

Hand Composite Employee Benefit Trust
Vanguard Managed Trust 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 (Vanguard 100% Fixed Income Managed Trust Fund, Vanguard 20/80 Conservative Managed Trust Fund, Vanguard 40/60 Moderate Managed Trust Fund, Vanguard 60/40 Moderate Aggressive Managed Trust Fund, Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund, Vanguard 80/20 Aggressive Managed Trust Fund and Vanguard 100% Equity Managed Trust Fund) [seven 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 the changes in their net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of investment purchases and sales listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Houston, Texas
May 25, 2018

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds
December 31, 2017

	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund
Assets				
Investments, at cost	\$ 3,310,152	\$ 11,358,741	\$ 19,983,152	\$ 61,907,209
Investments, at fair value	\$ 3,311,878	\$ 11,875,022	\$ 21,735,573	\$ 71,104,420
Receivable for:				
Capital shares sold	727	12,140	30,871	41,694
Total assets	<u>\$ 3,312,605</u>	<u>\$ 11,887,162</u>	<u>\$ 21,766,444</u>	<u>\$ 71,146,114</u>
Liabilities				
Payable for capital shares redeemed	\$ -	\$ 144	\$ 367	\$ 768
Accounts payable and accrued liabilities	1,848	6,534	14,193	41,464
Total liabilities	<u>\$ 1,848</u>	<u>\$ 6,678</u>	<u>\$ 14,560</u>	<u>\$ 42,232</u>
Net assets held for participants:				
Class R	\$ 41,487	\$ 3,234,671	\$ 4,565,557	\$ 9,428,868
Class R1	2,761,743	2,039,174	5,546,117	31,899,902
Class R2	507,494	509,981	2,529,818	4,899,675
Class R3	11	1,882,540	5,252,900	12,032,025
Class R4	11	2,269,346	1,364,117	4,732,701
Class R INST	11	1,944,772	2,493,375	8,110,711
Total net assets held for participants	<u>\$ 3,310,757</u>	<u>\$ 11,880,484</u>	<u>\$ 21,751,884</u>	<u>\$ 71,103,882</u>
Units outstanding:				
Class R	3,813	267,002	338,022	630,498
Class R1	258,772	171,398	418,084	2,172,159
Class R2	47,666	43,133	192,045	335,877
Class R3	1	158,813	397,684	824,360
Class R4	1	193,266	104,254	326,644
Class R INST	1	159,599	184,466	542,316
Total units outstanding	<u>310,254</u>	<u>993,211</u>	<u>1,634,555</u>	<u>4,831,854</u>
Net asset value per unit:				
Class R	<u>\$ 10.88</u>	<u>\$ 12.11</u>	<u>\$ 13.51</u>	<u>\$ 14.95</u>
Class R1	<u>\$ 10.67</u>	<u>\$ 11.90</u>	<u>\$ 13.27</u>	<u>\$ 14.69</u>
Class R2	<u>\$ 10.65</u>	<u>\$ 11.82</u>	<u>\$ 13.17</u>	<u>\$ 14.59</u>
Class R3	<u>\$ 10.89</u>	<u>\$ 11.85</u>	<u>\$ 13.21</u>	<u>\$ 14.60</u>
Class R4	<u>\$ 10.89</u>	<u>\$ 11.74</u>	<u>\$ 13.08</u>	<u>\$ 14.49</u>
Class R INST	<u>\$ 10.89</u>	<u>\$ 12.19</u>	<u>\$ 13.52</u>	<u>\$ 14.96</u>

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds (Continued)
December 31, 2017

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Assets			
Investments, at cost	\$ 33,464,719	\$ 39,839,866	\$ 7,912,474
Investments, at fair value	\$ 39,105,155	\$ 48,288,946	\$ 10,011,528
Receivable for:			
Capital shares sold	29,364	34,219	2,805
Total assets	<u>\$ 39,134,519</u>	<u>\$ 48,323,165</u>	<u>\$ 10,014,333</u>
Liabilities			
Payable for capital shares redeemed	\$ 115,953	\$ 4,052	\$ -
Accounts payable and accrued liabilities	25,482	29,635	3,797
Total liabilities	<u>\$ 141,435</u>	<u>\$ 33,687</u>	<u>\$ 3,797</u>
Net assets held for participants:			
Class R	\$ 4,045,027	\$ 15,081,960	\$ 5,684,562
Class R1	6,666,992	7,629,787	4,246,265
Class R2	1,075,968	2,616,867	79,655
Class R3	11,898,603	11,472,623	18
Class R4	7,660,197	10,166,462	18
Class R INST	7,646,297	1,321,779	18
Total net assets held for participants	<u>\$ 38,993,084</u>	<u>\$ 48,289,478</u>	<u>\$ 10,010,536</u>
Units outstanding:			
Class R	257,546	915,880	314,686
Class R1	432,596	472,189	239,330
Class R2	70,286	163,010	4,518
Class R3	774,935	712,617	1
Class R4	503,402	637,107	1
Class R INST	487,358	81,783	1
Total units outstanding	<u>2,526,123</u>	<u>2,982,586</u>	<u>558,537</u>
Net asset value per unit:			
Class R	<u>\$ 15.71</u>	<u>\$ 16.47</u>	<u>\$ 18.06</u>
Class R1	<u>\$ 15.41</u>	<u>\$ 16.16</u>	<u>\$ 17.74</u>
Class R2	<u>\$ 15.31</u>	<u>\$ 16.05</u>	<u>\$ 17.63</u>
Class R3	<u>\$ 15.35</u>	<u>\$ 16.10</u>	<u>\$ 18.11</u>
Class R4	<u>\$ 15.22</u>	<u>\$ 15.96</u>	<u>\$ 18.11</u>
Class R INST	<u>\$ 15.69</u>	<u>\$ 16.16</u>	<u>\$ 18.11</u>

