

**Hand Composite Employee Benefit Trust  
Trademark Tactical Risk Funds**

Independent Auditor's Report and Financial Statements

December 31, 2018



**Hand Composite Employee Benefit Trust**  
**December 31, 2018**

**Contents**

**Independent Auditor's Report ..... 1**

**Basic Financial Statements**

Statements of Assets and Liabilities – Selected Funds ..... 3

Schedules of Investments

    Trademark Tactical Risk Retirement Fund ..... 4

    Trademark Tactical Risk 2020 Fund ..... 5

    Trademark Tactical Risk 2030 Fund ..... 6

    Trademark Tactical Risk 2040 Fund ..... 7

    Trademark Tactical Risk 2050 Fund ..... 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 ..... 21

## Independent Auditor's Report

Board of Directors  
Hand Composite Employee Benefit Trust  
Houston, Texas

We have audited the accompanying financial statements of selected funds (Trademark Tactical Risk Retirement Fund, Trademark Tactical Risk 2020 Fund, Trademark Tactical Risk 2030 Fund, Trademark Tactical Risk 2040 Fund and Trademark Tactical Risk 2050 Fund) [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, 2018, 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, 2018, 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 24, 2019

# Hand Composite Employee Benefit Trust

## Statements of Assets and Liabilities – Selected Funds

### December 31, 2018

	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
<b>Assets</b>					
Investments, at cost	\$ 2,621,561	\$ 14,580,045	\$ 16,394,433	\$ 9,150,781	\$ 6,207,847
Investments, at fair value	\$ 2,590,297	\$ 14,304,730	\$ 15,897,784	\$ 8,789,041	\$ 5,937,769
Cash	2,270	5,254	4,457	1,007	481
Receivable for:					
Investment securities sold	953	-	-	-	-
Capital shares sold	62	6,391	11,645	5,095	3,199
Dividends and interest	4,130	13,533	13,244	7,340	4,374
<b>Total assets</b>	<b>\$ 2,597,712</b>	<b>\$ 14,329,908</b>	<b>\$ 15,927,130</b>	<b>\$ 8,802,483</b>	<b>\$ 5,945,823</b>
<b>Liabilities</b>					
Payable for investment securities purchased	\$ -	\$ 3,847	\$ 7,691	\$ 2,349	\$ 2,036
Payable for capital shares redeemed	606	100	1,217	1,224	142
Accounts payable and accrued liabilities	1,536	8,774	11,005	5,693	3,917
<b>Total liabilities</b>	<b>\$ 2,142</b>	<b>\$ 12,721</b>	<b>\$ 19,913</b>	<b>\$ 9,266</b>	<b>\$ 6,095</b>
Net assets held for participants:					
Class R	\$ 1,215,764	\$ 7,728,600	\$ 5,768,937	\$ 4,389,956	\$ 2,652,485
Class R1	476,682	2,024,898	4,607,624	1,954,341	1,544,302
Class R2	11	12	668,017	46,755	30,619
Class R3	11	12	12	14	14
Class R4	903,080	2,589,502	3,408,516	1,838,154	1,507,786
Class R5	11	222,929	635,028	309,519	77,608
Class R6	11	1,751,234	819,083	254,478	126,914
<b>Total net assets held for participants</b>	<b>\$ 2,595,570</b>	<b>\$ 14,317,187</b>	<b>\$ 15,907,217</b>	<b>\$ 8,793,217</b>	<b>\$ 5,939,728</b>
Units outstanding:					
Class R	108,663	676,721	473,925	331,640	194,045
Class R1	44,210	183,577	391,956	153,056	117,530
Class R2	1	1	55,244	3,555	2,252
Class R3	1	1	1	1	1
Class R4	83,226	233,522	288,416	143,236	113,663
Class R5	1	20,028	53,579	24,039	5,822
Class R6	1	152,404	66,909	19,136	9,228
<b>Total units outstanding</b>	<b>236,103</b>	<b>1,266,254</b>	<b>1,330,030</b>	<b>674,663</b>	<b>442,541</b>
Net asset value per unit:					
Class R	\$ 11.19	\$ 11.42	\$ 12.17	\$ 13.24	\$ 13.67
Class R1	\$ 10.78	\$ 11.03	\$ 11.76	\$ 12.77	\$ 13.14
Class R2	\$ 11.31	\$ 11.66	\$ 12.09	\$ 13.15	\$ 13.59
Class R3	\$ 11.39	\$ 11.66	\$ 12.42	\$ 13.50	\$ 13.95
Class R4	\$ 10.85	\$ 11.09	\$ 11.82	\$ 12.83	\$ 13.27
Class R5	\$ 11.39	\$ 11.13	\$ 11.85	\$ 12.88	\$ 13.33
Class R6	\$ 11.39	\$ 11.49	\$ 12.24	\$ 13.30	\$ 13.75

