

Hand Composite Employee Benefit Trust
Vanguard Managed Trust 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	
Vanguard 100% Fixed Income Managed Trust Fund	5
Vanguard 20/80 Conservative Managed Trust Fund.....	6
Vanguard 40/60 Moderate Managed Trust Fund	7
Vanguard 60/40 Moderate Aggressive Managed Trust Fund	8
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund	9
Vanguard 80/20 Aggressive Managed Trust Fund.....	10
Vanguard 100% Equity Managed Trust Fund.....	11
Statements of Operations – Selected Funds.....	12
Statements of Changes in Net Assets – Selected Funds	14
Notes to Financial Statements.....	16

Supplemental Information

Schedules of Investment Purchases and Sales – Selected Funds.....	31
---	----

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, 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 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 24, 2019

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds
December 31, 2018

	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	\$ 3,315,416	\$ 9,449,404	\$ 17,419,606	\$ 55,969,222
Investments, at fair value	\$ 3,250,009	\$ 9,431,735	\$ 17,788,545	\$ 59,229,778
Receivable for:				
Capital shares sold	823	7,888	69,856	55,505
Total assets	<u>\$ 3,250,832</u>	<u>\$ 9,439,623</u>	<u>\$ 17,858,401</u>	<u>\$ 59,285,283</u>
Liabilities				
Payable for investment securities purchased	\$ 132	\$ 5,835	\$ 65,965	\$ 38,063
Payable for capital shares redeemed	-	-	-	4,397
Accounts payable and accrued liabilities	1,838	5,237	12,948	35,519
Total liabilities	<u>\$ 1,970</u>	<u>\$ 11,072</u>	<u>\$ 78,913</u>	<u>\$ 77,979</u>
Net assets held for participants:				
Class R	\$ 48,835	\$ 3,021,819	\$ 4,298,581	\$ 9,423,908
Class R1	2,746,177	1,961,984	5,936,620	32,151,155
Class R2	453,817	266,467	1,776,035	4,256,357
Class R3	11	2,889,348	5,580,205	9,020,616
Class R4	11	1,186,299	187,550	963,815
Class R INST	11	102,634	497	3,391,453
Total net assets held for participants	<u>\$ 3,248,862</u>	<u>\$ 9,428,551</u>	<u>\$ 17,779,488</u>	<u>\$ 59,207,304</u>
Units outstanding:				
Class R	4,470	253,079	329,441	663,869
Class R1	257,198	167,906	464,886	2,314,524
Class R2	42,671	22,981	140,254	308,916
Class R3	1	248,546	439,509	654,350
Class R4	1	103,252	14,926	70,571
Class R INST	1	8,560	38	238,832
Total units outstanding	<u>304,342</u>	<u>804,324</u>	<u>1,389,054</u>	<u>4,251,062</u>
Net asset value per unit:				
Class R	<u>\$ 10.93</u>	<u>\$ 11.94</u>	<u>\$ 13.05</u>	<u>\$ 14.20</u>
Class R1	<u>\$ 10.68</u>	<u>\$ 11.69</u>	<u>\$ 12.77</u>	<u>\$ 13.89</u>
Class R2	<u>\$ 10.64</u>	<u>\$ 11.60</u>	<u>\$ 12.66</u>	<u>\$ 13.78</u>
Class R3	<u>\$ 10.93</u>	<u>\$ 11.63</u>	<u>\$ 12.70</u>	<u>\$ 13.79</u>
Class R4	<u>\$ 10.93</u>	<u>\$ 11.49</u>	<u>\$ 12.57</u>	<u>\$ 13.66</u>
Class R INST	<u>\$ 10.93</u>	<u>\$ 11.99</u>	<u>\$ 13.08</u>	<u>\$ 14.20</u>

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds (Continued)
December 31, 2018

