

Hand Composite Employee Benefit Trust
Vanguard Managed Trust Funds
Independent Auditor's Report and Financial Statements
December 31, 2019



Hand Composite Employee Benefit Trust

December 31, 2019

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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, 2019, 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, 2019, 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 15, 2020

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds
December 31, 2019

	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	\$ 3,818,220	\$ 4,313,318	\$ 11,948,675	\$ 40,992,093
Investments, at fair value	\$ 3,928,271	\$ 4,557,487	\$ 13,072,558	\$ 49,678,413
Receivable for:				
Investment securities sold	316,011	680,237	394,653	-
Capital shares sold	655	2,317	59,106	135,848
Administrative fees	655	152	380	1,880
Total assets	<u>\$ 4,245,592</u>	<u>\$ 5,240,193</u>	<u>\$ 13,526,697</u>	<u>\$ 49,816,141</u>
Liabilities				
Withdrawals in excess of cash balances	\$ 235,663	\$ 587,471	\$ 121,751	\$ -
Accounts payable and accrued liabilities	3,326	2,466	9,706	31,968
Total liabilities	<u>\$ 238,989</u>	<u>\$ 589,937</u>	<u>\$ 131,457</u>	<u>\$ 31,968</u>
Net assets held for participants:				
Class R	\$ 68,122	\$ 2,494,477	\$ 5,001,661	\$ 10,647,176
Class R1	3,614,918	1,944,228	7,099,522	32,357,249
Class R2	323,527	211,512	1,294,013	3,215,338
Class R3	12	13	15	16
Class R4	12	13	14	16
Class R INST	12	13	15	3,564,378
Total net assets held for participants	<u>\$ 4,006,603</u>	<u>\$ 4,650,256</u>	<u>\$ 13,395,240</u>	<u>\$ 49,784,173</u>
Units outstanding:				
Class R	5,779	187,424	333,306	631,377
Class R1	314,784	149,814	485,108	1,967,634
Class R2	28,334	16,449	89,255	197,425
Class R3	1	1	1	1
Class R4	1	1	1	1
Class R INST	1	1	1	211,305
Total units outstanding	<u>348,900</u>	<u>353,690</u>	<u>907,672</u>	<u>3,007,743</u>
Net asset value per unit:				
Class R	\$ 11.79	\$ 13.31	\$ 15.01	\$ 16.86
Class R1	<u>\$ 11.48</u>	<u>\$ 12.98</u>	<u>\$ 14.63</u>	<u>\$ 16.44</u>
Class R2	<u>\$ 11.42</u>	<u>\$ 12.86</u>	<u>\$ 14.50</u>	<u>\$ 16.29</u>
Class R3	<u>\$ 11.81</u>	<u>\$ 12.93</u>	<u>\$ 14.55</u>	<u>\$ 16.27</u>
Class R4	<u>\$ 11.81</u>	<u>\$ 12.76</u>	<u>\$ 14.38</u>	<u>\$ 16.12</u>
Class R INST	<u>\$ 11.81</u>	<u>\$ 13.35</u>	<u>\$ 15.05</u>	<u>\$ 16.87</u>

Hand Composite Employee Benefit Trust
Statements of Assets and Liabilities – Selected Funds (Continued)
December 31, 2019

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Assets			
Investments, at cost	\$ 15,183,142	\$ 23,515,694	\$ 7,732,225
Investments, at fair value	\$ 18,016,732	\$ 29,737,256	\$ 10,197,877
Receivable for:			
Investment securities sold	-	195,152	-
Capital shares sold	9,379	24,877	6,987
Administrative fees	-	1,005	428
Total assets	<u>\$ 18,026,111</u>	<u>\$ 29,958,290</u>	<u>\$ 10,205,292</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 10,634	\$ 16,233	\$ 4,606
Total liabilities	<u>\$ 10,634</u>	<u>\$ 16,233</u>	<u>\$ 4,606</u>
Net assets held for participants:			
Class R	\$ 4,627,825	\$ 16,447,263	\$ 5,180,608
Class R1	8,739,653	11,298,452	5,005,744
Class R2	776,812	2,196,288	14,271
Class R3	17	18	21
Class R4	17	18	21
Class R INST	3,871,153	18	21
Total net assets held for participants	<u>\$ 18,015,477</u>	<u>\$ 29,942,057</u>	<u>\$ 10,200,686</u>
Units outstanding:			
Class R	260,676	878,750	249,860
Class R1	505,231	619,510	247,529
Class R2	45,361	121,580	713
Class R3	1	1	1
Class R4	1	1	1
Class R INST	218,255	1	1
Total units outstanding	<u>1,029,525</u>	<u>1,619,843</u>	<u>498,105</u>
Net asset value per unit:			
Class R	\$ 17.75	\$ 18.72	\$ 20.73
Class R1	\$ 17.30	\$ 18.24	\$ 20.22
Class R2	\$ 17.13	\$ 18.06	\$ 20.03
Class R3	\$ 17.16	\$ 18.02	\$ 20.80
Class R4	\$ 16.97	\$ 17.86	\$ 20.80
Class R INST	\$ 17.74	\$ 18.37	\$ 20.64