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments**  
**Trademark Tactical Risk Retirement Fund**  
**December 31, 2018**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
30,597	Federated Government Obligations Fund CS	\$ 30,597	\$ 30,597
	Total Short Term Investment	1.18% <u>30,597</u>	<u>30,597</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
14,303	Invesco Ultra Short Duration Portfolio	716,582	716,151
6,462	PIMCO Enhanced Short Maturity ETF	657,574	652,339
2,423	Vanguard Long-Term Treasury	180,536	181,022
	Total Fixed Income	59.82% <u>1,554,692</u>	<u>1,549,512</u>
<b><i>Equity</i></b>			
2,155	Goldman Sachs Activebeta Intl Equity ETF	62,024	54,651
1,923	Schwab International Equity	63,854	54,517
5,044	Schwab US Large-Cap ETF	300,590	301,127
2,574	Schwab US Mid-Cap ETF	128,307	123,372
724	Schwab US Small-Cap ETF	48,908	43,932
	Total Equity	22.30% <u>603,683</u>	<u>577,599</u>
	Total Exchange-traded Funds	82.12% <u>2,158,375</u>	<u>2,127,111</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
432,589	HB&T Short Term Income Fund	432,589	432,589
	Total Fixed Income	16.70% <u>432,589</u>	<u>432,589</u>
	Total Common Trust Fund	16.70% <u>432,589</u>	<u>432,589</u>
	Total Investments	100.00% <u>\$ 2,621,561</u>	<u>\$ 2,590,297</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical Risk 2020 Fund**  
**December 31, 2018**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
382,078	Federated Government Obligation Fund CS	\$ 382,078	\$ 382,078
	Total Short Term Investment	2.67% <u>382,078</u>	<u>382,078</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
33,100	Invesco Ultra Short Duration Portfolio	1,658,312	1,657,317
25,611	Invesco Variable Rate Invst Grade Port	646,936	630,799
38,320	PIMCO Enhanced Short Maturity ETF	3,899,446	3,868,404
13,276	Vanguard Long-Term Treasury	989,173	991,850
	Total Fixed Income	49.97% <u>7,193,867</u>	<u>7,148,370</u>
<b><i>Equity</i></b>			
11,769	Goldman Sachs Activebeta Intl Equity ETF	338,727	298,462
18,341	Schwab International Equity	610,804	519,967
45,436	Schwab US Large-Cap ETF	2,707,699	2,712,529
24,647	Schwab US Mid-Cap ETF	1,236,174	1,181,331
7,577	Schwab US Small-Cap ETF	508,475	459,772
	Total Equity	36.16% <u>5,401,879</u>	<u>5,172,061</u>
	Total Exchange-traded Funds	86.13% <u>12,595,746</u>	<u>12,320,431</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
1,602,221	HB&T Short Term Income Fund	1,602,221	1,602,221
	Total Fixed Income	11.20% <u>1,602,221</u>	<u>1,602,221</u>
	Total Common Trust Fund	11.20% <u>1,602,221</u>	<u>1,602,221</u>
	Total Investments	100.00% <u>\$ 14,580,045</u>	<u>\$ 14,304,730</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical Risk 2030 Fund**  
**December 31, 2018**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
426,723	Federated Government Obligations Fund CS	\$ 426,723	\$ 426,723
	Total Short Term Investment	2.68% 426,723	426,723
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
28,081	Invesco Ultra Short Duration Portfolio	1,406,860	1,406,016
25,850	Invesco Variable Rate Invst Grade Port	652,973	636,686
33,710	PIMCO Enhanced Short Maturity ETF	3,430,332	3,403,025
14,646	Vanguard Long-Term Treasury	1,091,250	1,094,203
	Total Fixed Income	41.14% 6,581,415	6,539,930
<b><i>Equity</i></b>			
31,350	Goldman Sachs Activebeta Intl Equity ETF	902,294	795,036
4,873	Schwab Emerging Markets Equity	130,816	114,662
35,506	Schwab International Equity	1,178,994	1,006,595
59,495	Schwab US Large-Cap ETF	3,545,526	3,551,849
38,470	Schwab US Mid-Cap ETF	1,919,625	1,843,867
14,701	Schwab US Small-Cap ETF	981,975	892,057
	Total Equity	51.61% 8,659,230	8,204,066
	Total Exchange-traded Funds	92.75% 15,240,645	14,743,996
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
727,065	HB&T Short Term Income Fund	727,065	727,065
	Total Fixed Income	4.57% 727,065	727,065
	Total Common Trust Fund	4.57% 727,065	727,065
	Total Investments	100.00% \$ 16,394,433	\$ 15,897,784