Hand Composite Employee Benefit Trust
Schedules of Investments
Vanguard 100% Fixed Income Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
17,329	DWS Govt & Agency Securities Port Service Shares	\$ 17,329	\$ 17,329
	Total Short Term Investment	0.52% 17,329	17,329
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
5,620	Vanguard Intermediate Term Bond ETF	476,439	471,125
4,842	Vanguard Long-Term Bond ETF	445,668	460,377
9,229	Vanguard Mortgage Backed Securities ETF	488,947	483,969
11,234	Vanguard Short-Term Bond ETF	899,211	888,609
17,463	Vanguard Total International Bond ETF	941,552	949,463
	Total Fixed Income	98.24% 3,251,817	3,253,543
	Total Exchange-traded Funds	98.24% 3,251,817	3,253,543
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
41,006	HB&T Short Term Income Fund	41,006	41,006
	Total Fixed Income	1.24% 41,006	41,006
	Total Common Trust Fund	1.24% 41,006	41,006
	Total Investments	100.00% \$ 3,310,152	\$ 3,311,878

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 20/80 Conservative Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
48,642	DWS Govt & Agency Securities Port Service Shares	\$ 48,642	\$ 48,642
	Total Short Term Investment	0.41% 48,642	48,642
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
15,917	Vanguard Intermediate Term Bond ETF	1,353,986	1,334,322
12,185	Vanguard Long-term Bond ETF	1,114,004	1,158,550
26,093	Vanguard Mortgage Backed Securities ETF	1,386,113	1,368,317
31,783	Vanguard Short-term Bond ETF	2,549,130	2,514,035
49,499	Vanguard Total International Bond ETF	2,646,250	2,691,261
	Total Fixed Income	76.35% 9,049,483	9,066,485
<i>Equity</i>			
16,048	Vanguard FTSE Developed Markets ETF	570,065	719,913
4,144	Vanguard FTSE Emerging Markets ETF	150,307	190,251
3,922	Vanguard Growth ETF	421,145	551,629
1,254	Vanguard Small Cap ETF	146,607	185,341
5,867	Vanguard Value ETF	483,511	623,780
	Total Equity	19.12% 1,771,635	2,270,914
	Total Exchange-traded Funds	95.47% 10,821,118	11,337,399
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
488,981	HB&T Short Term Income Fund	488,981	488,981
	Total Fixed Income	4.12% 488,981	488,981
	Total Common Trust Fund	4.12% 488,981	488,981
	Total Investments	100.00% \$ 11,358,741	\$ 11,875,022

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 40/60 Moderate Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
66,934	DWS Govt & Agency Securities Port Service Shares	\$ 66,934	\$ 66,934
	Total Short Term Investment	0.31% 66,934	66,934
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
21,891	Vanguard Intermediate Term Bond ETF	1,864,693	1,835,123
16,560	Vanguard Long-Term Bond ETF	1,528,579	1,574,525
35,923	Vanguard Mortgage Backed Securities ETF	1,907,928	1,883,802
43,906	Vanguard Short-Term Bond ETF	3,518,043	3,472,965
68,180	Vanguard Total International Bond ETF	3,660,752	3,706,947
	Total Fixed Income	57.39% 12,479,995	12,473,362
<i>Equity</i>			
59,024	Vanguard FTSE Developed Markets ETF	2,134,973	2,647,816
15,842	Vanguard FTSE Emerging Markets ETF	549,671	727,306
14,574	Vanguard Growth ETF	1,583,223	2,049,833
4,651	Vanguard Small Cap ETF	551,902	687,418
21,380	Vanguard Value ETF	1,806,672	2,273,122
	Total Equity	38.57% 6,626,441	8,385,495
	Total Exchange-traded Funds	95.96% 19,106,436	20,858,857
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
809,782	HB&T Short Term Income Fund	809,782	809,782
	Total Fixed Income	3.73% 809,782	809,782
	Total Common Trust Fund	3.73% 809,782	809,782
	Total Investments	100.00% \$ 19,983,152	\$ 21,735,573