Hand Composite Employee Benefit Trust
Schedules of Investments
Vanguard 100% Fixed Income Managed Trust Fund
December 31, 2019

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>			
6,250	Vanguard Intermediate Term Bond ETF	526,337	545,125
5,397	Vanguard Long-Term Bond ETF	498,528	541,535
11,626	Vanguard Mortgage Backed Securities ETF	609,300	618,154
12,945	Vanguard Short-Term Bond ETF	1,031,200	1,043,496
20,852	Vanguard Total International Bond ETF	1,152,701	1,179,807
	Total Fixed Income	100.00% 3,818,066	3,928,117
	Total Exchange-traded Funds	100.00% 3,818,066	3,928,117
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
131	HB&T Short Term Income Fund	131	131
	Total Fixed Income	0.00% 131	131
	Total Common Trust Fund	0.00% 131	131
	Total Investments	100.00% \$ 3,818,220	\$ 3,928,271

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 20/80 Conservative Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
10	Federated Government Obligations Fd CS	\$ 10	\$ 10
	Total Short Term Investment	0.00% 10	10
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
5,806	Vanguard Intermediate Term Bond ETF	484,862	506,399
5,012	Vanguard Long-term Bond ETF	461,679	502,904
10,763	Vanguard Mortgage Backed Securities ETF	562,422	572,269
12,003	Vanguard Short-term Bond ETF	950,865	967,562
19,319	Vanguard Total International Bond ETF	1,059,994	1,093,069
	Total Fixed Income	79.92% 3,519,822	3,642,203
<i>Equity</i>			
6,372	Vanguard FTSE Developed Markets ETF	268,348	280,750
1,889	Vanguard FTSE Emerging Markets ETF	83,855	84,004
1,305	Vanguard Growth ETF	177,712	237,732
423	Vanguard Small Cap ETF	58,617	70,066
2,024	Vanguard Value ETF	204,808	242,576
	Total Equity	20.08% 793,340	915,128
	Total Exchange-traded Funds	100.00% 4,313,162	4,557,331
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
146	HB&T Short Term Income Fund	146	146
	Total Fixed Income	0.00% 146	146
	Total Common Trust Fund	0.00% 146	146
	Total Investments	100.00% \$ 4,313,318	\$ 4,557,487

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 40/60 Moderate Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
22	Federated Government Obligations Fd CS	\$ 22	\$ 22
	Total Short Term Investment	0.00% 22	22
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
12,385	Vanguard Intermediate Term Bond ETF	1,042,624	1,080,220
10,742	Vanguard Long-Term Bond ETF	993,220	1,077,852
23,330	Vanguard Mortgage Backed Securities ETF	1,222,048	1,240,456
25,808	Vanguard Short-Term Bond ETF	2,050,744	2,080,383
41,479	Vanguard Total International Bond ETF	2,280,501	2,346,882
	Total Fixed Income	59.87% 7,589,137	7,825,793
<i>Equity</i>			
36,836	Vanguard FTSE Developed Markets ETF	1,476,836	1,622,996
10,826	Vanguard FTSE Emerging Markets ETF	434,306	481,432
7,484	Vanguard Growth ETF	999,462	1,363,360
2,341	Vanguard Small Cap ETF	292,001	387,763
11,604	Vanguard Value ETF	1,156,458	1,390,739
	Total Equity	40.13% 4,359,063	5,246,290
	Total Exchange-traded Funds	100.00% 11,948,200	13,072,083
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
453	HB&T Short Term Income Fund	453	453
	Total Fixed Income	0.00% 453	453
	Total Common Trust Fund	0.00% 453	453
	Total Investments	100.00% \$ 11,948,675	\$ 13,072,558