**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical Risk 2040 Fund**  
**December 31, 2018**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
303,880	Federated Government Obligations Fund CS	\$ 303,880	\$ 303,880
	Total Short Term Investment	3.46% 303,880	303,880
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
6,342	Invesco Ultra Short Duration Portfolio	317,736	317,544
15,697	PIMCO Enhanced Short Maturity ETF	1,597,329	1,584,612
8,039	Vanguard Long-Term Treasury	598,974	600,594
	Total Fixed Income	28.48% 2,514,039	2,502,750
<b><i>Equity</i></b>			
25,302	Goldman Sachs Activebeta Intl Equity ETF	728,224	641,659
11,940	Schwab Emerging Markets Equity	320,529	280,948
25,197	Schwab International Equity	836,679	714,335
38,982	Schwab US Large-Cap ETF	2,323,082	2,327,225
25,260	Schwab US Mid Cap ETF	1,255,771	1,210,712
10,813	Schwab US Small Cap ETF	717,178	656,133
	Total Equity	66.34% 6,181,463	5,831,012
	Total Exchange-traded Funds	94.82% 8,695,502	8,333,762
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
151,399	HB&T Short Term Income Fund	151,399	151,399
	Total Fixed Income	1.72% 151,399	151,399
	Total Common Trust Fund	1.72% 151,399	151,399
	Total Investments	100.00% \$ 9,150,781	\$ 8,789,041

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical Risk 2050 Fund**  
**December 31, 2018**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
223,328	Federated Government Obligations Fund CS	\$ 223,328	\$ 223,328
	Total Short Term Investment	3.76% <u>223,328</u>	<u>223,328</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
3,030	Invesco Ultra Short Duration Portfolio	151,805	151,712
7,569	PIMCO Enhanced Short Maturity ETF	770,223	764,091
5,416	Vanguard Long-Term Treasury	403,539	404,629
	Total Fixed Income	22.23% <u>1,325,567</u>	<u>1,320,432</u>
<b><i>Equity</i></b>			
20,380	Goldman Sachs Activebeta Intl Equity ETF	586,563	516,837
9,502	Schwab Emerging Markets Equity	255,081	223,582
17,767	Schwab International Equity	589,962	503,694
27,251	Schwab US Large-Cap ETF	1,624,904	1,626,885
19,536	Schwab US Mid-Cap ETF	971,209	936,360
8,087	Schwab US Small-Cap ETF	535,301	490,719
	Total Equity	72.39% <u>4,563,020</u>	<u>4,298,077</u>
	Total Exchange-traded Funds	94.62% <u>5,888,587</u>	<u>5,618,509</u>
<b><u>Common Trust Fund</u></b>			
<b><i>Fixed Income</i></b>			
95,932	HB&T Short Term Income Fund	95,932	95,932
	Total Fixed Income	1.62% <u>95,932</u>	<u>95,932</u>
	Total Common Trust Fund	1.62% <u>95,932</u>	<u>95,932</u>
	Total Investments	100.00% <u>\$ 6,207,847</u>	<u>\$ 5,937,769</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Operations – Selected Funds**  
**Year Ended December 31, 2018**

