

**Hand Composite Employee Benefit Trust
SMART Funds®**

Independent Auditor's Report and Financial Statements

December 31, 2020



Hand Composite Employee Benefit Trust

December 31, 2020

Contents

Independent Auditor's Report	1
Basic Financial Statements	
Statements of Assets and Liabilities – Selected Funds	3
Schedules of Investments	
SMART Funds® Index 2020	4
SMART Funds® Index 2030	5
SMART Funds® Index 2040	6
SMART Funds® Index 2050	7
SMART Funds® Index Today	8
Statements of Operations – Selected Funds	9
Statements of Changes in Net Assets – Selected Funds	10
Notes to Financial Statements.....	11
Supplemental Information	
Schedules of Investment Purchases and Sales – Selected Funds.....	20

Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of selected funds (SMART Funds® Index 2020, SMART Funds® Index 2030, SMART Funds® Index 2040, SMART Funds® Index 2050 and SMART Funds® Index Today) [five 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, 2020, 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, 2020, 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 27, 2021

Hand Composite Employee Benefit Trust

Statements of Assets and Liabilities – Selected Funds

December 31, 2020

	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Assets					
Investments, at cost	\$ 128,743	\$ 89,421	\$ 153,876	\$ 26,345	\$ 296,777
Investments, at fair value	\$ 133,810	\$ 100,468	\$ 180,798	\$ 30,978	\$ 306,828
Total assets	<u>\$ 133,810</u>	<u>\$ 100,468</u>	<u>\$ 180,798</u>	<u>\$ 30,978</u>	<u>\$ 306,828</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 62	\$ 47	\$ 82	\$ 6	\$ 56
Net assets held for participants:					
Class R1	\$ 14	\$ 23	\$ 20	\$ 21	\$ 14
Class R2	132,960	100,350	172,846	31	2,074
Class R3	-	24	-	23	15
Class R - INSTL	774	24	7,850	30,897	304,669
Total net assets held for participants	<u>\$ 133,748</u>	<u>\$ 100,421</u>	<u>\$ 180,716</u>	<u>\$ 30,972</u>	<u>\$ 306,772</u>
Units outstanding:					
Class R1	1,000	1,000	1,000	1,000	1,000
Class R2	10,339.790	3,389.390	9,497.980	1,000	116.486
Class R3	-	1,000	-	1,000	1,000
Class R - INSTL	53.700	1,000	389.670	1,146.840	20,305.650
Total units outstanding	<u>10,394.490</u>	<u>3,392.390</u>	<u>9,888.650</u>	<u>1,149.840</u>	<u>20,424.136</u>
Net asset value per unit:					
Class R1	\$ 14.35	\$ 23.13	\$ 20.43	\$ 21.06	\$ 14.11
Class R2	\$ 12.86	\$ 29.61	\$ 18.20	\$ 31.34	\$ 17.80
Class R3	\$ -	\$ 24.00	\$ -	\$ 23.38	\$ 15.00
Class R - INSTL	\$ 14.41	\$ 24.48	\$ 20.15	\$ 26.94	\$ 15.00

Hand Composite Employee Benefit Trust
Schedules of Investments
SMART Funds® Index 2020
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
1,249	Federated Government Obligations Fund CS	\$ 1,249	\$ 1,249
	Total Short Term Investment	0.93% 1,249	1,249
<u>Exchange-traded Fund</u>			
<i>Fixed Income</i>			
853	Ishares Barclays 0-5 Year Tips ETF	79,230	83,371
30	Spdr Barclays Sh Trm Intl Treas Bond	951	985
	Total Fixed Income	80,181	84,356
	Total Exchange-traded Fund	63.04% 80,181	84,356
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
42,631	BlackRock Short-term Investment Fund	42,631	42,631
1,188	HB&T Short Term Income Fund	1,188	1,188
	Total Fixed Income	32.75% 43,819	43,819
<i>Equity</i>			
81	BlackRock Equity Index Fund M	2,048	2,608
127	BlackRock MSCI ACWI Ex-US Index Fund M	1,446	1,778
	Total Equity	3.28% 3,494	4,386
	Total Common Trust Funds	36.03% 47,313	48,205
	Total Investments	100.00% \$ 128,743	\$ 133,810