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Assets			
Investments, at cost	\$ 28,835,707	\$ 34,488,492	\$ 7,476,614
Investments, at fair value	\$ 30,556,959	\$ 37,272,413	\$ 8,175,513
Receivable for:			
Capital shares sold	38,286	64,434	2,666
Total assets	<u>\$ 30,595,245</u>	<u>\$ 37,336,847</u>	<u>\$ 8,178,179</u>
Liabilities			
Payable for investment securities purchased	\$ 22,745	\$ 55,582	\$ 911
Payable for capital shares redeemed	8,497	-	-
Accounts payable and accrued liabilities	22,159	25,105	3,360
Total liabilities	<u>\$ 53,401</u>	<u>\$ 80,687</u>	<u>\$ 4,271</u>
Net assets held for participants:			
Class R	\$ 3,930,565	\$ 13,818,175	\$ 4,061,255
Class R1	7,698,963	8,313,339	3,960,718
Class R2	1,152,874	2,166,316	151,887
Class R3	10,907,062	10,751,301	16
Class R4	3,272,853	2,191,651	16
Class R INST	3,579,527	15,378	16
Total net assets held for participants	<u>\$ 30,541,844</u>	<u>\$ 37,256,160</u>	<u>\$ 8,173,908</u>
Units outstanding:			
Class R	267,156	904,795	246,927
Class R1	535,180	556,707	246,053
Class R2	80,798	146,246	9,511
Class R3	762,134	723,698	1
Class R4	231,118	149,017	1
Class R INST	243,514	1,026	1
Total units outstanding	<u>2,119,900</u>	<u>2,481,489</u>	<u>502,494</u>
Net asset value per unit:			
Class R	<u>\$ 14.71</u>	<u>\$ 15.27</u>	<u>\$ 16.45</u>
Class R1	<u>\$ 14.39</u>	<u>\$ 14.93</u>	<u>\$ 16.10</u>
Class R2	<u>\$ 14.27</u>	<u>\$ 14.81</u>	<u>\$ 15.97</u>
Class R3	<u>\$ 14.31</u>	<u>\$ 14.86</u>	<u>\$ 16.49</u>
Class R4	<u>\$ 14.16</u>	<u>\$ 14.71</u>	<u>\$ 16.49</u>
Class R INST	<u>\$ 14.70</u>	<u>\$ 14.99</u>	<u>\$ 16.49</u>

Hand Composite Employee Benefit Trust
Schedules of Investments
Vanguard 100% Fixed Income Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
33	Federated Government Obligations Fd CS	\$ 33	\$ 33
	Total Short Term Investment	0.00% 33	33
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
4,423	Vanguard Long-Term Bond ETF	408,489	387,057
5,620	Vanguard Intermediate Term Bond ETF	475,184	456,850
9,806	Vanguard Mortgage Backed Securities ETF	518,108	504,910
11,465	Vanguard Short-Term Bond ETF	915,935	900,805
17,378	Vanguard Total International Bond ETF	940,070	942,757
	Total Fixed Income	98.23% 3,257,786	3,192,379
	Total Exchange-traded Funds	98.23% 3,257,786	3,192,379
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
57,597	HB&T Short Term Income Fund	57,597	57,597
	Total Fixed Income	1.77% 57,597	57,597
	Total Common Trust Fund	1.77% 57,597	57,597
	Total Investments	100.00% \$ 3,315,416	\$ 3,250,009

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 20/80 Conservative Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
130	Federated Government Obligations Fd CS	\$ 130	\$ 130
	Total Short Term Investment	0.00% 130	130
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
10,120	Vanguard Long-term Bond ETF	927,908	885,601
12,661	Vanguard Intermediate Term Bond ETF	1,069,122	1,029,213
25,851	Vanguard Short-term Bond ETF	2,063,042	2,031,113
39,254	Vanguard Total International Bond ETF	2,127,271	2,129,530
22,125	Vanguard Mortgage Backed Securities ETF	1,167,744	1,139,216
	Total Fixed Income	76.49% 7,355,087	7,214,673
<i>Equity</i>			
14,922	Vanguard FTSE Developed Markets ETF	562,269	553,606
3,800	Vanguard FTSE Emerging Markets ETF	146,493	144,780
3,223	Vanguard Growth ETF	365,752	432,946
4,861	Vanguard Value ETF	421,134	476,134
996	Vanguard Small Cap ETF	120,535	131,462
	Total Equity	18.44% 1,616,183	1,738,928
	Total Exchange-traded Funds	94.93% 8,971,270	8,953,601
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
478,004	HB&T Short Term Income Fund	478,004	478,004
	Total Fixed Income	5.07% 478,004	478,004
	Total Common Trust Fund	5.07% 478,004	478,004
	Total Investments	100.00% \$ 9,449,404	\$ 9,431,735

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 40/60 Moderate Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
234	Federated Government Obligations Fd CS	\$ 234	\$ 234
	Total Short Term Investment	0.00% 234	234
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
14,770	Vanguard Long-Term Bond ETF	1,356,376	1,292,523
18,710	Vanguard Intermediate Term Bond ETF	1,580,478	1,520,936
37,864	Vanguard Short-Term Bond ETF	3,020,714	2,974,974
57,412	Vanguard Total International Bond ETF	3,118,887	3,114,601
32,319	Vanguard Mortgage Backed Securities ETF	1,705,810	1,664,105
	Total Fixed Income	59.40% 10,782,265	10,567,139
<i>Equity</i>			
58,696	Vanguard FTSE Developed Markets ETF	2,181,787	2,177,621
15,305	Vanguard FTSE Emerging Markets ETF	561,186	583,121
12,457	Vanguard Growth ETF	1,359,276	1,673,349
18,899	Vanguard Value ETF	1,643,502	1,851,157
3,846	Vanguard Small Cap ETF	463,066	507,634
	Total Equity	38.19% 6,208,817	6,792,882
	Total Exchange-traded Funds	97.59% 16,991,082	17,360,021
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
428,290	HB&T Short Term Income Fund	428,290	428,290
	Total Fixed Income	2.41% 428,290	428,290
	Total Common Trust Fund	2.41% 428,290	428,290
	Total Investments	100.00% \$ 17,419,606	\$ 17,788,545