	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
<b>Income</b>					
Interest	\$ 274	\$ 374	\$ 1,195	\$ 578	\$ 399
Dividends	<u>50,321</u>	<u>303,827</u>	<u>347,623</u>	<u>191,007</u>	<u>125,956</u>
Total income	<u>50,595</u>	<u>304,201</u>	<u>348,818</u>	<u>191,585</u>	<u>126,355</u>
<b>Expenses</b>					
Investment management and administrative	4,781	30,166	35,634	19,927	13,205
Other fees	31	29	60	43	16
Class R expenses	4,373	27,937	23,996	18,171	10,494
Class R1 expenses	3,543	15,245	34,612	13,813	11,699
Class R2 expenses	-	-	6,385	407	262
Class R4 expenses	5,015	21,185	29,630	17,122	13,086
Class R5 expenses	-	2,630	6,383	2,609	916
Class R6 expenses	<u>-</u>	<u>11,578</u>	<u>5,038</u>	<u>1,677</u>	<u>842</u>
Total expenses	<u>17,743</u>	<u>108,770</u>	<u>141,738</u>	<u>73,769</u>	<u>50,520</u>
<b>Net Investment Income</b>	<u>32,852</u>	<u>195,431</u>	<u>207,080</u>	<u>117,816</u>	<u>75,835</u>
<b>Net Realized and Unrealized Gains</b>					
<b>(Losses) on Investments</b>					
Net realized gains (losses) on investments	26,561	(28,644)	117,097	40,373	3,208
Net change in unrealized appreciation/ depreciation on investments	<u>(87,069)</u>	<u>(608,260)</u>	<u>(1,119,223)</u>	<u>(780,940)</u>	<u>(559,086)</u>
Net realized and unrealized losses	<u>(60,508)</u>	<u>(636,904)</u>	<u>(1,002,126)</u>	<u>(740,567)</u>	<u>(555,878)</u>
<b>Net Decrease in Net Assets Resulting From Operations</b>	<u>\$ (27,656)</u>	<u>\$ (441,473)</u>	<u>\$ (795,046)</u>	<u>\$ (622,751)</u>	<u>\$ (480,043)</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Changes in Net Assets – Selected Funds**  
**Year Ended December 31, 2018**

	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
<b>Operations</b>					
Net investment income	\$ 32,852	\$ 195,431	\$ 207,080	\$ 117,816	\$ 75,835
Net realized gains (losses)	26,561	(28,644)	117,097	40,373	3,208
Change in unrealized appreciation/depreciation	<u>(87,069)</u>	<u>(608,260)</u>	<u>(1,119,223)</u>	<u>(780,940)</u>	<u>(559,086)</u>
Net decrease in net assets from operations	(27,656)	(441,473)	(795,046)	(622,751)	(480,043)
<b>Net Increase (Decrease) in Net Assets From</b>					
<b>Participant Transactions</b>	<u>94,407</u>	<u>114,160</u>	<u>(1,622,046)</u>	<u>(657,324)</u>	<u>(209,474)</u>
<b>Increase (Decrease) in Net Assets</b>	66,751	(327,313)	(2,417,092)	(1,280,075)	(689,517)
<b>Net Assets Held for Participants</b>					
Beginning of year	<u>2,528,819</u>	<u>14,644,500</u>	<u>18,324,309</u>	<u>10,073,292</u>	<u>6,629,245</u>
End of year	<u>\$ 2,595,570</u>	<u>\$ 14,317,187</u>	<u>\$ 15,907,217</u>	<u>\$ 8,793,217</u>	<u>\$ 5,939,728</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

### 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 92 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 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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

### ***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 24, 2019, 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:

<b>Fund</b>	<b>Investment Management Advisor</b>
Trademark Tactical Risk Retirement Fund	Trademark Capital Management, Inc.
Trademark Tactical Risk 2020 Fund	Trademark Capital Management, Inc.
Trademark Tactical Risk 2030 Fund	Trademark Capital Management, Inc.
Trademark Tactical Risk 2040 Fund	Trademark Capital Management, Inc.
Trademark Tactical Risk 2050 Fund	Trademark 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 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.