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 60/40 Moderate Aggressive Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
146	Federated Government Obligations Fd CS	\$ 146	\$ 146
	Total Short Term Investment	0.00% 146	146
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
30,730	Vanguard Intermediate Term Bond ETF	2,597,439	2,680,271
26,557	Vanguard Long Term Bond ETF	2,448,263	2,664,729
57,946	Vanguard Mortgage Backed Securities ETF	3,062,921	3,080,989
64,131	Vanguard Short Term Bond ETF	5,129,204	5,169,600
103,241	Vanguard Total International Bond ETF	5,535,038	5,841,376
	Total Fixed Income	39.12% 18,772,865	19,436,965
<i>Equity</i>			
204,072	Vanguard FTSE Developed Markets ETF	7,301,961	8,991,412
60,158	Vanguard FTSE Emerging Markets ETF	2,175,067	2,675,226
41,455	Vanguard Growth ETF	4,372,587	7,551,857
12,825	Vanguard Small Cap ETF	1,485,303	2,124,333
64,855	Vanguard Value ETF	5,758,562	7,772,872
	Total Equity	58.61% 21,093,480	29,115,700
	Total Exchange-traded Funds	97.73% 39,866,345	48,552,665
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
1,125,602	HB&T Short Term Income Fund	1,125,602	1,125,602
	Total Fixed Income	2.27% 1,125,602	1,125,602
	Total Common Trust Fund	2.27% 1,125,602	1,125,602
	Total Investments	100.00% \$ 40,992,093	\$ 49,678,413

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 70/30 Moderate Aggressive Growth Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
11	Federated Government Obligations Fd CS	\$ 11	\$ 11
	Total Short Term Investment	0.00% 11	11
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
8,257	Vanguard Intermediate Term Bond ETF	688,634	720,177
7,163	Vanguard Long Term Bond ETF	661,148	718,735
15,290	Vanguard Mortgage Backed Securities ETF	801,001	812,969
17,261	Vanguard Short Term Bond ETF	1,370,684	1,391,409
28,067	Vanguard Total International Bond ETF	1,529,060	1,588,031
	Total Fixed Income	29.03% 5,050,527	5,231,321
<i>Equity</i>			
86,002	Vanguard FTSE Developed Markets ETF	3,401,701	3,789,248
25,656	Vanguard FTSE Emerging Markets ETF	1,043,196	1,140,922
17,975	Vanguard Growth ETF	2,096,406	3,274,506
27,325	Vanguard Value ETF	2,513,979	3,274,901
5,800	Vanguard Small Cap ETF	732,211	960,712
	Total Equity	69.05% 9,787,493	12,440,289
	Total Exchange-traded Funds	98.08% 14,838,020	17,671,610
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
345,111	HB&T Short Term Income Fund	345,111	345,111
	Total Fixed Income	1.92% 345,111	345,111
	Total Common Trust Fund	1.92% 345,111	345,111
	Total Investments	100.00% \$ 15,183,142	\$ 18,016,732

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 80/20 Aggressive Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
20	Federated Government Obligations Fd CS	\$ 20	\$ 20
	Total Short Term Investment	0.00% 20	20
<u>Exchange-traded Funds</u>			
<i>Fixed Income</i>			
8,911	Vanguard Intermediate Term Bond ETF	753,671	777,217
8,015	Vanguard Long Term Bond ETF	744,832	804,225
16,340	Vanguard Mortgage Backed Securities ETF	859,566	868,798
18,950	Vanguard Short Term Bond ETF	1,507,815	1,527,560
31,408	Vanguard Total International Bond ETF	1,715,445	1,777,065
	Total Fixed Income	19.36% 5,581,329	5,754,865
<i>Equity</i>			
164,923	Vanguard FTSE Developed Markets ETF	6,127,745	7,266,507
48,474	Vanguard FTSE Emerging Markets ETF	1,860,742	2,155,639
33,628	Vanguard Growth ETF	3,657,391	6,126,013
10,457	Vanguard Small Cap ETF	1,239,504	1,732,097
52,564	Vanguard Value ETF	4,646,643	6,299,795
	Total Equity	79.29% 17,532,025	23,580,051
	Total Exchange-traded Funds	98.65% 23,113,354	29,334,916
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
402,320	HB&T Short Term Income Fund	402,320	402,320
	Total Fixed Income	1.35% 402,320	402,320
	Total Common Trust Fund	1.35% 402,320	402,320
	Total Investments	100.00% \$ 23,515,694	\$ 29,737,256

Hand Composite Employee Benefit Trust
Schedules of Investments (Continued)
Vanguard 100% Equity Managed Trust Fund
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
16	Federated Government Obligations Fd CS	\$ 16	\$ 16
	Total Short Term Investment	0.00% 16	16
<u>Exchange-traded Funds</u>			
<i>Equity</i>			
70,111	Vanguard FTSE Developed Markets ETF	2,680,232	3,089,091
20,646	Vanguard FTSE Emerging Markets ETF	788,406	918,128
14,229	Vanguard Growth ETF	1,599,807	2,592,095
22,209	Vanguard Small Cap ETF	1,932,636	2,661,749
4,425	Vanguard Value ETF	527,287	732,957
	Total Equity	98.00% 7,528,368	9,994,020
	Total Exchange-traded Funds	98.00% 7,528,368	9,994,020
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
203,841	HB&T Short Term Income Fund	203,841	203,841
	Total Fixed Income	2.00% 203,841	203,841
	Total Common Trust Fund	2.00% 203,841	203,841
	Total Investments	100.00% \$ 7,732,225	\$ 10,197,877

