



FUND CLOSING EFFECTIVE 9/30/13

## Fund Description

The TL Focus Conservative Fund is a Collective Investment Fund (CIF) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invests in the strategies of Penniall & Associates, Inc. which serves as the sub-advisor. The TL Focus Conservative Fund is a “fund-of-funds” and will typically own 30 institutional class mutual funds. The Fund seeks current income and capital appreciation through a fixed income and equity investment mix designed to provide a reduced level of risk over the long term. It remains focused on preservation of capital and allows for a slightly higher level of risk through additional equity exposure. It is designed for investors with below average risk tolerance who have an intermediate time horizon. Penniall & Associates utilizes a team of investment professionals with over 70 years combined expertise and currently manages over \$1 billion in assets.

## Methodology

### Portfolio Level

The TL Focus Funds employ a top-down, tactical asset allocation investment process. The initial step includes forming an overall perspective of the economy and the financial markets. The Portfolio Manager considers current economic and market conditions and develops an economic forecast that may impact markets in the future. The goal is to identify thematic trends, determine how those trends will impact the TL Focus Funds, and adjust broad allocations accordingly to benefit from these trends. The development of an economic perspective is a dynamic process that is consistently revised based upon changes in the economy and financial markets.

### Asset Category Level

At the asset category level, the allocations for each of the specific asset categories are determined to strategically and tactically diversify the portfolio. These allocations may be underweight or overweight their respective benchmarks based upon the current recommendations of the Portfolio Manager. Each of the specific asset categories is also assigned a target level of risk (high, medium, low) that impacts the individual investment level.

### Individual Investment Level

Based upon the level of risk that is desired at the asset category level, an analysis is performed to determine which investment has historically achieved superior performance on a risk-adjusted basis. The determination of individual investments for each specific asset class is generally based upon two criteria: a risk-based metric and a performance-based metric. The unique component in the analysis is the focus on performance over a relevant time period. Rather than focus on a calendar-specific time period, the focus is based upon market cycles. The overall goal is to identify investments that have historically achieved an appropriate amount of reward for the level of risk taken.

## Fund Facts

- CUSIP 410235717
- Inception Date: 4/1/10
- Share Class: R2
- Blended Benchmark:
  - 55% Barclays Aggregate Bond
  - 35% Russell 3000
  - 10% MSCI EAFE
- Broad Based Benchmark:
  - S&P 500 Index
- Morningstar Peer Group:
  - Conservative Allocation
- Portfolio Manager:
  - Penniall & Associates, Inc.
- Annual Portfolio Turnover: 89.00%
- Standard Deviation (1 Year): 4.70%
- Expense Ratio: 1.62%
  - The impact of the Expense Ratio on a \$1,000 investment would be approximately \$16.20. Included in the Expense Ratio is 55bps of service fees payable to the plan's service providers.

“ The intelligent investor is likely to need considerable will power to keep from following the crowd.

– Benjamin Graham,  
Warren Buffett's mentor



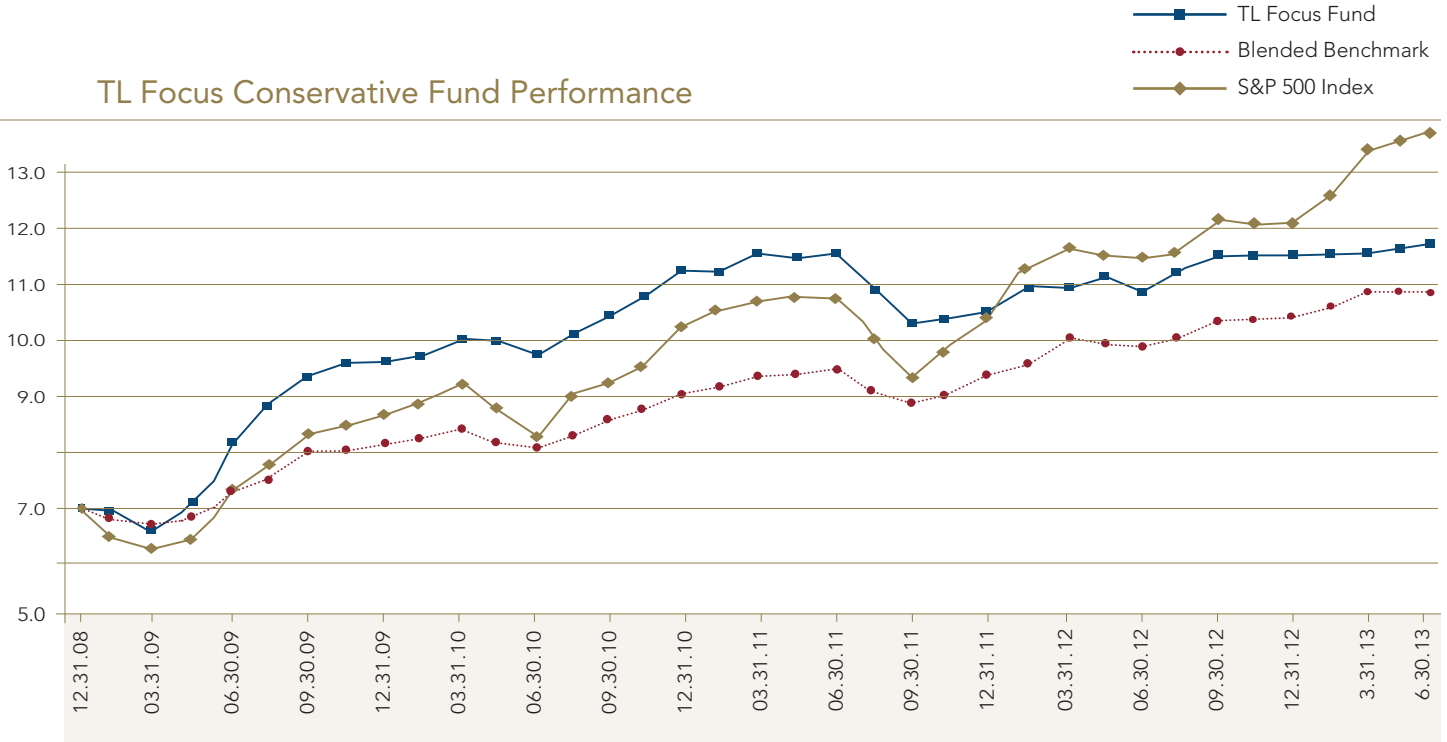
# PENNIALL & ASSOCIATES, INC.