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.

**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2018**

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Total Fees
All Trademark Tactical Risk Funds:				
Class R	0.20%	0.35%	0.00%	0.55%
Class R1	0.20%	0.60%	0.10%	0.90%
Class R2	0.20%	0.60%	0.35%	1.15%
Class R3	0.20%	0.60%	0.60%	1.40%
Class R4	0.20%	0.35%	0.44%	0.99%
Class R5	0.20%	0.60%	0.25%	1.05%
Class R6	0.20%	0.35%	0.25%	0.80%

**Note 3: Financial Highlights**

	Class R				
	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
Net asset value, beginning of year	\$ 11.30	\$ 11.75	\$ 12.76	\$ 14.15	\$ 14.77
Net investment income	0.18	0.17	0.18	0.19	0.20
Net realized and unrealized losses	(0.29)	(0.50)	(0.77)	(1.10)	(1.30)
Net decrease from investment operations	(0.11)	(0.33)	(0.59)	(0.91)	(1.10)
Net asset value, end of year	<u>\$ 11.19</u>	<u>\$ 11.42</u>	<u>\$ 12.17</u>	<u>\$ 13.24</u>	<u>\$ 13.67</u>
Total return	-0.97%	-2.81%	-4.62%	-6.43%	-7.45%
Ratio to average net assets:					
Net investment income	1.53%	1.46%	1.38%	1.35%	1.34%
Expenses	0.55%	0.55%	0.55%	0.55%	0.55%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

	<b>Class R1</b>				
	<b>Trademark Tactical Risk Retirement Fund</b>	<b>Trademark Tactical Risk 2020 Fund</b>	<b>Trademark Tactical Risk 2030 Fund</b>	<b>Trademark Tactical Risk 2040 Fund</b>	<b>Trademark Tactical Risk 2050 Fund</b>
Net asset value, beginning of year	\$ 10.93	\$ 11.39	\$ 12.36	\$ 13.70	\$ 14.25
Net investment income	0.14	0.13	0.14	0.15	0.15
Net realized and unrealized losses	(0.29)	(0.49)	(0.74)	(1.08)	(1.26)
Net decrease from investment operations	(0.15)	(0.36)	(0.60)	(0.93)	(1.11)
Net asset value, end of year	<u>\$ 10.78</u>	<u>\$ 11.03</u>	<u>\$ 11.76</u>	<u>\$ 12.77</u>	<u>\$ 13.14</u>
Total return	-1.37%	-3.16%	-4.85%	-6.79%	-7.79%
Ratio to average net assets:					
Net investment income	1.24%	1.17%	1.09%	1.07%	1.06%
Expenses	0.92%	0.91%	0.91%	0.90%	0.91%

	<b>Class R2</b>				
	<b>Trademark Tactical Risk Retirement Fund</b>	<b>Trademark Tactical Risk 2020 Fund</b>	<b>Trademark Tactical Risk 2030 Fund</b>	<b>Trademark Tactical Risk 2040 Fund</b>	<b>Trademark Tactical Risk 2050 Fund</b>
Net asset value, beginning of year	\$ 11.40	\$ 11.96	\$ 12.75	\$ 14.14	\$ 14.78
Net investment income	0.22	0.21	0.10	0.11	0.11
Net realized and unrealized losses	(0.31)	(0.51)	(0.76)	(1.10)	(1.30)
Net decrease from investment operations	(0.09)	(0.30)	(0.66)	(0.99)	(1.19)
Net asset value, end of year	<u>\$ 11.31</u>	<u>\$ 11.66</u>	<u>\$ 12.09</u>	<u>\$ 13.15</u>	<u>\$ 13.59</u>
Total return	-0.61%	-2.42%	-5.18%	-7.00%	-8.05%
Ratio to average net assets:					
Net investment income	1.87%	1.77%	0.79%	0.78%	0.76%
Expenses	0.20%	0.20%	1.15%	1.14%	1.13%



# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

	<b>Class R3</b>				
	<b>Trademark Tactical Risk Retirement Fund</b>	<b>Trademark Tactical Risk 2020 Fund</b>	<b>Trademark Tactical Risk 2030 Fund</b>	<b>Trademark Tactical Risk 2040 Fund</b>	<b>Trademark Tactical Risk 2050 Fund</b>
Net asset value, beginning of year	\$ 11.48	\$ 11.96	\$ 12.98	\$ 14.38	\$ 15.03
Net investment income	0.22	0.20	0.21	0.24	0.25
Net realized and unrealized losses	(0.31)	(0.50)	(0.77)	(1.12)	(1.33)
Net decrease from investment operations	(0.09)	(0.30)	(0.56)	(0.88)	(1.08)
Net asset value, end of year	<u>\$ 11.39</u>	<u>\$ 11.66</u>	<u>\$ 12.42</u>	<u>\$ 13.50</u>	<u>\$ 13.95</u>
Total return	-0.61%	-2.42%	-4.24%	-6.05%	-7.19%
Ratio to average net assets:					
Net investment income	1.85%	1.77%	1.70%	1.67%	1.66%
Expenses	0.19%	0.20%	0.19%	0.19%	0.19%

	<b>Class R4</b>				
	<b>Trademark Tactical Risk Retirement Fund</b>	<b>Trademark Tactical Risk 2020 Fund</b>	<b>Trademark Tactical Risk 2030 Fund</b>	<b>Trademark Tactical Risk 2040 Fund</b>	<b>Trademark Tactical Risk 2050 Fund</b>
Net asset value, beginning of year	\$ 11.01	\$ 11.46	\$ 12.44	\$ 13.78	\$ 14.40
Net investment income	0.13	0.12	0.12	0.13	0.14
Net realized and unrealized losses	(0.29)	(0.49)	(0.74)	(1.08)	(1.27)
Net decrease from investment operations	(0.16)	(0.37)	(0.62)	(0.95)	(1.13)
Net asset value, end of year	<u>\$ 10.85</u>	<u>\$ 11.09</u>	<u>\$ 11.82</u>	<u>\$ 12.83</u>	<u>\$ 13.27</u>
Total return	-1.45%	-3.23%	-4.98%	-6.89%	-7.85%
Ratio to average net assets:					
Net investment income	1.16%	1.06%	0.99%	0.96%	0.95%
Expenses	0.98%	1.00%	1.00%	1.00%	1.00%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

	Class R5				
	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
Net asset value, beginning of year	\$ 11.48	\$ 11.51	\$ 12.48	\$ 13.83	\$ 14.48
Net investment income	0.22	0.11	0.12	0.13	0.12
Net realized and unrealized losses	(0.31)	(0.49)	(0.75)	(1.08)	(1.27)
Net decrease from investment operations	(0.09)	(0.38)	(0.63)	(0.95)	(1.15)
Net asset value, end of year	\$ 11.39	\$ 11.13	\$ 11.85	\$ 12.88	\$ 13.33
Total return	-0.61%	-3.30%	-5.05%	-6.87%	-7.94%
Ratio to average net assets:					
Net investment income	1.85%	0.98%	0.92%	0.90%	0.86%
Expenses	0.19%	1.07%	1.06%	1.05%	1.07%

	Class R6				
	Trademark Tactical Risk Retirement Fund	Trademark Tactical Risk 2020 Fund	Trademark Tactical Risk 2030 Fund	Trademark Tactical Risk 2040 Fund	Trademark Tactical Risk 2050 Fund
Net asset value, beginning of year	\$ 11.48	\$ 11.85	\$ 12.86	\$ 14.25	\$ 14.90
Net investment income	0.22	0.14	0.15	0.16	0.16
Net realized and unrealized losses	(0.31)	(0.50)	(0.77)	(1.11)	(1.31)
Net decrease from investment operations	(0.09)	(0.36)	(0.62)	(0.95)	(1.15)
Net asset value, end of year	\$ 11.39	\$ 11.49	\$ 12.24	\$ 13.30	\$ 13.75
Total return	-0.61%	-3.04%	-4.82%	-6.67%	-7.72%
Ratio to average net assets:					
Net investment income	1.85%	1.19%	1.12%	1.09%	1.08%
Expenses	0.19%	0.80%	0.80%	0.80%	0.80%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2018