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 60/40 Moderate Aggressive Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
85	Federated Government Obligations Fd CS	\$ 85	\$ 85
	Total Short Term Investment	0.00% 85	85
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
32,788	Vanguard Long Term Bond ETF	3,004,569	2,869,278
41,840	Vanguard Intermediate Term Bond ETF	3,541,269	3,401,174
84,666	Vanguard Short Term Bond ETF	6,777,624	6,652,208
129,105	Vanguard Total International Bond ETF	6,883,291	7,003,946
71,872	Vanguard Mortgage Backed Securities ETF	3,800,412	3,700,689
	Total Fixed Income	39.89% 24,007,165	23,627,295
<i>Equity</i>			
287,713	Vanguard FTSE Developed Markets ETF	10,518,854	10,674,152
81,742	Vanguard FTSE Emerging Markets ETF	3,026,941	3,114,370
61,520	Vanguard Growth ETF	6,384,511	8,263,982
96,604	Vanguard Value ETF	8,260,240	9,462,362
19,670	Vanguard Small Cap ETF	2,280,137	2,596,243
	Total Equity	57.59% 30,470,683	34,111,109
	Total Exchange-traded Funds	97.48% 54,477,848	57,738,404
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
1,491,289	HB&T Short Term Income Fund	1,491,289	1,491,289
	Total Fixed Income	2.52% 1,491,289	1,491,289
	Total Common Trust Fund	2.52% 1,491,289	1,491,289
	Total Investments	100.00% \$ 55,969,222	\$ 59,229,778

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
30	Federated Government Obligations Fd CS	\$ 30	\$ 30
	Total Short Term Investment	0.00% 30	30
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
13,085	Vanguard Long Term Bond ETF	1,200,020	1,145,067
16,347	Vanguard Intermediate Term Bond ETF	1,377,548	1,328,848
31,596	Vanguard Short Term Bond ETF	2,522,601	2,482,498
48,063	Vanguard Total International Bond ETF	2,589,390	2,607,418
28,230	Vanguard Mortgage Backed Securities ETF	1,490,175	1,453,563
	Total Fixed Income	29.51% 9,179,734	9,017,394
<i>Equity</i>			
174,695	Vanguard FTSE Developed Markets ETF	6,547,613	6,481,185
46,991	Vanguard FTSE Emerging Markets ETF	1,699,627	1,790,357
38,122	Vanguard Growth ETF	4,121,778	5,120,928
58,628	Vanguard Value ETF	5,029,928	5,742,613
11,534	Vanguard Small Cap ETF	1,374,918	1,522,373
	Total Equity	67.60% 18,773,864	20,657,456
	Total Exchange-traded Funds	97.11% 27,953,598	29,674,850
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
882,079	HB&T Short Term Income Fund	882,079	882,079
	Total Fixed Income	2.89% 882,079	882,079
	Total Common Trust Fund	2.89% 882,079	882,079
	Total Investments	100.00% \$ 28,835,707	\$ 30,556,959

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 80/20 Aggressive Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
23	Federated Government Obligations Fd CS	\$ 23	\$ 23
	Total Short Term Investment	0.00% 23	23
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
10,297	Vanguard Long Term Bond ETF	950,027	901,090
12,900	Vanguard Intermediate Term Bond ETF	1,091,801	1,048,641
25,757	Vanguard Short Term Bond ETF	2,056,421	2,023,727
39,164	Vanguard Total International Bond ETF	2,111,042	2,124,648
22,173	Vanguard Mortgage Backed Securities ETF	1,172,103	1,141,688
	Total Fixed Income	19.42% 7,381,394	7,239,794
<i>Equity</i>			
242,754	Vanguard FTSE Developed Markets ETF	8,960,576	9,006,173
64,429	Vanguard FTSE Emerging Markets ETF	2,337,252	2,454,746
53,837	Vanguard Growth ETF	5,662,771	7,231,924
82,387	Vanguard Value ETF	7,083,046	8,069,807
15,864	Vanguard Small Cap ETF	1,887,373	2,093,889
	Total Equity	77.42% 25,931,018	28,856,539
	Total Exchange-traded Funds	96.84% 33,312,412	36,096,333
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
1,176,057	HB&T Short Term Income Fund	1,176,057	1,176,057
	Total Fixed Income	3.16% 1,176,057	1,176,057
	Total Common Trust Fund	3.16% 1,176,057	1,176,057
	Total Investments	100.00% \$ 34,488,492	\$ 37,272,413