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 60/40 Moderate Aggressive Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
151,229	DWS Govt & Agency Securities Port Service Shares	\$ 151,229	\$ 151,229
	Total Short Term Investment	0.21% 151,229	151,229
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
59,612	Vanguard Intermediate Term Bond ETF	5,056,620	4,997,274
35,573	Vanguard Long Term Bond ETF	3,280,636	3,382,281
77,519	Vanguard Mortgage Backed Securities ETF	4,091,901	4,065,096
97,474	Vanguard Short Term Bond ETF	7,810,379	7,710,193
151,759	Vanguard Total International Bond ETF	8,063,297	8,251,137
	Total Fixed Income	39.95% 28,302,833	28,405,981
<i>Equity</i>			
293,318	Vanguard FTSE Developed Markets ETF	10,698,863	13,158,246
77,479	Vanguard FTSE Emerging Markets ETF	2,835,920	3,557,061
73,046	Vanguard Growth ETF	7,502,223	10,273,920
23,165	Vanguard Small Cap ETF	2,657,016	3,423,787
106,789	Vanguard Value ETF	8,978,736	11,353,807
	Total Equity	58.74% 32,672,758	41,766,821
	Total Exchange-traded Funds	98.69% 60,975,591	70,172,802
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
780,389	HB&T Short Term Income Fund	780,389	780,389
	Total Fixed Income	1.10% 780,389	780,389
	Total Common Trust Fund	1.10% 780,389	780,389
	Total Investments	100.00% \$ 61,907,209	\$ 71,104,420

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
61,266	DWS Govt & Agency Securities Port Service Shares	\$ 61,266	\$ 61,266
	Total Short Term Investment	0.16% 61,266	61,266
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
20,015	Vanguard Intermediate Term Bond ETF	1,696,416	1,677,858
15,318	Vanguard Long Term Bond ETF	1,418,641	1,456,436
32,721	Vanguard Mortgage Backed Securities ETF	1,724,590	1,715,889
40,391	Vanguard Short Term Bond ETF	3,234,552	3,194,928
62,339	Vanguard Total International Bond ETF	3,321,482	3,389,371
	Total Fixed Income	29.24% 11,395,681	11,434,482
<i>Equity</i>			
188,890	Vanguard FTSE Developed Markets ETF	6,993,646	8,473,605
49,749	Vanguard FTSE Emerging Markets ETF	1,779,466	2,283,977
46,435	Vanguard Growth ETF	4,918,411	6,531,083
14,734	Vanguard Small Cap ETF	1,734,590	2,177,685
68,331	Vanguard Value ETF	5,703,554	7,264,952
	Total Equity	68.35% 21,129,667	26,731,302
	Total Exchange-traded Funds	97.59% 32,525,348	38,165,784
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
878,105	HB&T Short Term Income Fund	878,105	878,105
	Total Fixed Income	2.25% 878,105	878,105
	Total Common Trust Fund	2.25% 878,105	878,105
	Total Investments	100.00% \$ 33,464,719	\$ 39,105,155

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 80/20 Aggressive Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
49,751	DWS Govt & Agency Securities Port Service Shares	\$ 49,751	\$ 49,751
	Total Short Term Investment	0.10% 49,751	49,751
<u>Exchange-traded Funds</u>			
<u>Fixed Income</u>			
16,277	Vanguard Intermediate Term Bond ETF	1,385,197	1,364,501
12,073	Vanguard Long Term Bond ETF	1,117,883	1,147,901
26,997	Vanguard Mortgage Backed Securities ETF	1,430,439	1,415,723
32,226	Vanguard Short Term Bond ETF	2,583,399	2,549,077
50,793	Vanguard Total International Bond ETF	2,709,713	2,761,615
	Total Fixed Income	19.13% 9,226,631	9,238,817
<u>Equity</u>			
264,927	Vanguard FTSE Developed Markets ETF	9,658,396	11,884,625
69,404	Vanguard FTSE Emerging Markets ETF	2,433,448	3,186,338
66,187	Vanguard Growth ETF	6,799,885	9,309,201
20,878	Vanguard Small Cap ETF	2,457,947	3,085,768
97,139	Vanguard Value ETF	8,007,180	10,327,818
	Total Equity	78.27% 29,356,856	37,793,750
	Total Exchange-traded Funds	97.40% 38,583,487	47,032,567
<u>Common Trust Fund</u>			
<u>Fixed Income</u>			
1,206,628	HB&T Short Term Income Fund	1,206,628	1,206,628
	Total Fixed Income	2.50% 1,206,628	1,206,628
	Total Common Trust Fund	2.50% 1,206,628	1,206,628
	Total Investments	100.00% \$ 39,839,866	\$ 48,288,946

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 100% Equity Managed Trust Fund
December 31, 2017

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
4	DWS Govt & Agency Securities Port Service Shares	\$ 4	\$ 4
	Total Short Term Investment	0.00% 4	4
<i><u>Exchange-traded Funds</u></i>			
<i>Equity</i>			
68,658	Vanguard FTSE Developed Markets ETF	2,603,644	3,079,998
18,010	Vanguard FTSE Emerging Markets ETF	663,844	826,839
16,915	Vanguard Growth ETF	1,711,919	2,379,095
5,244	Vanguard Small Cap ETF	601,594	775,063
24,903	Vanguard Value ETF	2,028,627	2,647,687
	Total Equity	96.98% 7,609,628	9,708,682
	Total Exchange-traded Funds	96.98% 7,609,628	9,708,682
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
302,842	HB&T Short Term Income Fund	302,842	302,842
	Total Fixed Income	3.02% 302,842	302,842
	Total Common Trust Fund	3.02% 302,842	302,842
	Total Investments	100.00% \$ 7,912,474	\$ 10,011,528