#### Note 4: Participant Unit Transactions

	Trademark Tactical Risk Retirement Fund		Trademark Tactical Risk 2020 Fund		Trademark Tactical Risk 2030 Fund		Trademark Tactical Risk 2040 Fund		Trademark Tactical Risk 2050 Fund	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
<b>Class R:</b>										
Proceeds from sales of units	7,654	\$ 87,442	149,126	\$ 1,773,969	107,529	\$ 1,389,271	98,178	\$ 1,394,225	59,460	\$ 880,610
Cost of units redeemed	(8,847)	(101,349)	(115,891)	(1,373,842)	(198,767)	(2,553,783)	(120,966)	(1,725,228)	(59,566)	(889,072)
Net change in Class R from participant transactions	(1,193)	(13,907)	33,235	400,127	(91,238)	(1,164,512)	(22,788)	(331,003)	(106)	(8,462)
<b>Class R1:</b>										
Proceeds from sales of units	7,713	86,053	58,149	667,545	69,949	876,507	34,675	481,009	23,297	334,119
Cost of units redeemed	(16,560)	(181,201)	(41,791)	(483,768)	(76,408)	(952,266)	(27,799)	(376,828)	(30,936)	(442,817)
Net change in Class R1 from participant transactions	(8,847)	(95,148)	16,358	183,777	(6,459)	(75,759)	6,876	104,181	(7,639)	(108,698)
<b>Class R2:</b>										
Proceeds from sales of units	-	-	-	-	6,604	84,624	1,374	19,610	1,114	16,673
Cost of units redeemed	-	-	-	-	(1,719)	(22,231)	(87)	(1,275)	(3)	(39)
Net change in Class R2 from participant transactions	0	0	0	0	4,885	62,393	1,287	18,335	1,111	16,634
<b>Class R4:</b>										
Proceeds from sales of units	32,620	354,363	18,872	217,873	43,794	547,332	24,310	338,175	28,192	409,216
Cost of units redeemed	(13,621)	(150,901)	(29,635)	(342,348)	(78,622)	(995,679)	(62,198)	(865,302)	(33,299)	(490,399)
Net change in Class R4 from participant transactions	18,999	203,462	(10,763)	(124,475)	(34,828)	(448,347)	(37,888)	(527,127)	(5,107)	(81,183)
<b>Class R5:</b>										
Proceeds from sales of units	-	-	602	6,949	3,197	40,155	4,757	66,502	672	9,725
Cost of units redeemed	-	-	(10,686)	(126,562)	(8,020)	(98,580)	(89)	(1,252)	(3,124)	(46,070)
Net change in Class R5 from participant transactions	0	0	(10,084)	(119,613)	(4,823)	(58,425)	4,668	65,250	(2,452)	(36,345)
<b>Class R6:</b>										
Proceeds from sales of units	-	-	9,103	108,879	5,174	66,722	2,964	42,421	1,446	21,704
Cost of units redeemed	-	-	(27,890)	(334,535)	(318)	(4,118)	(2,100)	(29,381)	(904)	(13,124)
Net change in Class R6 from participant transactions	0	0	(18,787)	(225,656)	4,856	62,604	864	13,040	542	8,580
Net increase (decrease) in total net assets from participant transactions		\$ 94,407		\$ 114,160		\$ (1,622,046)		\$ (657,324)		\$ (209,474)

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2018

### 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.

Below 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, 2018.

