Solve Long Credit Fund
Income		
Interest	\$ 73,273	\$ 1,233,095
Dividends	1,217,921	4,221,504
Total income	1,291,194	5,454,599
Expenses		
Investment management and administrative	53,708	135,801
Custody fees	30,560	60,156
Service fees	10,791	-
Other	2	1
Total expenses before reimbursement of fees	95,061	195,958
Reimbursement of fees	(16,596)	(16,596)
Net expenses	78,465	179,362
Net Investment Income	1,212,729	5,275,237
Net Realized and Unrealized Gains on Investments		
Net realized gains	3,505,920	696,371
Net change in unrealized appreciation/depreciation	6,300,031	8,005,099
Net realized and unrealized gains	9,805,951	8,701,470
Net Increase in Net Assets Resulting From Operations	\$ 11,018,680	\$ 13,976,707

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

	P-Solve Return Seeking Fund	P-Solve Long Credit Fund
Operations		
Net investment income	\$ 1,212,729	\$ 5,275,237
Net realized gains	3,505,920	696,371
Change in unrealized appreciation/depreciation	6,300,031	8,005,099
Net increase in net assets from operations	11,018,680	13,976,707
Net Increase (Decrease) in Net Assets From Participant Transactions	(24,315,012)	13,409,258
Increase (Decrease) in Net Assets Held for Participants	(13,296,332)	27,385,965
Net Assets Held for Participants		
Beginning of year	75,687,376	101,748,668
End of year	\$ 62,391,044	\$ 129,134,633

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 those 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 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 and includes accretion of discounts and amortization of premiums. 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 these other funds are reinvested, thereby increasing the respective unit values.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

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 Advisor

The investment management advisor for the Funds is P-Solve LLC.

Note 2: Investment Advisory Fees and Other Transactions With Affiliates

The Funds are charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer-agency services, trustee services, etc.). The Funds have also entered into an investment advisory and service agreement 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 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	Other Fees	Total Fees
P-Solve Return Seeking Fund:				
Class R	0.07%	0.00%	0.02%	0.09%
P-Solve Long Credit Fund:				
Class R	0.07%	0.00%	0.02%	0.09%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

Note 3: Financial Highlights

	Class R	
	P-Solve Return Seeking Fund	P-Solve Long Credit Fund
Net asset value, beginning of year	\$ 11.50	\$ 12.40
Net investment income	0.20	0.55
Net realized and unrealized gains	1.60	0.97
Net increase from investment operations	1.80	1.52
Net asset value, end of year	\$ 13.30	\$ 13.92
Total return	15.65%	12.26%
Ratio to average net assets:		
Net investment income	1.57%	4.18%
Expenses without reimbursements	0.12%	0.16%
Expenses with reimbursements	0.10%	0.15%

Note 4: Participant Unit Transactions

	P-Solve Return Seeking Fund		P-Solve Long Credit Fund	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	193,691	\$ 2,401,894	2,980,220	\$ 39,044,575
Cost of units redeemed	(2,080,556)	(26,716,906)	(1,912,504)	(25,635,317)
Net increase (decrease) in net assets from participant transactions	(1,886,865)	\$ (24,315,012)	1,067,716	\$ 13,409,258

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. U.S. Government obligations 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, Non-U.S. Government Obligations and Municipals. The fair value of corporate bonds, foreign government obligations and municipals 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.

Mutual Funds and Exchange-traded Funds. Securities 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.

Private Placements and Non-U.S. Government Private Placements. Private placements are primarily determined using discounted cash flow models. These models primarily use observable inputs that include Treasury or similar base rates plus estimated credit spreads to value each

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

security. The credit spreads are obtained through a survey of private market intermediaries who are active in both primary and secondary transactions, and consider, among other factors, the credit quality and industry sector of the issuer, and the reduced liquidity associated with private placements. Since most private placements are market observable data including observable inputs and inputs derived from, or corroborated by, market observable data including observed prices and spreads for similar publicly trades or privately traded issues, they have been 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.

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
P-Solve Return Seeking Fund				
Short Term Investment	\$ 2,603,646	\$ 2,603,646	\$ -	\$ -
U.S. Government Obligations	3,267,979	3,267,979	-	-
Mutual Funds - Fixed Income	7,911,080	7,911,080	-	-
Mutual Funds - Equity	16,273,112	16,273,112	-	-
Exchange-traded Funds - Fixed Income	3,888,360	3,888,360	-	-
Exchange-traded Funds - Equity	28,440,011	28,440,011	-	-
Total	<u>\$ 62,384,188</u>	<u>\$ 62,384,188</u>	<u>\$ 0</u>	<u>\$ 0</u>
P-Solve Long Credit Fund				
Short Term Investments	\$ 1,971,620	\$ 1,971,620	\$ -	\$ -
U.S. Government Obligations	2,914,573	-	2,914,573	-
Non-U.S. Government Obligations	1,119,844	-	1,119,844	-
Municipals	308,040	-	308,040	-
Corporate Bonds	25,215,111	-	25,215,111	-
Mutual Funds - Fixed Income	86,970,131	86,970,131	-	-
Exchange-traded Funds - Fixed Income	7,711,387	7,711,387	-	-
Private Placements	2,552,563	-	2,552,563	-
Total	<u>\$ 128,763,269</u>	<u>\$ 96,653,138</u>	<u>\$ 32,110,131</u>	<u>\$ 0</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

Note 6: Risk Factors

The Funds invest in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of assets and liabilities.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds
P-Solve Return Seeking Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Short Term Investments	\$ 12,200,003
U.S. Government Obligations	1,946,995
Mutual Funds - Fixed Income	3,300,913
Mutual Funds - Equity	470,822
Exchange-traded Funds - Fixed Income	209,973
Exchange-traded Funds - Equity	11,471,220
Total Investments Purchased	\$ 29,599,926

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Short Term Investments	\$ 15,517,211	\$ 15,478,075	\$ 39,136
U.S. Government Obligations	247,361	264,808	(17,447)
Mutual Funds - Fixed Income	1,800,000	1,818,354	(18,354)
Mutual Funds - Equity	16,038,633	14,222,890	1,815,743
Exchange-traded Funds - Fixed Income	1,321,832	1,352,081	(30,249)
Exchange-traded Funds - Equity	14,571,176	12,854,085	1,717,091
Total Investments Sold	\$ 49,496,213	\$ 45,990,293	\$ 3,505,920

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
P-Solve Long Credit Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Short Term Investments	\$ 21,385,972
U.S. Government Obligations	19,288,411
Non-U.S. Government Obligations	605,210
Corporate Bonds	23,795,753
Municipal Bonds	25,616
Mutual Funds - Fixed Income	20,249,091
Exchange-traded Funds - Fixed Income	2,691,429
Private Placements	3,231,608
Non-U.S. Government Private Placements	93,889
Total Investments Purchased	\$ 91,366,979

Sales			
Investment Class	Proceeds	Cost	Gain
Short Term Investments	\$ 20,265,305	\$ 20,265,305	\$ -
U.S. Government Obligations	18,601,445	18,526,122	75,323
Non-U.S. Government Obligations	184,253	181,045	3,208
Corporate Bonds	24,495,565	24,142,420	353,145
Municipal Bonds	1,287,192	1,277,398	9,794
Mutual Funds - Fixed Income	1,805,000	1,709,902	95,098
Exchange-traded Funds - Fixed Income	2,910,335	2,815,575	94,760
Private Placements	3,474,593	3,409,550	65,043
Total Investments Sold	\$ 73,023,688	\$ 72,327,317	\$ 696,371