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds
Year Ended December 31, 2019

	Vanguard 100% Fixed Income Fund	Vanguard 20/80 Conservative Fund	Vanguard 40/60 Moderate Fund	Vanguard 60/40 Moderate Aggressive Fund
Income				
Interest	\$ 144	\$ 179	\$ 611	\$ 1,384
Dividends	130,921	222,892	448,179	1,514,318
Total income	131,065	223,071	448,790	1,515,702
Expenses				
Investment management and administrative	11,497	22,197	43,666	148,919
Class R expenses	29	1,612	2,326	5,105
Class R1 expenses	16,699	9,286	27,328	145,542
Class R2 expenses	2,008	1,747	6,022	18,974
Class R3 expenses	-	10,279	24,747	27,253
Class R4 expenses	-	7,616	2,733	6,484
Class R INST expenses	-	59	-	1,825
Other	320	480	194	279
Audit	-	-	3,000	3,000
Total expenses	30,553	53,276	110,016	357,381
Net Investment Income	100,512	169,795	338,774	1,158,321
Net Realized and Unrealized Gains on Investments				
Net realized gains on investments	45,215	525,782	1,283,856	3,379,428
Net change in unrealized appreciation/ depreciation on investments	175,458	261,838	754,944	5,425,764
Net realized and unrealized gains	220,673	787,620	2,038,800	8,805,192
Net Increase in Net Assets Resulting From Operations	\$ 321,185	\$ 957,415	\$ 2,377,574	\$ 9,963,513

Hand Composite Employee Benefit Trust
Statements of Operations – Selected Funds (Continued)
Year Ended December 31, 2019

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Income			
Interest	\$ 617	\$ 818	\$ 175
Dividends	691,799	909,433	229,420
Total income	<u>692,416</u>	<u>910,251</u>	<u>229,595</u>
Expenses			
Investment management and administrative	73,640	94,784	23,755
Class R expenses	2,176	7,655	2,342
Class R1 expenses	32,742	41,448	19,166
Class R2 expenses	4,478	11,378	136
Class R3 expenses	50,422	45,735	-
Class R4 expenses	22,537	13,472	-
Class R INST expenses	1,941	8	-
Other	291	261	101
Audit	3,000	3,000	-
Total expenses	<u>191,227</u>	<u>217,741</u>	<u>45,500</u>
Net Investment Income	<u>501,189</u>	<u>692,510</u>	<u>184,095</u>
Net Realized and Unrealized Gains on Investments			
Net realized gains on investments	3,543,430	3,153,061	185,733
Net change in unrealized appreciation/ depreciation on investments	1,112,338	3,437,641	1,766,753
Net realized and unrealized gains	<u>4,655,768</u>	<u>6,590,702</u>	<u>1,952,486</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 5,156,957</u>	<u>\$ 7,283,212</u>	<u>\$ 2,136,581</u>

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds
Year Ended December 31, 2019

	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	\$ 100,512	\$ 169,795	\$ 338,774	\$ 1,158,321
Net realized gains	45,215	525,782	1,283,856	3,379,428
Change in unrealized appreciation/depreciation	175,458	261,838	754,944	5,425,764
Net increase in net assets from operations	321,185	957,415	2,377,574	9,963,513
Net Increase (Decrease) in Net Assets From Participant Transactions	436,556	(5,735,710)	(6,761,822)	(19,386,644)
Increase (Decrease) in Net Assets	757,741	(4,778,295)	(4,384,248)	(9,423,131)
Net Assets				
Beginning of year	3,248,862	9,428,551	17,779,488	59,207,304
End of year	\$ 4,006,603	\$ 4,650,256	\$ 13,395,240	\$ 49,784,173

Hand Composite Employee Benefit Trust
Statements of Changes in Net Assets – Selected Funds (Continued)
Year Ended December 31, 2019

	Vanguard 70/30 Moderate Aggressive Growth Fund	Vanguard 80/20 Aggressive Fund	Vanguard 100% Equity Fund
Operations			
Net investment income	\$ 501,189	\$ 692,510	\$ 184,095
Net realized gains	3,543,430	3,153,061	185,733
Change in unrealized appreciation/depreciation	1,112,338	3,437,641	1,766,753
Net increase in net assets from operations	5,156,957	7,283,212	2,136,581
Net Decrease in Net Assets From Participant Transactions	<u>(17,683,324)</u>	<u>(14,597,315)</u>	<u>(109,803)</u>
Increase (Decrease) in Net Assets	(12,526,367)	(7,314,103)	2,026,778
Net Assets			
Beginning of year	<u>30,541,844</u>	<u>37,256,160</u>	<u>8,173,908</u>
End of year	<u>\$ 18,015,477</u>	<u>\$ 29,942,057</u>	<u>\$ 10,200,686</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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 76 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