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
SMART Funds® Index 2030
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
50	Federated Government Obligations Fund CS	\$ 50	\$ 50
	Total Short Term Investment	0.05% 50	50
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
19	Invesco DB Precious Metals Fund	681	1,002
122	Ishares Barclays 0-5 Year Tips ETF	12,336	12,739
328	SPDR Barclays Sh Trm INTL Treas Bond	10,342	10,765
787	Vanguard Short-term Treasury Index FD ADM	16,133	16,174
	Total Fixed Income	40.49% 39,492	40,680
<i>Equity</i>			
17	Vanguard Real Estate Index Fund ADM	1,981	2,028
	Total Equity	2.02% 1,981	2,028
	Total Mutual Funds	42.51% 41,473	42,708
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
8,551	BlackRock Short-term Investment Fund W	8,551	8,551
1,941	HB&T Short Term Income Fund	1,941	1,941
	Total Fixed Income	10.44% 10,492	10,492
<i>Equity</i>			
856	BlackRock Equity Index Fund M	21,468	27,517
271	BlackRock Commodity Index Daily Fund M	1,248	1,533
1,298	BlackRock MSCI ACWI Ex US Index Fund M	14,690	18,168
	Total Equity	47.00% 37,406	47,218
	Total Common Trust Funds	57.44% 47,898	57,710
	Total Investments	100.00% \$ 89,421	\$ 100,468

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
SMART Funds® Index 2040
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
50	Federated Government Obligations Fund CS	\$ 50	\$ 50
	Total Short Term Investment	0.03% 50	50
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
46	Invesco DB Precious Metal Fund	1,850	2,427
676	SPDR Barclays Sh Term Intl Treas Bond	21,266	22,186
	Total Fixed Income	23,116	24,613
	Total Exchange-traded Funds	13.61% 23,116	24,613
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
1,620	Vanguard Short-Term Treasury Index FD ADM	33,504	33,292
	Total Fixed Income	18.42% 33,504	33,292
<i>Equity</i>			
41	Vanguard Real Estate Index Fund ADM	4,458	4,902
	Total Equity	2.71% 4,458	4,902
	Total Mutual Funds	21.13% 37,962	38,194
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
3,507	HB&T Short Term Income Fund	3,507	3,507
	Total Fixed Income	1.94% 3,507	3,507
<i>Equity</i>			
2,073	BlackRock Equity Index Fund M	52,001	66,655
652	BlackRock Commodity Index Daily Fund M	2,851	3,693
3,149	BlackRock MSCI ACWI Ex US Index Fund M	34,389	44,086
	Total Equity	63.29% 89,241	114,434
	Total Common Trust Funds	65.23% 92,748	117,941
	Total Investments	100.00% \$ 153,876	\$ 180,798

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
SMART Funds® Index 2050
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
50	Federated Government Obligations Fund CS	\$ 50	\$ 50
	Total Short Term Investment	0.16% 50	50
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
9	Invesco DB Precious Metals Fund	373	475
78	SPDR Barclays Sh Trm INTL Treas Bond	2,487	2,560
	Total Fixed Income	2,860	3,035
	Total Exchange-traded Funds	9.80% 2,860	3,035
<u>Mutual Funds</u>			
<i>Fixed Income</i>			
186	Vanguard Short-Term Treasury Index FD ADM	3,847	3,832
	Total Fixed Income	12.36% 3,847	3,832
<i>Equity</i>			
8	Vanguard Real Estate Index Fund ADM	879	972
	Total Equity	3.14% 879	972
	Total Mutual Funds	15.50% 4,726	4,804
<u>Common Trust Funds</u>			
<i>Fixed Income</i>			
547	HB&T Short Term Income Fund	547	547
	Total Fixed Income	1.77% 547	547
<i>Equity</i>			
129	BlackRock Commodity Index Daily Fund M	603	728
409	BlackRock Equity Index Fund M	10,603	13,145
619	BlackRock MSCI ACWI Ex US Index Fund M	6,956	8,669
	Total Equity	72.77% 18,162	22,542
	Total Common Trust Funds	74.54% 18,709	23,089
	Total Investments	100.00% \$ 26,345	\$ 30,978