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 100% Equity Managed Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
10	Federated Government Obligations Fd CS	\$ 10	\$ 10
	Total Short Term Investment	0.00% 10	10
<i><u>Exchange-traded Funds</u></i>			
<i>Equity</i>			
66,505	Vanguard FTSE Developed Markets ETF	2,532,698	2,467,335
17,465	Vanguard FTSE Emerging Markets ETF	653,899	665,417
14,795	Vanguard Growth ETF	1,575,254	1,987,412
4,497	Vanguard Small Cap ETF	529,730	593,559
22,487	Vanguard Value ETF	1,925,845	2,202,602
	Total Equity	96.83% 7,217,426	7,916,325
	Total Exchange-traded Funds	96.83% 7,217,426	7,916,325
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
259,178	HB&T Short Term Income Fund	259,178	259,178
	Total Fixed Income	3.17% 259,178	259,178
	Total Common Trust Fund	3.17% 259,178	259,178
	Total Investments	100.00% \$ 7,476,614	\$ 8,175,513

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

	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund
Income				
Interest	\$ 24	\$ 208	\$ 392	\$ 258
Dividends	87,957	284,018	513,222	1,629,520
Total income	87,981	284,226	513,614	1,629,778
Expenses				
Investment management and administrative	7,998	28,226	52,448	172,004
Class R expenses	22	1,537	2,209	4,679
Class R1 expenses	10,673	8,356	23,487	131,863
Class R2 expenses	2,664	2,305	12,356	26,098
Class R3 expenses	-	13,422	30,083	59,602
Class R4 expenses	-	15,662	9,858	35,115
Class R INST expenses	-	588	851	3,035
Other	80	461	112	91
Audit	-	-	3,000	3,000
Total expenses	21,437	70,557	134,404	435,487
Net Investment Income	66,544	213,669	379,210	1,194,291
Net Realized and Unrealized Gains (Losses) on Investments				
Net realized gains on investments	842	137,643	308,433	1,243,802
Net change in unrealized appreciation/ depreciation on investments	(67,133)	(533,950)	(1,383,482)	(5,936,655)
Net realized and unrealized losses	(66,291)	(396,307)	(1,075,049)	(4,692,853)
Net Increase (Decrease) in Net Assets Resulting From Operations				
	\$ 253	\$ (182,638)	\$ (695,839)	\$ (3,498,562)

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

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Income			
Interest	\$ 116	\$ 123	\$ 15
Dividends	877,871	1,085,554	212,907
Total income	877,987	1,085,677	212,922
Expenses			
Investment management and administrative	96,405	122,702	24,332
Class R expenses	2,038	7,531	2,697
Class R1 expenses	30,522	33,615	16,951
Class R2 expenses	6,357	14,048	552
Class R3 expenses	64,823	65,003	-
Class R4 expenses	58,942	76,523	-
Class R INST expenses	3,021	508	-
Other	74	113	253
Audit	3,000	3,000	-
Total expenses	265,182	323,043	44,785
Net Investment Income	612,805	762,634	168,137
Net Realized and Unrealized Gains (Losses) on Investments			
Net realized gains on investments	894,909	1,357,911	474,595
Net change in unrealized appreciation/ depreciation on investments	(3,919,184)	(5,665,159)	(1,400,155)
Net realized and unrealized losses	(3,024,275)	(4,307,248)	(925,560)
Net Decrease in Net Assets Resulting From Operations	\$ (2,411,470)	\$ (3,544,614)	\$ (757,423)

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

	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	\$ 66,544	\$ 213,669	\$ 379,210	\$ 1,194,291
Net realized gains	842	137,643	308,433	1,243,802
Change in unrealized appreciation/depreciation	(67,133)	(533,950)	(1,383,482)	(5,936,655)
Net increase (decrease) in net assets from operations	253	(182,638)	(695,839)	(3,498,562)
Net Decrease in Net Assets From Participant Transactions	(62,148)	(2,269,295)	(3,276,557)	(8,398,016)
Decrease in Net Assets	(61,895)	(2,451,933)	(3,972,396)	(11,896,578)
Net Assets				
Beginning of year	3,310,757	11,880,484	21,751,884	71,103,882
End of year	\$ 3,248,862	\$ 9,428,551	\$ 17,779,488	\$ 59,207,304

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

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Operations			
Net investment income	\$ 612,805	\$ 762,634	\$ 168,137
Net realized gains	894,909	1,357,911	474,595
Change in unrealized appreciation/depreciation	<u>(3,919,184)</u>	<u>(5,665,159)</u>	<u>(1,400,155)</u>
Net decrease in net assets from operations	(2,411,470)	(3,544,614)	(757,423)
Net Decrease in Net Assets From Participant Transactions	<u>(6,039,770)</u>	<u>(7,488,704)</u>	<u>(1,079,205)</u>
Decrease in Net Assets	(8,451,240)	(11,033,318)	(1,836,628)
Net Assets			
Beginning of year	<u>38,993,084</u>	<u>48,289,478</u>	<u>10,010,536</u>
End of year	<u>\$ 30,541,844</u>	<u>\$ 37,256,160</u>	<u>\$ 8,173,908</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 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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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