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

	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund
Income				
Interest	\$ 1	\$ 3	\$ 8	\$ 13
Dividends	71,106	294,577	505,274	1,820,145
Total income	71,107	294,580	505,282	1,820,158
Expenses				
Investment management and administrative	7,798	34,038	57,589	209,380
Class R expenses	18	1,383	2,241	4,667
Class R1 expenses	10,281	8,937	25,646	159,782
Class R2 expenses	2,822	2,582	12,951	26,297
Class R3 expenses	-	17,324	29,535	75,621
Class R4 expenses	-	23,698	16,973	63,063
Class R INST expenses	-	912	1,047	3,780
Other	130	168	102	482
Audit	-	-	3,000	3,000
Total expenses	21,049	89,042	149,084	546,072
Net Investment Income	50,058	205,538	356,198	1,274,086
Net Realized and Unrealized Gains on Investments				
Net realized gains on investments	10,827	164,688	597,919	4,149,577
Net change in unrealized appreciation/ depreciation on investments	11,724	427,773	1,233,563	5,448,747
Net realized and unrealized gains	22,551	592,461	1,831,482	9,598,324
Net Increase in Net Assets Resulting From Operations	\$ 72,609	\$ 797,999	\$ 2,187,680	\$ 10,872,410

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

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Income			
Interest	\$ 5	\$ 27	\$ 1
Dividends	979,120	1,094,968	208,792
Total income	979,125	1,094,995	208,793
Expenses			
Investment management and administrative	112,554	127,231	23,276
Class R expenses	1,902	6,842	2,630
Class R1 expenses	27,173	28,648	15,937
Class R2 expenses	5,239	13,851	325
Class R3 expenses	75,098	67,553	-
Class R4 expenses	97,868	97,880	-
Class R INST expenses	3,359	1,074	-
Other	532	160	47
Audit	3,000	3,000	-
Total expenses	326,725	346,239	42,215
Net Investment Income	652,400	748,756	166,578
Net Realized and Unrealized Gains on Investments			
Net realized gains on investments	2,396,261	3,545,950	179,515
Net change in unrealized appreciation/ depreciation on investments	3,487,291	4,230,826	1,522,601
Net realized and unrealized gains	5,883,552	7,776,776	1,702,116
Net Increase in Net Assets Resulting From Operations	\$ 6,535,952	\$ 8,525,532	\$ 1,868,694

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

	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund
Operations				
Net investment income	\$ 50,058	\$ 205,538	\$ 356,198	\$ 1,274,086
Net realized gains	10,827	164,688	597,919	4,149,577
Change in unrealized appreciation/depreciation	11,724	427,773	1,233,563	5,448,747
Net increase in net assets from operations	72,609	797,999	2,187,680	10,872,410
Net Increase (Decrease) in Net Assets From Participant Transactions	436,142	(1,651,832)	(4,544,897)	(24,914,498)
Increase (Decrease) in Net Assets	508,751	(853,833)	(2,357,217)	(14,042,088)
Net Assets				
Beginning of year	2,802,006	12,734,317	24,109,101	85,145,970
End of year	\$ 3,310,757	\$ 11,880,484	\$ 21,751,884	\$ 71,103,882

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

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Operations			
Net investment income	\$ 652,400	\$ 748,756	\$ 166,578
Net realized gains	2,396,261	3,545,950	179,515
Change in unrealized appreciation/depreciation	3,487,291	4,230,826	1,522,601
Net increase in net assets from operations	6,535,952	8,525,532	1,868,694
Net Decrease in Net Assets From Participant Transactions	<u>(7,143,645)</u>	<u>(27,280,763)</u>	<u>(69,316)</u>
Decrease in Net Assets	(607,693)	(18,755,231)	1,799,378
Net Assets			
Beginning of year	<u>39,600,777</u>	<u>67,044,709</u>	<u>8,211,158</u>
End of year	<u>\$ 38,993,084</u>	<u>\$ 48,289,478</u>	<u>\$ 10,010,536</u>

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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 seven 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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

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units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Funds are reinvested, thereby increasing the respective unit values.

Valuation of Participants' Interest

Units of participation may be purchased or redeemed on the valuation dates at the fair value per unit on such valuation dates. 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 Advisors

The investment management advisors for each Fund are as follows:

Fund	Investment Management Advisor
Vanguard 100% Fixed Income Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 20/80 Conservative Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 40/60 Moderate Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 60/40 Moderate Aggressive Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 80/20 Aggressive Managed Trust Fund	Hand Benefits & Trust Company
Vanguard 100% Equity Managed Trust Fund	Hand Benefits & Trust Company

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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.