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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

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Fund. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through May 15, 2020, 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	\$ 10.93	\$ 11.94	\$ 13.05	\$ 14.20	\$ 14.71	\$ 15.27	\$ 16.45
Net investment income	0.29	0.26	0.29	0.34	0.29	0.33	0.39
Net realized and unrealized gains	0.57	1.11	1.67	2.32	2.75	3.12	3.89
Net increase from investment operations	0.86	1.37	1.96	2.66	3.04	3.45	4.28
Net asset value, end of year	\$ 11.79	\$ 13.31	\$ 15.01	\$ 16.86	\$ 17.75	\$ 18.72	\$ 20.73
Total return	7.87%	11.47%	15.02%	18.73%	20.67%	22.59%	26.02%
Ratio to average net assets:							
Net investment income	2.50%	2.02%	2.03%	2.16%	1.78%	1.90%	2.08%
Expenses	0.30%	0.28%	0.29%	0.30%	0.28%	0.29%	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	\$ 10.68	\$ 11.69	\$ 12.77	\$ 13.89	\$ 14.39	\$ 14.93	\$ 16.10
Net investment income	0.25	0.21	0.24	0.29	0.24	0.27	0.33
Net realized and unrealized gains	0.55	1.08	1.62	2.26	2.67	3.04	3.79
Net increase from investment operations	0.80	1.29	1.86	2.55	2.91	3.31	4.12
Net asset value, end of year	\$ 11.48	\$ 12.98	\$ 14.63	\$ 16.44	\$ 17.30	\$ 18.24	\$ 20.22
Total return	7.49%	11.04%	14.57%	18.36%	20.22%	22.17%	25.59%
Ratio to average net assets:							
Net investment income	2.20%	1.71%	1.73%	1.85%	1.47%	0.16%	1.78%
Expenses	0.66%	0.64%	0.65%	0.66%	0.63%	0.64%	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	\$ 10.64	\$ 11.60	\$ 12.66	\$ 13.78	\$ 14.27	\$ 14.81	\$ 15.97
Net investment income	0.23	0.19	0.22	0.26	0.21	0.25	0.30
Net realized and unrealized gains	0.55	1.07	1.62	2.25	2.65	3.00	3.76
Net increase from operations	0.78	1.26	1.84	2.51	2.86	3.25	4.06
Net asset value, end of year	\$ 11.42	\$ 12.86	\$ 14.50	\$ 16.29	\$ 17.13	\$ 18.06	\$ 20.03
Total return	7.33%	10.86%	14.53%	18.21%	20.04%	21.94%	25.42%
Ratio to average net assets:							
Net investment income	2.08%	1.57%	1.62%	1.73%	1.34%	1.47%	1.70%
Expenses	0.81%	0.81%	0.78%	0.81%	0.80%	0.79%	0.84%

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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	\$ 10.93	\$ 11.63	\$ 12.70	\$ 13.79	\$ 14.31	\$ 14.86	\$ 16.49
Net investment income	0.29	0.21	0.24	0.28	0.23	0.27	0.40
Net realized and unrealized gains	0.59	1.09	1.61	2.20	2.62	2.89	3.91
Net increase from investment operations	0.88	1.30	1.85	2.48	2.85	3.16	4.31
Net asset value, end of year	\$ 11.81	\$ 12.93	\$ 14.55	\$ 16.27	\$ 17.16	\$ 18.02	\$ 20.80
Total return	8.05%	11.18%	14.57%	17.98%	19.92%	21.27%	26.14%
Ratio to average net assets:							
Net investment income	2.55%	1.70%	1.74%	1.86%	1.48%	1.61%	2.12%
Expenses	0.25%	0.69%	0.69%	0.71%	0.67%	0.68%	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	\$ 10.93	\$ 11.49	\$ 12.57	\$ 13.66	\$ 14.16	\$ 14.71	\$ 16.49
Net investment income	0.29	0.19	0.21	0.26	0.21	0.24	0.40
Net realized and unrealized gains	0.59	1.08	1.60	2.20	2.60	2.91	3.91
Net increase from investment operations	0.88	1.27	1.81	2.46	2.81	3.15	4.31
Net asset value, end of year	\$ 11.81	\$ 12.76	\$ 14.38	\$ 16.12	\$ 16.97	\$ 17.86	\$ 20.80
Total return	8.05%	11.05%	14.40%	18.01%	19.84%	21.41%	26.14%
Ratio to average net assets:							
Net investment income	2.55%	1.57%	1.54%	1.73%	1.33%	1.48%	2.12%
Expenses	0.25%	0.85%	0.89%	0.86%	0.85%	0.85%	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	\$ 10.93	\$ 11.99	\$ 13.08	\$ 14.20	\$ 14.70	\$ 14.99	\$ 16.49
Net investment income	0.29	0.26	0.30	0.34	0.29	0.33	0.40
Net realized and unrealized gains	0.59	1.10	1.67	2.33	2.75	3.05	3.75
Net increase from investment operations	0.88	1.36	1.97	2.67	3.04	3.38	4.15
Net asset value, end of year	\$ 11.81	\$ 13.35	\$ 15.05	\$ 16.87	\$ 17.74	\$ 18.37	\$ 20.64
Total return	8.05%	11.34%	15.06%	18.80%	20.68%	22.55%	25.17%
Ratio to average net assets:							
Net investment income	2.55%	2.02%	2.08%	2.16%	1.78%	1.97%	2.13%
Expenses	0.25%	0.28%	0.24%	0.30%	0.28%	0.29%	0.25%