Valuation of Participants' Interest

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

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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	\$ 10.88	\$ 12.11	\$ 13.51	\$ 14.95	\$ 15.71	\$ 16.47	\$ 18.06
Net investment income	0.26	0.26	0.28	0.30	0.31	0.31	0.34
Net realized and unrealized losses	(0.21)	(0.43)	(0.74)	(1.05)	(1.31)	(1.51)	(1.95)
Net increase (decrease) from investment operations	0.05	(0.17)	(0.46)	(0.75)	(1.00)	(1.20)	(1.61)
Net asset value, end of year	\$ 10.93	\$ 11.94	\$ 13.05	\$ 14.20	\$ 14.71	\$ 15.27	\$ 16.45
Total return	0.46%	(1.40)%	(3.40)%	(5.02)%	(6.37)%	(7.29)%	(8.91)%
Ratio to average net assets:							
Net investment income	2.40%	2.20%	2.11%	2.04%	1.95%	1.89%	1.87%
Expenses	0.30%	0.30%	0.31%	0.30%	0.31%	0.30%	0.30%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	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	\$ 10.67	\$ 11.90	\$ 13.27	\$ 14.69	\$ 15.41	\$ 16.16	\$ 17.74
Net investment income	0.22	0.22	0.24	0.25	0.25	0.25	0.28
Net realized and unrealized losses	(0.21)	(0.43)	(0.74)	(1.05)	(1.27)	(1.48)	(1.92)
Net increase (decrease) from investment operations	0.01	(0.21)	(0.50)	(0.80)	(1.02)	(1.23)	(1.64)
Net asset value, end of year	\$ 10.68	\$ 11.69	\$ 12.77	\$ 13.89	\$ 14.39	\$ 14.93	\$ 16.10
Total return	0.09%	(1.76)%	(3.77)%	(5.45)%	(6.62)%	(7.61)%	(9.24)%
Ratio to average net assets:							
Net investment income	2.10%	1.90%	1.81%	1.74%	1.65%	1.58%	1.56%
Expenses	0.65%	0.66%	0.67%	0.66%	0.66%	0.66%	0.66%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	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	\$ 10.65	\$ 11.82	\$ 13.17	\$ 14.59	\$ 15.31	\$ 16.05	\$ 17.63
Net investment income	0.21	0.20	0.22	0.23	0.23	0.23	0.26
Net realized and unrealized losses	(0.22)	(0.42)	(0.73)	(1.04)	(1.27)	(1.47)	(1.92)
Net decrease from investment operations	(0.01)	(0.22)	(0.51)	(0.81)	(1.04)	(1.24)	(1.66)
Net asset value, end of year	\$ 10.64	\$ 11.60	\$ 12.66	\$ 13.78	\$ 14.27	\$ 14.81	\$ 15.97
Total return	(0.09)%	(1.86)%	(3.87)%	(5.55)%	(6.79)%	(7.73)%	(9.42)%
Ratio to average net assets:							
Net investment income	1.95%	1.75%	1.67%	1.60%	1.51%	1.44%	1.47%
Expenses	0.80%	0.82%	0.82%	0.81%	0.81%	0.81%	0.79%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	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	\$ 10.89	\$ 11.85	\$ 13.21	\$ 14.60	\$ 15.35	\$ 16.10	\$ 18.11
Net investment income	0.26	0.21	0.22	0.23	0.23	0.23	0.35
Net realized and unrealized losses	(0.22)	(0.43)	(0.73)	(1.04)	(1.27)	(1.47)	(1.97)
Net increase (decrease) from investment operations	0.04	(0.22)	(0.51)	(0.81)	(1.04)	(1.24)	(1.62)
Net asset value, end of year	\$ 10.93	\$ 11.63	\$ 12.70	\$ 13.79	\$ 14.31	\$ 14.86	\$ 16.49
Total return	0.37%	(1.86)%	(3.86)%	(5.55)%	(6.78)%	(7.70)%	(8.95)%
Ratio to average net assets:							
Net investment income	2.44%	1.76%	1.67%	1.60%	1.50%	1.43%	1.92%
Expenses	0.25%	0.80%	0.82%	0.81%	0.81%	0.81%	0.25%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	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	\$ 10.89	\$ 11.74	\$ 13.08	\$ 14.49	\$ 15.22	\$ 15.96	\$ 18.11
Net investment income	0.26	0.18	0.19	0.20	0.20	0.20	0.35