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
SMART Funds® Index Today
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
50	Federated Government Obligations Funds CS	\$ 50	\$ 50
	Total Short Term Investment	0.02% 50	50
<u>Mutual Fund</u>			
<u>Fixed Income</u>			
1,368	iShares Barclays 0-5 Year Tips ETF	136,170	142,860
	Total Fixed Income	136,170	142,860
	Total Mutual Fund	46.56% 136,170	142,860
<u>Common Trust Funds</u>			
<u>Fixed Income</u>			
142,683	BlackRock Short-Term Investment Fund W	142,683	142,683
6,077	HB&T Short Term Income Fund	6,077	6,077
	Total Fixed Income	48.48% 148,760	148,760
<u>Equity</u>			
442	BlackRock MSCI ACWI Ex Us Index Fund M	4,924	6,188
279	BlackRock US Equity Market Fund M	6,873	8,970
	Total Equity	4.94% 11,797	15,158
	Total Common Trust Funds	53.42% 160,557	163,918
	Total Investments	100.00% \$ 296,777	\$ 306,828

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds
Year Ended December 31, 2020

	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Income					
Dividends	\$ 1,558	\$ 587	\$ 1,525	\$ 90	\$ 2,745
Expenses					
Investment management and administrative	293	213	685	45	565
Other fees	61	65	55	-	20
Class R2 expenses	472	367	1,168	-	8
Total expenses	826	645	1,908	45	593
Net Investment Income (Loss)	732	(58)	(383)	45	2,152
Net Realized and Unrealized Gains (Losses) on Investments					
Net realized gains (losses) on investments	4,920	10,933	22,087	(521)	472
Change in unrealized appreciation/ depreciation on investments	(1,448)	(3,667)	(1,818)	3,854	6,844
Net realized and unrealized gains	3,472	7,266	20,269	3,333	7,316
Net Increase in Net Assets Resulting From Operations	\$ 4,204	\$ 7,208	\$ 19,886	\$ 3,378	\$ 9,468

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds
Year Ended December 31, 2020

	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Operations					
Net investment income (loss)	\$ 732	\$ (58)	\$ (383)	\$ 45	\$ 2,152
Net realized gains (loss)	4,920	10,933	22,087	(521)	472
Change in unrealized appreciation/depreciation	(1,448)	(3,667)	(1,818)	3,854	6,844
Net increase in net assets from operations	4,204	7,208	19,886	3,378	9,468
Net Increase (Decrease) in Net Assets From Participant Unit Transactions	<u>(294,148)</u>	<u>(262,124)</u>	<u>(367,165)</u>	<u>13,660</u>	<u>(4,266)</u>
Increase (Decrease) in Net Assets	(289,944)	(254,916)	(347,279)	17,038	5,202
Net Assets Held for Participants					
Beginning of year	<u>423,692</u>	<u>355,337</u>	<u>527,995</u>	<u>13,934</u>	<u>301,570</u>
End of year	<u>\$ 133,748</u>	<u>\$ 100,421</u>	<u>\$ 180,716</u>	<u>\$ 30,972</u>	<u>\$ 306,772</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

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 80 portfolios (the Funds); the financial statements of five 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, except fully benefit-responsive investment contracts (which are reported at contract value), 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 remaining funds until units

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2020

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.