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Other Fees	Total Fees
All Vanguard Funds					
Class R	0.25%	0.00%	0.00%	0.05%	0.30%
Class R1	0.25%	0.00%	0.35%	0.05%	0.65%
Class R2	0.25%	0.00%	0.50%	0.05%	0.80%
Class R3	0.25%	0.00%	0.50%	0.05%	0.80%
Class R4	0.25%	0.00%	0.70%	0.05%	1.00%
Class R INST	0.26%	0.00%	0.00%	0.05%	0.31%

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Note 3: Financial Highlights

	Class R						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.58	\$ 11.38	\$ 12.24	\$ 13.08	\$ 13.51	\$ 13.90	\$ 14.73
Net investment income	0.21	0.22	0.24	0.26	0.27	0.28	0.32
Net realized and unrealized gains	0.09	0.51	1.03	1.61	1.93	2.29	3.01
Net increase from investment operations	0.30	0.73	1.27	1.87	2.20	2.57	3.33
Net asset value, end of year	\$ 10.88	\$ 12.11	\$ 13.51	\$ 14.95	\$ 15.71	\$ 16.47	\$ 18.06
Total return	2.84%	6.41%	10.38%	14.30%	16.28%	18.49%	22.61%
Ratio to average net assets:							
Net investment income	1.93%	1.85%	1.87%	1.87%	1.83%	1.86%	1.92%
Expenses	0.30%	0.30%	0.31%	0.30%	0.30%	0.31%	0.30%

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	Class R1						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.42	\$ 11.22	\$ 12.06	\$ 12.89	\$ 13.30	\$ 13.69	\$ 14.52
Net investment income	0.17	0.18	0.20	0.21	0.22	0.23	0.26
Net realized and unrealized gains	0.08	0.50	1.01	1.59	1.89	2.24	2.96
Net increase from investment operations	0.25	0.68	1.21	1.80	2.11	2.47	3.22
Net asset value, end of year	\$ 10.67	\$ 11.90	\$ 13.27	\$ 14.69	\$ 15.41	\$ 16.16	\$ 17.74
Total return	2.40%	6.06%	10.03%	13.96%	15.86%	18.04%	22.18%
Ratio to average net assets:							
Net investment income	1.62%	1.52%	1.55%	1.55%	1.51%	1.54%	1.60%
Expenses	0.65%	0.66%	0.67%	0.67%	0.66%	0.66%	0.65%

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	Class R2						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.41	\$ 11.16	\$ 11.99	\$ 12.82	\$ 13.23	\$ 13.62	\$ 14.46
Net investment income	0.16	0.16	0.18	0.19	0.20	0.21	0.24
Net realized and unrealized gains	0.08	0.50	1.00	1.58	1.88	2.22	2.93
Net increase from investment operations	0.24	0.66	1.18	1.77	2.08	2.43	3.17
Net asset value, end of year	<u>\$ 10.65</u>	<u>\$ 11.82</u>	<u>\$ 13.17</u>	<u>\$ 14.59</u>	<u>\$ 15.31</u>	<u>\$ 16.05</u>	<u>\$ 17.63</u>
Total return	2.31%	5.91%	9.84%	13.81%	15.72%	17.84%	21.92%
Ratio to average net assets:							
Net investment income	1.47%	1.39%	1.42%	1.40%	1.38%	1.41%	1.46%
Expenses	0.80%	0.80%	0.81%	0.81%	0.80%	0.81%	0.78%

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	Class R3						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.58	\$ 11.19	\$ 12.03	\$ 12.83	\$ 13.27	\$ 13.66	\$ 14.76
Net investment income	0.21	0.16	0.18	0.19	0.20	0.21	0.33
Net realized and unrealized gains	0.10	0.50	1.00	1.58	1.88	2.23	3.02
Net increase from investment operations	0.31	0.66	1.18	1.77	2.08	2.44	3.35
Net asset value, end of year	<u>\$ 10.89</u>	<u>\$ 11.85</u>	<u>\$ 13.21</u>	<u>\$ 14.60</u>	<u>\$ 15.35</u>	<u>\$ 16.10</u>	<u>\$ 18.11</u>
Total return	2.93%	5.90%	9.81%	13.80%	15.67%	17.86%	22.70%
Ratio to average net assets:							
Net investment income	1.98%	1.37%	1.41%	1.40%	1.37%	1.40%	1.96%
Expenses	0.25%	0.82%	0.81%	0.81%	0.81%	0.81%	0.25%

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	Class R4						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.58	\$ 11.11	\$ 11.94	\$ 12.76	\$ 13.18	\$ 13.56	\$ 14.76
Net investment income	0.21	0.14	0.15	0.16	0.17	0.18	0.33
Net realized and unrealized gains	0.10	0.49	0.99	1.57	1.87	2.22	3.02
Net increase from investment operations	0.31	0.63	1.14	1.73	2.04	2.40	3.35
Net asset value, end of year	\$ 10.89	\$ 11.74	\$ 13.08	\$ 14.49	\$ 15.22	\$ 15.96	\$ 18.11
Total return	2.93%	5.67%	9.55%	13.56%	15.48%	17.70%	22.70%
Ratio to average net assets:							
Net investment income	1.98%	1.19%	1.21%	1.20%	1.19%	1.21%	1.96%
Expenses	0.25%	1.02%	1.03%	1.04%	1.02%	1.02%	0.25%