Net realized and unrealized losses	(0.22)	(0.43)	(0.70)	(1.03)	(1.26)	(1.45)	(1.97)
Net increase (decrease) from investment operations	0.04	(0.25)	(0.51)	(0.83)	(1.06)	(1.25)	(1.62)
Net asset value, end of year	\$ 10.93	\$ 11.49	\$ 12.57	\$ 13.66	\$ 14.16	\$ 14.71	\$ 16.49
Total return	0.37%	(2.13)%	(3.90)%	(5.73)%	(6.96)%	(7.83)%	(8.95)%
Ratio to average net assets:							
Net investment income	2.44%	1.57%	1.46%	1.39%	1.30%	1.23%	1.92%
Expenses	0.25%	1.02%	1.05%	1.03%	1.03%	1.03%	0.25%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	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	\$ 10.89	\$ 12.19	\$ 13.52	\$ 14.96	\$ 15.69	\$ 16.16	\$ 18.11
Net investment income	0.26	0.26	0.28	0.30	0.31	0.31	0.35
Net realized and unrealized losses	(0.22)	(0.46)	(0.72)	(1.06)	(1.30)	(1.48)	(1.97)
Net increase (decrease) from investment operations	0.04	(0.20)	(0.44)	(0.76)	(0.99)	(1.17)	(1.62)
Net asset value, end of year	\$ 10.93	\$ 11.99	\$ 13.08	\$ 14.20	\$ 14.70	\$ 14.99	\$ 16.49
Total return	0.37%	(1.64)%	(3.25)%	(5.08)%	(6.31)%	(7.24)%	(8.95)%
Ratio to average net assets:							
Net investment income	2.44%	2.18%	2.10%	2.04%	1.95%	1.91%	1.92%
Expenses	0.25%	0.31%	0.32%	0.30%	0.31%	0.31%	0.25%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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	887	\$ 9,536	24,533	\$ 295,705	34,032	\$ 458,730
Cost of units redeemed	(229)	(2,451)	(38,457)	(464,000)	(42,613)	(573,229)
Net change in Class R from participant transactions	<u>658</u>	<u>7,085</u>	<u>(13,924)</u>	<u>(168,295)</u>	<u>(8,581)</u>	<u>(114,499)</u>
Class R1:						
Proceeds from sales of units	41,682	438,351	37,090	438,452	102,973	1,353,718
Cost of units redeemed	(43,256)	(455,055)	(40,582)	(477,533)	(56,172)	(737,143)
Net change in Class R1 from participant transactions	<u>(1,574)</u>	<u>(16,704)</u>	<u>(3,492)</u>	<u>(39,081)</u>	<u>46,801</u>	<u>616,575</u>
Class R2:						
Proceeds from sales of units	2,059	21,582	3,448	40,377	27,137	355,142
Cost of units redeemed	(7,054)	(74,111)	(23,600)	(278,432)	(78,927)	(1,038,597)
Net change in Class R2 from participant transactions	<u>(4,995)</u>	<u>(52,529)</u>	<u>(20,152)</u>	<u>(238,055)</u>	<u>(51,790)</u>	<u>(683,455)</u>
Class R3:						
Proceeds from sales of units	-	-	167,553	1,971,801	140,104	1,843,365
Cost of units redeemed	-	-	(77,820)	(915,941)	(98,278)	(1,299,934)
Net change in Class R3 from participant transactions	<u>0</u>	<u>0</u>	<u>89,733</u>	<u>1,055,860</u>	<u>41,826</u>	<u>543,431</u>
Class R4:						
Proceeds from sales of units	-	-	8,713	100,766	19,310	250,995
Cost of units redeemed	-	-	(98,728)	(1,135,552)	(108,638)	(1,379,103)
Net change in Class R4 from participant transactions	<u>0</u>	<u>0</u>	<u>(90,015)</u>	<u>(1,034,786)</u>	<u>(89,328)</u>	<u>(1,128,108)</u>
Class R INST:						
Proceeds from sales of units	-	-	47,716	576,944	93,317	1,257,257
Cost of units redeemed	-	-	(198,755)	(2,421,882)	(277,745)	(3,767,758)
Net change in Class R INST from participant transactions	<u>0</u>	<u>0</u>	<u>(151,039)</u>	<u>(1,844,938)</u>	<u>(184,428)</u>	<u>(2,510,501)</u>
Net change in net assets from participant transactions		<u>\$ (62,148)</u>		<u>\$ (2,269,295)</u>		<u>\$ (3,276,557)</u>