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 27, 2021, 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
SMART Funds [®] Index 2020	Target Date Solutions
SMART Funds [®] Index 2030	Target Date Solutions
SMART Funds [®] Index 2040	Target Date Solutions
SMART Funds [®] Index 2050	Target Date Solutions
SMART Funds [®] Index Today	Target Date Solutions

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, 2020

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
SMART Funds [®] Index 2020:					
Class R1	0.15%	0.05%	0.25%	0.00%	0.45%
Class R2	0.15%	0.05%	0.35%	0.00%	0.55%
Class R3	0.15%	0.05%	0.65%	0.00%	0.85%
Class R-INSTL	0.15%	0.05%	0.00%	0.00%	0.20%
SMART Funds [®] Index 2030:					
Class R1	0.15%	0.05%	0.25%	0.00%	0.45%
Class R2	0.15%	0.05%	0.35%	0.00%	0.55%
Class R3	0.15%	0.05%	0.65%	0.00%	0.85%
Class R-INSTL	0.15%	0.05%	0.00%	0.00%	0.20%
SMART Funds [®] Index 2040:					
Class R1	0.15%	0.05%	0.25%	0.00%	0.45%
Class R2	0.15%	0.05%	0.35%	0.00%	0.55%
Class R3	0.15%	0.05%	0.65%	0.00%	0.85%
Class R-INSTL	0.15%	0.05%	0.00%	0.00%	0.20%
SMART Funds [®] Index 2050:					
Class R1	0.15%	0.05%	0.25%	0.00%	0.45%
Class R2	0.15%	0.05%	0.35%	0.00%	0.55%
Class R3	0.15%	0.05%	0.65%	0.00%	0.85%
Class R-INSTL	0.15%	0.05%	0.00%	0.00%	0.20%
SMART Funds [®] Index Today:					
Class R1	0.15%	0.05%	0.25%	0.00%	0.45%
Class R2	0.15%	0.05%	0.35%	0.00%	0.55%
Class R3	0.15%	0.05%	0.65%	0.00%	0.85%
Class R-INSTL	0.15%	0.05%	0.00%	0.00%	0.20%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

Note 3: Financial Highlights

	Class R1				
	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Net asset value, beginning of year	\$ 13.89	\$ 21.50	\$ 18.31	\$ 18.49	\$ 13.65
Net investment income	-	-	-	-	-
Net realized and unrealized gains	0.46	1.63	2.12	2.57	0.46
Net increase from operations	0.46	1.63	2.12	2.57	0.46
Net asset value, end of year	\$ 14.35	\$ 23.13	\$ 20.43	\$ 21.06	\$ 14.11
Total return	3.31%	7.58%	11.58%	13.90%	3.37%
Ratio to average net assets:					
Net investment income	0.00%	0.00%	0.00%	0.00%	0.00%
Expenses	0.00%	0.00%	0.00%	0.00%	0.00%

	Class R2				
	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Net asset value, beginning of year	\$ 12.49	\$ 27.61	\$ 16.37	\$ 27.47	\$ 17.37
Net investment income (loss)	0.06	(0.02)	(0.02)	0.05	0.03
Net realized and unrealized gains	0.31	2.02	1.85	3.82	0.40
Net increase from operations	0.37	2.00	1.83	3.87	0.43
Net asset value, end of year	\$ 12.86	\$ 29.61	\$ 18.20	\$ 31.34	\$ 17.80
Total return	2.96%	7.24%	11.18%	14.09%	2.48%
Ratio to average net assets:					
Net investment income (loss)	0.50%	(0.06)%	(0.12)%	0.17%	0.17%
Expenses	0.62%	0.64%	0.58%	0.17%	0.64%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

	Class R3		
	SMART Funds® Index 2030	SMART Funds® Index 2050	SMART Funds® Index Today
Net asset value, beginning of year	\$ 22.30	\$ 20.53	\$ 14.51
Net investment income	-	-	-
Net realized and unrealized gains	1.70	2.85	0.49
Net increase from operations	1.70	2.85	0.49
Net asset value, end of year	<u>\$ 24.00</u>	<u>\$ 23.38</u>	<u>\$ 15.00</u>
Total return	7.62%	13.88%	3.38%
Ratio to average net assets:			
Net investment income	0.00%	0.00%	0.00%
Expenses	0.00%	0.00%	0.00%