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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	1,380	\$ 15,899	51,634	\$ 662,462	30,920	\$ 443,750
Cost of units redeemed	(71)	(815)	(117,288)	(1,535,427)	(27,055)	(381,796)
Net change in Class R from participant transactions	<u>1,309</u>	<u>15,084</u>	<u>(65,654)</u>	<u>(872,965)</u>	<u>3,865</u>	<u>61,954</u>
Class R1:						
Proceeds from sales of units	226,649	2,516,504	77,054	957,653	159,477	2,171,307
Cost of units redeemed	(169,063)	(1,937,657)	(95,146)	(1,211,302)	(139,254)	(1,924,880)
Net change in Class R1 from participant transactions	<u>57,586</u>	<u>578,847</u>	<u>(18,092)</u>	<u>(253,649)</u>	<u>20,223</u>	<u>246,427</u>
Class R2:						
Proceeds from sales of units	597	6,581	21,442	257,187	75,245	1,030,275
Cost of units redeemed	(14,933)	(163,956)	(27,974)	(346,582)	(126,245)	(1,690,540)
Net change in Class R2 from participant transactions	<u>(14,336)</u>	<u>(157,375)</u>	<u>(6,532)</u>	<u>(89,395)</u>	<u>(51,000)</u>	<u>(660,265)</u>
Class R3:						
Proceeds from sales of units	-	-	50,078	615,648	63,254	872,398
Cost of units redeemed	-	-	(298,625)	(3,723,265)	(502,763)	(7,053,590)
Net change in Class R3 from participant transactions	<u>0</u>	<u>0</u>	<u>(248,547)</u>	<u>(3,107,617)</u>	<u>(439,509)</u>	<u>(6,181,192)</u>
Class R4:						
Proceeds from sales of units	-	-	415	4,976	73,645	1,009,586
Cost of units redeemed	-	-	(103,667)	(1,301,951)	(88,571)	(1,237,679)
Net change in Class R4 from participant transactions	<u>0</u>	<u>0</u>	<u>(103,252)</u>	<u>(1,296,975)</u>	<u>(14,926)</u>	<u>(228,093)</u>
Class R INST:						
Proceeds from sales of units	-	-	3,916	49,937	147	2,074
Cost of units redeemed	-	-	(12,476)	(165,046)	(185)	(2,727)
Net change in Class R INST from participant transactions	<u>0</u>	<u>0</u>	<u>(8,560)</u>	<u>(115,109)</u>	<u>(38)</u>	<u>(653)</u>
Net change in net assets from participant transactions		<u>\$ 436,556</u>		<u>\$ (5,735,710)</u>		<u>\$ (6,761,822)</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	71,567	\$ 1,113,448	26,205	\$ 430,778
Cost of units redeemed	(104,058)	(1,631,319)	(32,684)	(542,133)
Net change in Class R from participant transactions	<u>(32,491)</u>	<u>(517,871)</u>	<u>(6,479)</u>	<u>(111,355)</u>
Class R1:				
Proceeds from sales of units	464,453	7,102,562	168,125	2,686,517
Cost of units redeemed	(811,343)	(12,892,506)	(198,075)	(3,155,817)
Net change in Class R1 from participant transactions	<u>(346,890)</u>	<u>(5,789,944)</u>	<u>(29,950)</u>	<u>(469,300)</u>
Class R2:				
Proceeds from sales of units	10,709	161,817	35,435	569,999
Cost of units redeemed	(122,120)	(1,806,303)	(70,873)	(1,096,825)
Net change in Class R2 from participant transactions	<u>(111,411)</u>	<u>(1,644,486)</u>	<u>(35,438)</u>	<u>(526,826)</u>
Class R3:				
Proceeds from sales of units	57,074	863,188	86,825	1,361,120
Cost of units redeemed	(711,423)	(10,759,591)	(848,959)	(13,757,934)
Net change in Class R3 from participant transactions	<u>(654,349)</u>	<u>(9,896,403)</u>	<u>(762,134)</u>	<u>(12,396,814)</u>
Class R4:				
Proceeds from sales of units	5,936	87,264	11,709	179,227
Cost of units redeemed	(76,507)	(1,179,857)	(242,827)	(3,931,160)
Net change in Class R4 from participant transactions	<u>(70,571)</u>	<u>(1,092,593)</u>	<u>(231,118)</u>	<u>(3,751,933)</u>
Class R INST:				
Proceeds from sales of units	11,345	183,999	4,400	70,008
Cost of units redeemed	(38,872)	(629,346)	(29,660)	(497,104)
Net change in Class R INST from participant transactions	<u>(27,527)</u>	<u>(445,347)</u>	<u>(25,260)</u>	<u>(427,096)</u>
Net change in net assets from participant transactions		<u>\$ (19,386,644)</u>		<u>\$ (17,683,324)</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	(64,097)	\$ 1,105,693	19,483	\$ 366,492
Cost of units redeemed	(90,142)	(1,553,259)	(16,551)	(312,912)
Net change in Class R from participant transactions	<u>(154,239)</u>	<u>(447,566)</u>	<u>2,932</u>	<u>53,580</u>
Class R1:				
Proceeds from sales of units	171,964	2,851,404	45,528	823,026
Cost of units redeemed	(109,160)	(1,869,878)	(44,052)	(834,067)
Net change in Class R1 from participant transactions	<u>62,804</u>	<u>981,526</u>	<u>1,476</u>	<u>(11,041)</u>
Class R2:				
Proceeds from sales of units	12,591	208,161	437	7,869
Cost of units redeemed	(37,258)	(597,880)	(9,236)	(160,249)
Net change in Class R2 from participant transactions	<u>(24,667)</u>	<u>(389,719)</u>	<u>(8,799)</u>	<u>(152,380)</u>
Class R3:				
Proceeds from sales of units	60,397	991,208	-	-
Cost of units redeemed	(784,094)	(13,228,247)	-	-
Net change in Class R3 from participant transactions	<u>(723,697)</u>	<u>(12,237,039)</u>	<u>0</u>	<u>0</u>
Class R4:				
Proceeds from sales of units	12,184	196,370	-	-
Cost of units redeemed	(161,201)	(2,682,089)	-	-
Net change in Class R4 from participant transactions	<u>(149,017)</u>	<u>(2,485,719)</u>	<u>0</u>	<u>0</u>
Class R INST:				
Proceeds from sales of units	413	6,624	53	1,005
Cost of units redeemed	(1,438)	(25,422)	(53)	(967)
Net change in Class R INST from participant transactions	<u>(1,025)</u>	<u>(18,798)</u>	<u>0</u>	<u>38</u>
Net change in net assets from participant transactions		<u>\$ (14,597,315)</u>		<u>\$ (109,803)</u>