**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.** 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, 2018.

**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2018**

	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)
<b>Trademark Tactical Risk Retirement Fund</b>				
Short Term Investment	\$ 30,597	\$ 30,597	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,549,512	1,549,512	-	-
Exchange-traded Funds - Equity	577,599	577,599	-	-
Common Trust Fund - Fixed Income (A)	432,589			
	<u>\$ 2,590,297</u>			
<b>Trademark Tactical Risk 2020 Fund</b>				
Short Term Investment	\$ 382,078	\$ 382,078	\$ -	\$ -
Exchange-traded Funds - Fixed Income	7,148,370	7,148,370	-	-
Exchange-traded Funds - Equity	5,172,061	5,172,061	-	-
Common Trust Fund - Fixed Income (A)	1,602,221			
Total	<u>\$ 14,304,730</u>			
<b>Trademark Tactical Risk 2030 Fund</b>				
Short Term Investment	\$ 426,723	\$ 426,723	\$ -	\$ -
Exchange-traded Funds - Fixed Income	6,539,928	6,539,928	-	-
Exchange-traded Funds - Equity	8,204,068	8,204,068	-	-
Common Trust Fund - Fixed Income (A)	727,065			
Total	<u>\$ 15,897,784</u>			
<b>Trademark Tactical Risk 2040 Fund</b>				
Short Term Investment	\$ 303,880	\$ 303,880	\$ -	\$ -
Exchange-traded Funds - Fixed Income	2,502,750	2,502,750	-	-
Exchange-traded Funds - Equity	5,831,012	5,831,012	-	-
Common Trust Fund - Fixed Income (A)	151,399			
Total	<u>\$ 8,789,041</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, 2018**

	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)
<b>Trademark Tactical Risk 2050 Fund</b>				
Short Term Investment	\$ 223,328	\$ 223,328	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,320,432	1,320,432	-	-
Exchange-traded Funds - Equity	4,298,077	4,298,077	-	-
Common Trust Fund - Fixed Income (A)	<u>95,932</u>			
Total	<u>\$ 5,937,769</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.

## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds**  
**Trademark Tactical Risk Retirement Fund**  
**Year Ended December 31, 2018**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Equity	\$ 180,536
Common Trust Funds - Fixed Income	<u>885,041</u>
Total Investments Purchased	<u><u>\$ 1,065,577</u></u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain</b>
Exchange-traded Funds - Equity	\$ 366,142	\$ 339,581	\$ 26,561
Common Trust Funds - Fixed Income	<u>599,745</u>	<u>599,745</u>	<u>-</u>
Total Investments Sold	<u><u>\$ 965,887</u></u>	<u><u>\$ 939,326</u></u>	<u><u>\$ 26,561</u></u>



**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Trademark Tactical Risk 2020 Fund**  
**Year Ended December 31, 2018**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Equity	\$ 989,173
Common Trust Funds - Fixed Income	2,775,689
Total Investments Purchased	\$ 3,764,862

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Loss</b>
Exchange-traded Funds - Equity	\$ 377,098	\$ 405,742	\$ (28,644)
Common Trust Funds - Fixed Income	3,403,810	3,403,810	-
Total Investments Sold	\$ 3,780,908	\$ 3,809,552	\$ (28,644)

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Trademark Tactical Risk 2030 Fund**  
**Year Ended December 31, 2018**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 1,091,250
Common Trust Funds - Fixed Income	4,732,931
Total Investments Purchased	\$ 5,824,181

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain</b>
Exchange-traded Funds - Equity	\$ 2,268,137	\$ 2,151,040	\$ 117,097
Common Trust Funds - Fixed Income	5,274,825	5,274,825	-
Total Investments Sold	\$ 7,542,962	\$ 7,425,865	\$ 117,097

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Trademark Tactical Risk 2040 Fund**  
**Year Ended December 31, 2018**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 598,974
Common Trust Funds - Fixed Income	3,103,118
Total Investments Purchased	\$ 3,702,092

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Exchange-traded Funds - Fixed Income	\$ 203,146	\$ 203,520	\$ (374)
Exchange-traded Funds - Equity	1,141,308	1,100,561	40,747
Common Trust Funds - Fixed Income	3,135,656	3,135,656	-
Total Investments Sold	\$ 4,480,110	\$ 4,439,737	\$ 40,373

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**Trademark Tactical Risk 2050 Fund**  
**Year Ended December 31, 2018**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 403,539
Common Trust Funds - Fixed Income	1,781,332
Total Investments Purchased	\$ 2,184,871

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain</b>
Exchange-traded Funds - Equity	\$ 494,552	\$ 491,344	\$ 3,208
Common Trust Funds - Fixed Income	2,015,422	2,015,422	-
Total Investments Sold	\$ 2,509,974	\$ 2,506,766	\$ 3,208