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	Class R INST						
	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Net asset value, beginning of year	\$ 10.58	\$ 11.45	\$ 12.23	\$ 13.08	\$ 13.49	\$ 13.89	\$ 14.76
Net investment income	0.21	0.22	0.24	0.26	0.27	0.28	0.33
Net realized and unrealized gains	0.10	0.52	1.05	1.62	1.93	1.99	3.02
Net increase from investment operations	0.31	0.74	1.29	1.88	2.20	2.27	3.35
Net asset value, end of year	<u>\$ 10.89</u>	<u>\$ 12.19</u>	<u>\$ 13.52</u>	<u>\$ 14.96</u>	<u>\$ 15.69</u>	<u>\$ 16.16</u>	<u>\$ 18.11</u>
Total return	2.93%	6.46%	10.55%	14.37%	16.31%	16.34%	22.70%
Ratio to average net assets:							
Net investment income	1.98%	1.84%	1.86%	1.86%	1.83%	1.82%	1.96%
Expenses	0.25%	0.30%	0.31%	0.30%	0.30%	0.37%	0.25%

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Notes to Financial Statements

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Note 4: Participant Unit Transactions

	Vanguard 100% Fixed Income Fund		Vanguard 20/80 Conservative Fund		Vanguard 40/60 Moderate Fund	
	Units	Dollars	Units	Dollars	Units	Dollars
Class R:						
Proceeds from sales of units	4,544	\$ 48,875	84,322	\$ 1,008,862	43,592	\$ 565,348
Cost of units redeemed	(2,667)	(28,963)	(46,554)	(555,872)	(68,792)	(886,167)
Net change in Class R from participant transactions	<u>1,877</u>	<u>19,912</u>	<u>37,768</u>	<u>452,990</u>	<u>(25,200)</u>	<u>(320,819)</u>
Class R1:						
Proceeds from sales of units	145,073	1,535,660	55,229	642,194	111,596	1,418,877
Cost of units redeemed	(104,745)	(1,109,545)	(116,685)	(1,346,909)	(258,358)	(3,296,585)
Net change in Class R1 from participant transactions	<u>40,328</u>	<u>426,115</u>	<u>(61,456)</u>	<u>(704,715)</u>	<u>(146,762)</u>	<u>(1,877,708)</u>
Class R2:						
Proceeds from sales of units	1,471	15,525	8,340	96,213	81,117	1,003,614
Cost of units redeemed	(2,393)	(25,410)	(10,011)	(112,981)	(39,805)	(499,311)
Net change in Class R2 from participant transactions	<u>(922)</u>	<u>(9,885)</u>	<u>(1,671)</u>	<u>(16,768)</u>	<u>41,312</u>	<u>504,303</u>
Class R3:						
Proceeds from sales of units	-	-	96,330	1,113,693	168,869	2,154,996
Cost of units redeemed	-	-	(201,999)	(2,369,924)	(194,515)	(2,494,405)
Net change in Class R3 from participant transactions	<u>0</u>	<u>0</u>	<u>(105,669)</u>	<u>(1,256,231)</u>	<u>(25,646)</u>	<u>(339,409)</u>
Class R4:						
Proceeds from sales of units	-	-	38,043	430,633	68,164	840,955
Cost of units redeemed	-	-	(113,631)	(1,323,213)	(126,895)	(1,628,086)
Net change in Class R4 from participant transactions	<u>0</u>	<u>0</u>	<u>(75,588)</u>	<u>(892,580)</u>	<u>(58,731)</u>	<u>(787,131)</u>
Class R INST:						
Proceeds from sales of units	-	-	188,224	2,178,302	201,901	2,532,038
Cost of units redeemed	-	-	(121,669)	(1,412,830)	(345,116)	(4,256,171)
Net change in Class R INST from participant transactions	<u>0</u>	<u>0</u>	<u>66,555</u>	<u>765,472</u>	<u>(143,215)</u>	<u>(1,724,133)</u>
Net change in net assets from participant transactions		<u>\$ 436,142</u>		<u>\$ (1,651,832)</u>		<u>\$ (4,544,897)</u>