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Notes to Financial Statements

December 31, 2019

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, 2019.

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, 2019.

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	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	\$ 23	\$ 23	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,928,117	3,928,117	-	-
Common Trust Fund - Fixed Income (A)	<u>131</u>			
Total	<u>\$ 3,928,271</u>			
Vanguard 20/80 Conservative Fund				
Short Term Investment	\$ 10	\$ 10	\$ -	\$ -
Exchange-traded Funds - Fixed Income	3,642,203	3,642,203	-	-
Exchange-traded Funds - Equity	915,128	915,128	-	-
Common Trust Fund - Fixed Income (A)	<u>146</u>			
Total	<u>\$ 4,557,487</u>			
Vanguard 40/60 Moderate Fund				
Short Term Investment	\$ 22	\$ 22	\$ -	\$ -
Exchange-traded Funds - Fixed Income	7,825,793	7,825,793	-	-
Exchange-traded Funds - Equity	5,246,290	5,246,290	-	-
Common Trust Fund - Fixed Income (A)	<u>453</u>			
Total	<u>\$ 13,072,558</u>			
Vanguard 60/40 Moderate Aggressive Fund				
Short Term Investment	\$ 146	\$ 146	\$ -	\$ -
Exchange-traded Funds - Fixed Income	19,436,965	19,436,965	-	-
Exchange-traded Funds - Equity	29,115,700	29,115,700	-	-
Common Trust Fund - Fixed Income (A)	<u>1,125,602</u>			
Total	<u>\$ 49,678,413</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 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 70/30 Moderate Aggressive Growth Fund				
Short Term Investment	\$ 11	\$ 11	\$ -	\$ -
Exchange-traded Funds - Fixed Income	5,231,321	5,231,321	-	-
Exchange-traded Funds - Equity	12,440,289	12,440,289	-	-
Common Trust Fund - Fixed Income (A)	<u>345,111</u>			
Total	<u>\$ 18,016,732</u>			
Vanguard 80/20 Aggressive Fund				
Short Term Investment	\$ 20	\$ 20	\$ -	\$ -
Exchange-traded Funds - Fixed Income	5,754,865	5,754,865	-	-
Exchange-traded Funds - Equity	23,580,051	23,580,051	-	-
Common Trust Fund - Fixed Income (A)	<u>402,320</u>			
Total	<u>\$ 29,737,256</u>			
Vanguard 100% Equity Fund				
Short Term Investment	16	\$ 16	\$ -	\$ -
Exchange-traded Funds - Equity	9,994,020	9,994,020	-	-
Common Trust Fund - Fixed Income (A)	<u>203,841</u>			
Total	<u>\$ 10,197,877</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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Fixed Income	\$ 1,921,740
Common Trust Funds - Fixed Income	2,362,335
Total Investments Purchased	\$ 4,284,075