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

	Vanguard 60/40 Moderate Aggressive Fund		Vanguard 70/30 Moderate Aggressive Growth Fund	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	121,846	\$ 1,842,904	47,319	\$ 751,660
Cost of units redeemed	(88,475)	(1,335,878)	(37,708)	(598,672)
Net change in Class R from participant transactions	<u>33,371</u>	<u>507,026</u>	<u>9,611</u>	<u>152,988</u>
Class R1:				
Proceeds from sales of units	432,183	6,328,413	134,323	2,068,777
Cost of units redeemed	(289,817)	(4,244,796)	(31,739)	(490,484)
Net change in Class R1 from participant transactions	<u>142,366</u>	<u>2,083,617</u>	<u>102,584</u>	<u>1,578,293</u>
Class R2:				
Proceeds from sales of units	18,759	273,051	14,329	218,819
Cost of units redeemed	(45,720)	(673,291)	(3,817)	(58,151)
Net change in Class R2 from participant transactions	<u>(26,961)</u>	<u>(400,240)</u>	<u>10,512</u>	<u>160,668</u>
Class R3:				
Proceeds from sales of units	103,040	1,505,994	105,599	1,617,880
Cost of units redeemed	(273,050)	(3,973,223)	(118,399)	(1,783,792)
Net change in Class R3 from participant transactions	<u>(170,010)</u>	<u>(2,467,229)</u>	<u>(12,800)</u>	<u>(165,912)</u>
Class R4:				
Proceeds from sales of units	49,131	706,554	68,936	1,052,984
Cost of units redeemed	(305,203)	(4,239,912)	(341,220)	(4,929,077)
Net change in Class R4 from participant transactions	<u>(256,072)</u>	<u>(3,533,358)</u>	<u>(272,284)</u>	<u>(3,876,093)</u>
Class R INST:				
Proceeds from sales of units	45,715	683,588	47,319	750,040
Cost of units redeemed	(349,198)	(5,271,420)	(291,163)	(4,639,754)
Net change in Class R INST from participant transactions	<u>(303,483)</u>	<u>(4,587,832)</u>	<u>(243,844)</u>	<u>(3,889,714)</u>
Net change in net assets from participant transactions		<u>\$ (8,398,016)</u>		<u>\$ (6,039,770)</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

	Vanguard 80/20 Aggressive Fund		Vanguard 100% Equity Fund	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	76,554	\$ 1,266,439	20,262	\$ 367,550
Cost of units redeemed	(87,640)	(1,422,739)	(88,021)	(1,649,051)
Net change in Class R from participant transactions	<u>(11,086)</u>	<u>(156,300)</u>	<u>(67,759)</u>	<u>(1,281,501)</u>
Class R1:				
Proceeds from sales of units	147,326	2,382,440	37,402	663,403
Cost of units redeemed	(62,808)	(1,022,903)	(30,679)	(547,874)
Net change in Class R1 from participant transactions	<u>84,518</u>	<u>1,359,537</u>	<u>6,723</u>	<u>115,529</u>
Class R2:				
Proceeds from sales of units	21,027	338,032	5,583	97,340
Cost of units redeemed	(37,790)	(613,559)	(591)	(10,573)
Net change in Class R2 from participant transactions	<u>(16,763)</u>	<u>(275,527)</u>	<u>4,992</u>	<u>86,767</u>
Class R3:				
Proceeds from sales of units	127,711	2,067,502	-	-
Cost of units redeemed	(116,631)	(1,841,919)	-	-
Net change in Class R3 from participant transactions	<u>11,080</u>	<u>225,583</u>	<u>0</u>	<u>0</u>
Class R4:				
Proceeds from sales of units	129,988	2,075,394	-	-
Cost of units redeemed	(618,077)	(9,381,094)	-	-
Net change in Class R4 from participant transactions	<u>(488,089)</u>	<u>(7,305,700)</u>	<u>0</u>	<u>0</u>
Class R INST:				
Proceeds from sales of units	56,522	919,490	-	-
Cost of units redeemed	(137,280)	(2,255,787)	-	-
Net change in Class R INST from participant transactions	<u>(80,758)</u>	<u>(1,336,297)</u>	<u>0</u>	<u>0</u>
Net change in net assets from participant transactions		<u>\$ (7,488,704)</u>		<u>\$ (1,079,205)</u>

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.

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, 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. 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, 2018.