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	Vanguard 60/40 Moderate Aggressive Fund		Vanguard 70/30 Moderate Aggressive Growth Fund	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	57,865	\$ 810,332	34,041	\$ 499,883
Cost of units redeemed	(114,022)	(1,612,417)	(31,612)	(471,013)
Net change in Class R from participant transactions	<u>(56,157)</u>	<u>(802,085)</u>	<u>2,429</u>	<u>28,870</u>
Class R1:				
Proceeds from sales of units	495,032	6,851,248	98,476	1,417,727
Cost of units redeemed	(1,587,598)	(22,204,815)	(252,408)	(3,556,646)
Net change in Class R1 from participant transactions	<u>(1,092,566)</u>	<u>(15,353,567)</u>	<u>(153,932)</u>	<u>(2,138,919)</u>
Class R2:				
Proceeds from sales of units	25,929	355,332	10,841	153,690
Cost of units redeemed	(41,021)	(566,231)	(2,648)	(37,176)
Net change in Class R2 from participant transactions	<u>(15,092)</u>	<u>(210,899)</u>	<u>8,193</u>	<u>116,514</u>
Class R3:				
Proceeds from sales of units	173,354	2,371,806	162,176	2,302,806
Cost of units redeemed	(325,856)	(4,623,204)	(352,781)	(5,199,430)
Net change in Class R3 from participant transactions	<u>(152,502)</u>	<u>(2,251,398)</u>	<u>(190,605)</u>	<u>(2,896,624)</u>
Class R4:				
Proceeds from sales of units	113,854	1,521,036	344,289	4,742,632
Cost of units redeemed	(423,492)	(5,963,811)	(644,796)	(9,516,285)
Net change in Class R4 from participant transactions	<u>(309,638)</u>	<u>(4,442,775)</u>	<u>(300,507)</u>	<u>(4,773,653)</u>
Class R INST:				
Proceeds from sales of units	311,553	4,161,356	224,880	3,142,043
Cost of units redeemed	(453,193)	(6,015,130)	(43,288)	(621,876)
Net change in Class R INST from participant transactions	<u>(141,640)</u>	<u>(1,853,774)</u>	<u>181,592</u>	<u>2,520,167</u>
Net change in net assets from participant transactions		<u>\$ (24,914,498)</u>		<u>\$ (7,143,645)</u>

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	Vanguard 80/20 Aggressive Fund		Vanguard 100% Equity Fund	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	80,269	\$ 1,220,281	20,675	\$ 338,798
Cost of units redeemed	(46,737)	(707,776)	(23,488)	(397,500)
Net change in Class R from participant transactions	<u>33,532</u>	<u>512,505</u>	<u>(2,813)</u>	<u>(58,702)</u>
Class R1:				
Proceeds from sales of units	103,824	1,540,316	52,515	836,751
Cost of units redeemed	(148,445)	(2,165,984)	(54,794)	(889,675)
Net change in Class R1 from participant transactions	<u>(44,621)</u>	<u>(625,668)</u>	<u>(2,279)</u>	<u>(52,924)</u>
Class R2:				
Proceeds from sales of units	28,837	420,564	3,236	49,759
Cost of units redeemed	(28,234)	(427,119)	(496)	(7,449)
Net change in Class R2 from participant transactions	<u>603</u>	<u>(6,555)</u>	<u>2,740</u>	<u>42,310</u>
Class R3:				
Proceeds from sales of units	168,290	2,501,031	-	-
Cost of units redeemed	(332,200)	(5,023,871)	-	-
Net change in Class R3 from participant transactions	<u>(163,910)</u>	<u>(2,522,840)</u>	<u>0</u>	<u>0</u>
Class R4:				
Proceeds from sales of units	224,584	3,289,528	-	-
Cost of units redeemed	(471,705)	(7,221,697)	-	-
Net change in Class R4 from participant transactions	<u>(247,121)</u>	<u>(3,932,169)</u>	<u>0</u>	<u>0</u>
Class R INST:				
Proceeds from sales of units	162,907	2,342,544	-	-
Cost of units redeemed	(1,630,893)	(23,048,580)	-	-
Net change in Class R INST from participant transactions	<u>(1,467,986)</u>	<u>(20,706,036)</u>	<u>0</u>	<u>0</u>
Net change in net assets from participant transactions		<u>\$ (27,280,763)</u>		<u>\$ (69,316)</u>

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Notes to Financial Statements

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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, 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.

Exchange-traded Funds. Exchange-traded funds traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying statements of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017.

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	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)
Vanguard 100% Fixed Income Fund				
Short Term Investment	\$ 17,329	\$ 17,329	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,253,543	3,253,543	-	-
Common Trust Fund - Fixed Income (A)	<u>41,006</u>			
Total	<u>\$ 3,311,878</u>			
Vanguard 20/80 Conservative Fund				
Short Term Investment	\$ 48,642	\$ 48,642	\$ -	\$ -
Exchange-traded Funds - Fixed Income	9,066,485	9,066,485	-	-
Exchange-traded Funds - Equity	2,270,914	2,270,914	-	-
Common Trust Fund - Fixed Income (A)	<u>488,981</u>			
Total	<u>\$ 11,875,022</u>			
Vanguard 40/60 Moderate Fund				
Short Term Investment	\$ 66,934	\$ 66,934	\$ -	\$ -
Exchange-traded Funds - Fixed Income	12,473,362	12,473,362	-	-
Exchange-traded Funds - Equity	8,385,495	8,385,495	-	-
Common Trust Fund - Fixed Income (A)	<u>809,782</u>			
Total	<u>\$ 21,735,573</u>			
Vanguard 60/40 Moderate Aggressive Fund				
Short Term Investment	\$ 151,229	\$ 151,229	\$ -	\$ -
Exchange-traded Funds - Fixed Income	28,405,981	28,405,981	-	-
Exchange-traded Funds - Equity	41,766,821	41,766,821	-	-
Common Trust Fund - Fixed Income (A)	<u>780,389</u>			
Total	<u>\$ 71,104,420</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.