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Fixed Income	\$ 1,406,675	\$ 1,361,460	\$ 45,215
Common Trust Funds - Fixed Income	2,419,931	2,419,931	-
Total Investments Sold	\$ 3,826,606	\$ 3,781,391	\$ 45,215

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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 171,030
Exchange-traded Funds - Fixed Income	946,562
Common Trust Funds - Fixed Income	2,521,419
Total Investments Purchased	\$ 3,639,011

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 1,352,323	\$ 993,875	\$ 358,448
Exchange-traded Funds - Fixed Income	4,949,158	4,781,824	167,334
Common Trust Funds - Fixed Income	2,999,422	2,999,422	-
Total Investments Sold	\$ 9,300,903	\$ 8,775,121	\$ 525,782

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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 1,291,502
Exchange-traded Funds - Fixed Income	1,269,124
Common Trust Funds - Fixed Income	4,443,901
Total Investments Purchased	\$ 7,004,527

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 4,292,504	\$ 3,141,237	\$ 1,151,267
Exchange-traded Funds - Fixed Income	4,594,862	4,462,273	132,589
Common Trust Funds - Fixed Income	4,872,190	4,872,190	-
Total Investments Sold	\$ 13,759,556	\$ 12,475,700	\$ 1,283,856

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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 888,976
Exchange-traded Funds - Fixed Income	277,946
Common Trust Funds - Fixed Income	7,960,065
Total Investments Purchased	\$ 9,126,987

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 13,414,673	\$ 10,266,179	\$ 3,148,494
Exchange-traded Funds - Fixed Income	5,743,180	5,512,246	230,934
Common Trust Funds - Fixed Income	8,327,309	8,327,309	-
Total Investments Sold	\$ 27,485,162	\$ 24,105,734	\$ 3,379,428

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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 736,477
Exchange-traded Funds - Fixed Income	541,253
Common Trust Funds - Fixed Income	4,817,294
Total Investments Purchased	\$ 6,095,024

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 13,062,444	\$ 9,722,848	\$ 3,339,596
Exchange-traded Funds - Fixed Income	4,874,293	4,670,459	203,834
Common Trust Funds - Fixed Income	5,354,679	5,354,679	-
Total Investments Sold	\$ 23,291,416	\$ 19,747,986	\$ 3,543,430

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, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 350,387
Exchange-traded Funds - Fixed Income	509,804
Common Trust Funds - Fixed Income	5,140,966
Total Investments Purchased	\$ 6,001,157

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 11,788,645	\$ 8,749,375	\$ 3,039,270
Exchange-traded Funds - Fixed Income	2,423,665	2,309,874	113,791
Common Trust Funds - Fixed Income	5,915,360	5,915,360	-
Total Investments Sold	\$ 20,127,670	\$ 16,974,609	\$ 3,153,061

Hand Composite Employee Benefit Trust
Schedules of Investment Purchases and Sales – Selected Funds (Continued)
Vanguard 100% Equity Managed Trust Fund
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Exchange-traded Funds - Equity	\$ 629,355
Common Trust Funds - Fixed Income	1,369,966
Total Investments Purchased	\$ 1,999,321

Sales			
Investment Class	Proceeds	Cost	Gain
Exchange-traded Funds - Equity	\$ 504,146	\$ 318,413	\$ 185,733
Common Trust Funds - Fixed Income	1,425,537	1,425,537	-
Total Investments Sold	\$ 1,929,683	\$ 1,743,950	\$ 185,733