	Class R-INSTL				
	SMART Funds® Index 2020	SMART Funds® Index 2030	SMART Funds® Index 2040	SMART Funds® Index 2050	SMART Funds® Index Today
Net asset value, beginning of year	\$ 13.89	\$ 22.37	\$ 18.05	\$ 23.66	\$ 14.51
Net investment income	0.11	-	0.04	0.05	0.11
Net realized and unrealized gains	0.41	2.11	2.06	3.23	0.38
Net increase from operations	0.52	2.11	2.10	3.28	0.49
Net asset value, end of year	<u>\$ 14.41</u>	<u>\$ 24.48</u>	<u>\$ 20.15</u>	<u>\$ 26.94</u>	<u>\$ 15.00</u>
Total return	3.74%	9.43%	11.63%	13.86%	3.38%
Ratio to average net assets:					
Net investment income	0.78%	0.00%	0.21%	0.20%	0.76%
Expenses	0.23%	0.00%	0.20%	0.20%	0.21%

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2020

Note 4: Participant Unit Transactions

	SMART Funds® Index 2020		SMART Funds® Index 2030		SMART Funds® Index 2040		SMART Funds® Index 2050		SMART Funds® Index Today	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Class R2:										
Proceeds from sales of units	-	\$ -	229	\$ 6,239	287	\$ 4,728	-	\$ -	42	\$ 753
Cost of units redeemed	(22,559)	(281,994)	(9,707)	(268,363)	(22,533)	(371,056)	-	-	(1,682)	(29,255)
Net change in Class R2 from participant transactions	(22,559)	(281,994)	(9,478)	(262,124)	(22,246)	(366,328)	0	0	(1,640)	(28,502)
Class R - INSTL:										
Proceeds from sales of units	63	905	-	-	206	3,763	765	18,003	2,495	36,779
Cost of units redeemed	(921)	(13,059)	-	-	(275)	(4,600)	(204)	(4,343)	(866)	(12,543)
Net change in Class R - INSTL from participant transactions	(858)	(12,154)	0	0	(69)	(837)	561	13,660	1,629	24,236
Net increase (decrease) in net assets from participant transactions		\$ (294,148)		\$ (262,124)		\$ (367,165)		\$ 13,660		\$ (4,266)

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

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, 2020.

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.

Exchange-traded Funds and Mutual 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.

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, 2020.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2020

	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)
SMART Funds® Index 2020				
Short Term Investment	\$ 1,249	\$ 1,249	\$ -	\$ -
Exchange-traded Fund : Fixed Income	84,356	84,356	-	-
Common Trust Funds : Fixed Income (A)	43,819			
Common Trust Funds : Equity (A)	4,386			
Total	<u>\$ 133,810</u>			
SMART Funds® Index 2030				
Short Term Investment	\$ 50	\$ 50	\$ -	\$ -
Mutual Funds : Fixed Income	40,680	40,680	-	-
Mutual Funds : Equity	2,028	2,028	-	-
Common Trust Funds : Fixed Income (A)	10,492			
Common Trust Funds : Equity (A)	47,218			
Total	<u>\$ 100,468</u>			
SMART Funds® Index 2040				
Short Term Investment	\$ 50	\$ 50	\$ -	\$ -
Exchange-traded Funds : Fixed Income	24,613	24,613	-	-
Mutual Funds : Fixed Income	33,292	33,292	-	-
Mutual Funds : Equity	4,902	4,902	-	-
Common Trust Funds : Fixed Income (A)	3,507			
Common Trust Funds : Equity (A)	114,434			
Total	<u>\$ 180,798</u>			
SMART Funds® Index 2050				
Short Term Investment	\$ 50	\$ 50	\$ -	\$ -
Exchange-traded Funds : Fixed Income	3,035	3,035	-	-
Mutual Funds : Fixed Income	3,832	3,832	-	-
Mutual Funds : Equity	972	972	-	-
Common Trust Funds : Fixed Income (A)	547			
Common Trust Funds : Equity (A)	22,542			
Total	<u>\$ 30,978</u>			

(A) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets and liabilities.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2020

	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)
SMART Funds[®] Index Today				
Short Term Investment	\$ 50	\$ 50	\$ -	\$ -
Exchange-traded Fund : Fixed Income	142,860	142,860	-	-
Common Trust Funds : Fixed Income (A)	148,760			
Common Trust Funds : Equity (A)	15,158			
	<u>306,828</u>			
Total	<u>\$ 306,828</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 change could materially affect the amounts reported in the accompanying statements of assets and liabilities.