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	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)
Vanguard 70/30 Moderate Aggressive Growth Fund				
Short Term Investment	\$ 61,266	\$ 61,266	\$ -	\$ -
Exchange-traded Funds - Fixed Income	11,434,482	11,434,482	-	-
Exchange-traded Funds - Equity	26,731,302	26,731,302	-	-
Common Trust Fund - Fixed Income (A)	878,105			
Total	<u>\$ 39,105,155</u>			
Vanguard 80/20 Aggressive Fund				
Short Term Investment	\$ 49,751	\$ 49,751	\$ -	\$ -
Exchange-traded Funds - Fixed Income	9,238,817	9,238,817	-	-
Exchange-traded Funds - Equity	37,793,750	37,793,750	-	-
Common Trust Fund - Fixed Income (A)	1,206,628			
Total	<u>\$ 48,288,946</u>			
Vanguard 100% Equity Fund				
Short Term Investment	\$ 4	\$ 4	\$ -	\$ -
Exchange-traded Funds - Equity	9,708,682	9,708,682	-	-
Common Trust Fund - Fixed Income (A)	302,842	302,842		
Total	<u>\$ 10,011,528</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
Vanguard 100% Fixed Income Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 1,442,181
Common Trust Funds - Fixed Income	1,780,847
Total Investments Purchased	\$ 3,223,028

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Fixed Income	\$ 925,206	\$ 914,379	\$ 10,827
Common Trust Funds - Fixed Income	1,819,552	1,819,552	-
Total Investments Sold	\$ 2,744,758	\$ 2,733,931	\$ 10,827

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 20/80 Conservative Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 2,418,161
Mutual Funds - Equity	341,846
Common Trust Funds - Fixed Income	7,361,136
Total Investments Purchased	\$ 10,121,143

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 3,307,500	\$ 3,289,327	\$ 18,173
Exchange-traded Funds - Equity	1,006,815	860,300	146,515
Common Trust Funds - Fixed Income	7,306,212	7,306,212	-
Total Investments Sold	\$ 11,620,527	\$ 11,455,839	\$ 164,688

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 40/60 Moderate Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 3,280,159
Mutual Funds - Equity	1,302,530
Common Trust Funds - Fixed Income	9,334,747
Total Investments Purchased	\$ 13,917,436

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Fixed Income	\$ 5,032,968	\$ 4,991,726	\$ 41,242
Mutual Funds - Equity	3,969,964	3,413,287	556,677
Common Trust Funds - Fixed Income	9,153,620	9,153,620	-
Total Investments Sold	\$ 18,156,552	\$ 17,558,633	\$ 597,919

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 60/40 Moderate Aggressive Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 4,420,900
Mutual Funds - Equity	3,347,589
Common Trust Funds - Fixed Income	18,477,332
Total Investments Purchased	\$ 26,245,821

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Fixed Income	\$ 9,682,318	\$ 9,489,116	\$ 193,202
Mutual Funds - Equity	20,344,116	16,387,741	3,956,375
Common Trust Funds - Fixed Income	19,983,295	19,983,295	-
Total Investments Sold	\$ 50,009,729	\$ 45,860,152	\$ 4,149,577

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 2,960,476
Mutual Funds - Equity	4,403,727
Common Trust Funds - Fixed Income	16,643,458
Total Investments Purchased	\$ 24,007,661

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Fixed Income	\$ 3,310,009	\$ 3,239,279	\$ 70,730
Mutual Funds - Equity	10,390,173	8,064,642	2,325,531
Common Trust Funds - Fixed Income	16,745,589	16,745,589	-
Total Investments Sold	\$ 30,445,771	\$ 28,049,510	\$ 2,396,261

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 80/20 Aggressive Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Fixed Income	\$ 1,337,951
Mutual Funds - Equity	2,905,315
Common Trust Funds - Fixed Income	<u>12,511,268</u>
Total Investments Purchased	<u>\$ 16,754,534</u>

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Fixed Income	\$ 5,362,750	\$ 5,298,555	\$ 64,195
Mutual Funds - Equity	24,731,716	21,249,961	3,481,755
Common Trust Funds - Fixed Income	<u>13,237,373</u>	<u>13,237,373</u>	<u>-</u>
Total Investments Sold	<u>\$ 43,331,839</u>	<u>\$ 39,785,889</u>	<u>\$ 3,545,950</u>

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 100% Equity Managed Trust Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Mutual Funds - Equity	\$ 872,066
Common Trust Funds - Fixed Income	1,699,315
Total Investments Purchased	\$ 2,571,381

Sales			
Investment Class	Proceeds	Cost	Gain
Mutual Funds - Equity	\$ 816,210	\$ 636,695	\$ 179,515
Common Trust Funds - Fixed Income	1,647,364	1,647,364	-
Total Investments Sold	\$ 2,463,574	\$ 2,284,059	\$ 179,515