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

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Vanguard 100% Fixed Income Fund				
Short Term Investment	\$ 33	\$ 33	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,192,379	3,192,379	-	-
Common Trust Fund - Fixed Income (A)	<u>57,597</u>			
Total	<u>\$ 3,250,009</u>			
Vanguard 20/80 Conservative Fund				
Short Term Investment	\$ 130	\$ 130	\$ -	\$ -
Exchange-traded Funds - Fixed Income	7,214,673	7,214,673	-	-
Exchange-traded Funds - Equity	1,738,928	1,738,928	-	-
Common Trust Fund - Fixed Income (A)	<u>478,004</u>			
Total	<u>\$ 9,431,735</u>			
Vanguard 40/60 Moderate Fund				
Short Term Investment	\$ 234	\$ 234	\$ -	\$ -
Exchange-traded Funds - Fixed Income	10,567,139	10,567,139	-	-
Exchange-traded Funds - Equity	6,792,882	6,792,882	-	-
Common Trust Fund - Fixed Income (A)	<u>428,290</u>			
Total	<u>\$ 17,788,545</u>			
Vanguard 60/40 Moderate Aggressive Fund				
Short Term Investment	\$ 85	\$ 85	\$ -	\$ -
Exchange-traded Funds - Fixed Income	23,627,295	23,627,295	-	-
Exchange-traded Funds - Equity	34,111,109	34,111,109	-	-
Common Trust Fund - Fixed Income (A)	<u>1,491,289</u>			
Total	<u>\$ 59,229,778</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)
Vanguard 70/30 Moderate Aggressive Growth Fund				
Short Term Investment	\$ 30	\$ 30	\$ -	\$ -
Exchange-traded Funds - Fixed Income	9,017,394	9,017,394	-	-
Exchange-traded Funds - Equity	20,657,456	20,657,456	-	-
Common Trust Fund - Fixed Income (A)	<u>882,079</u>			
Total	<u>\$ 30,556,959</u>			
Vanguard 80/20 Aggressive Fund				
Short Term Investment	\$ 23	\$ 23	\$ -	\$ -
Exchange-traded Funds - Fixed Income	7,239,794	7,239,794	-	-
Exchange-traded Funds - Equity	28,856,539	28,856,539	-	-
Common Trust Fund - Fixed Income (A)	<u>1,176,057</u>			
Total	<u>\$ 37,272,413</u>			
Vanguard 100% Equity Fund				
Short Term Investment	10	\$ 10	\$ -	\$ -
Exchange-traded Funds - Equity	7,916,325	7,916,325	-	-
Common Trust Fund - Fixed Income (A)	<u>259,178</u>			
Total	<u>\$ 8,175,513</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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 232,853
Common Trust Funds - Fixed Income	688,418
Total Investments Purchased	\$ 921,271

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 227,726	\$ 226,884	\$ 842
Common Trust Funds - Fixed Income	671,828	671,828	-
Total Investments Sold	\$ 899,554	\$ 898,712	\$ 842

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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 1,421,914
Exchange-traded Funds - Equity	405,148
Common Trust Funds - Fixed Income	4,032,097
Total Investments Purchased	\$ 5,859,159

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 3,090,456	\$ 3,116,312	\$ (25,856)
Exchange-traded Funds - Equity	724,097	560,598	163,499
Common Trust Funds - Fixed Income	4,043,074	4,043,074	-
Total Investments Sold	\$ 7,857,627	\$ 7,719,984	\$ 137,643

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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 1,648,608
Exchange-traded Funds - Equity	762,525
Common Trust Funds - Fixed Income	5,545,757
Total Investments Purchased	\$ 7,956,890

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 3,309,425	\$ 3,346,338	\$ (36,913)
Exchange-traded Funds - Equity	1,525,495	1,180,149	345,346
Common Trust Funds - Fixed Income	5,927,249	5,927,249	-
Total Investments Sold	\$ 10,762,169	\$ 10,453,736	\$ 308,433

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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 713,536
Exchange-traded Funds - Equity	1,129,578
Common Trust Funds - Fixed Income	11,515,331
Total Investments Purchased	\$ 13,358,445

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 4,937,203	\$ 5,009,205	\$ (72,002)
Exchange-traded Funds - Equity	4,647,455	3,331,651	1,315,804
Common Trust Funds - Fixed Income	10,804,431	10,804,431	-
Total Investments Sold	\$ 20,389,089	\$ 19,145,287	\$ 1,243,802

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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 839,615
Exchange-traded Funds - Equity	1,867,282
Common Trust Funds - Fixed Income	6,662,461
Total Investments Purchased	\$ 9,369,358

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 3,037,236	\$ 3,055,563	\$ (18,327)
Exchange-traded Funds - Equity	5,136,321	4,223,085	913,236
Common Trust Funds - Fixed Income	6,658,488	6,658,488	-
Total Investments Sold	\$ 14,832,045	\$ 13,937,136	\$ 894,909

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, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 831,522
Exchange-traded Funds - Equity	2,742,103
Common Trust Funds - Fixed Income	9,861,475
Total Investments Purchased	\$ 13,435,100

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Exchange-traded Funds - Fixed Income	\$ 2,654,136	\$ 2,676,759	\$ (22,623)
Exchange-traded Funds - Equity	7,548,475	6,167,941	1,380,534
Common Trust Funds - Fixed Income	9,892,046	9,892,046	-
Total Investments Sold	\$ 20,094,657	\$ 18,736,746	\$ 1,357,911

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 100% Equity Managed Trust Fund
Year Ended December 31, 2018

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 863,523
Common Trust Funds - Fixed Income	1,417,758
Total Investments Purchased	\$ 2,281,281

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 1,730,320	\$ 1,255,725	\$ 474,595
Common Trust Funds - Fixed Income	1,461,422	1,461,422	-
Total Investments Sold	\$ 3,191,742	\$ 2,717,147	\$ 474,595