Since January 2020, the COVID-19 pandemic created outbreaks of infectious illnesses, and countries throughout the globe were subject to other public health threats, infectious illnesses, diseases, or similar issues. Any spread of an infectious illness, public health threat or similar issue could alter consumer demand or economic output, result in market closures, travel restrictions or quarantines, and have a significant impact on the global economy, which in turn could adversely affect the Funds' investments and could result in increases or decreases in the Funds' net asset value.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds
SMART Funds® Index 2020
Year Ended December 31, 2020

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 951
Mutual Funds - Fixed Income	1,407
Common Trust Funds - Fixed Income	5,821
Common Trust Funds - Equity	276
Total Investments Purchased	\$ 8,455

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 155,940	\$ 152,499	\$ 3,441
Common Trust Funds - Fixed Income	128,859	128,859	-
Common Trust Funds - Equity	17,759	16,280	1,479
Total Investments Sold	\$ 302,558	\$ 297,638	\$ 4,920

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
SMART Funds® Index 2030
Year Ended December 31, 2020

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 6,140
Mutual Funds - Fixed Income	7,919
Mutual Funds - Equity	1,054
Common Trust Funds - Fixed Income	15,312
Common Trust Funds - Equity	11,690
Total Investments Purchased	\$ 42,115

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 60,295	\$ 59,161	\$ 1,134
Mutual - Fixed Income	33,130	32,955	175
Mutual Funds - Equity	26,459	27,648	(1,189)
Common Trust Funds - Fixed Income	36,959	36,959	-
Common Trust Funds - Equity	147,215	136,402	10,813
Total Investments Sold	\$ 304,058	\$ 293,125	\$ 10,933

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
SMART Funds® Index 2040
Year Ended December 31, 2020

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 15,360
Mutual Funds - Fixed Income	30,642
Mutual Funds - Equity	4,964
Common Trust Funds - Fixed Income	45,209
Common Trust Funds - Equity	75,917
Total Investments Purchased	\$ 172,092

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 55,975	\$ 51,017	\$ 4,958
Mutual Funds - Fixed Income	63,501	62,325	1,176
Mutual Funds - Equity	48,001	53,840	(5,839)
Common Trust Funds - Fixed Income	52,831	52,831	-
Common Trust Funds - Equity	319,263	297,471	21,792
Total Investments Sold	\$ 539,571	\$ 517,484	\$ 22,087

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
SMART Funds® Index 2050
Year Ended December 31, 2020

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 1,727
Mutual Funds - Fixed Income	3,079
Mutual Funds - Equity	1,560
Common Trust Funds - Fixed Income	21,868
Common Trust Funds - Equity	21,395
Total Investments Purchased	\$ 49,629

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 260	\$ 186	\$ 74
Mutual Funds - Fixed Income	363	335	28
Mutual Funds - Equity	1,934	2,155	(221)
Common Trust Funds - Fixed Income	22,123	22,123	-
Common Trust Funds - Equity	11,235	11,637	(402)
Total Investments Sold	\$ 35,915	\$ 36,436	\$ (521)

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
SMART Funds® Index Today
December 31, 2020

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 11,670
Common Trust Funds - Fixed Income	60,865
Common Trust Funds - Equity	2,455
Total Investments Purchased	\$ 74,990

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 3,516	\$ 3,491	\$ 25
Common Trust Funds - Fixed Income	69,005	69,005	-
Common Trust Funds - Equity	4,054	3,607	447
Total Investments Sold	\$ 76,575	\$ 76,103	\$ 472