## TL FOCUS CONSERVATIVE FUND CLASS R2

2ND QUARTER 2013

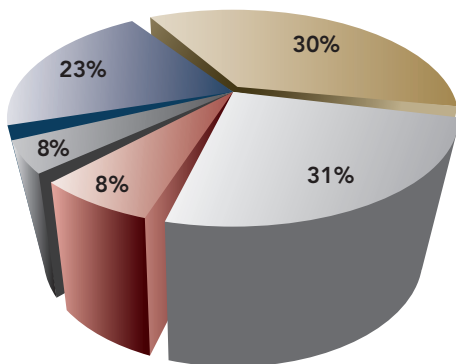
FUND CLOSING EFFECTIVE 9/30/13

### TL Focus Conservative Fund Performance



Performance as of 6.30.13	QTD	YTD	1 Year	
TL Focus Fund	-4.57%	-3.98%	0.56%	10.17%
Blended Benchmark	-0.44%	3.87%	8.68%	10.00%
S&P 500 Index	2.91%	13.82%	20.60%	16.16%

### Asset Allocation as of 6.30.13



- 30% Cash & Cash Equivalents
- 8% Domestic Equity
- 31% Fixed Income
- 23% Alternative Investments
- 8% International Equity

### Top Ten Holdings as of 6.30.13

- Doubleline Core Fixed Income
- Rydex Inverse Gov Long Bond
- Thompson Plumb Bond
- Federated Ultrashort Bond
- Sierra Core Retirement Fund
- Oppenheimer Gold & Special Minerals
- Franklin Adjustable US Govt Secs
- Franklin Floating Rate Daily Access
- Principal Global Real Estate Securities
- T. Rowe Price Health Sciences



# PENNIALL & ASSOCIATES, INC.

TL FOCUS FUNDS AS OF 6.30.13

2ND QUARTER 2013

FUND CLOSING EFFECTIVE 9/30/13

Asset Class/Category	Capital Preservation	Conservative	Balanced	Growth	Aggressive Growth
<b>Cash &amp; Cash Equivalents</b>	<b>32.0%</b>	<b>29.5%</b>	<b>25.5%</b>	<b>20.0%</b>	<b>13.0%</b>
Money Market	4.0%	5.5%	6.5%	8.0%	9.0%
Short-Term Bond	28.0%	24.0%	19.0%	12.0%	4.0%
Currency	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Fixed Income</b>	<b>37.8%</b>	<b>31.5%</b>	<b>24.0%</b>	<b>15.5%</b>	<b>4.5%</b>
TIPS	0.0%	0.0%	0.0%	0.0%	0.0%
Government	16.8%	14.5%	11.0%	8.0%	2.5%
High Grade (Corp/Muni)	0.0%	0.0%	0.0%	0.0%	0.0%
Floating Rate	7.0%	5.5%	4.5%	2.5%	1.0%
Multi-Sector	0.0%	0.0%	0.0%	0.0%	0.0%
International Bond	0.0%	0.0%	0.0%	0.0%	0.0%
High Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Opportunity Fixed Income					
<i>Trading-Inverse Debt</i>	14.0%	11.5%	8.5%	5.0%	1.0%
<b>Domestic Equity</b>	<b>5.7%</b>	<b>8.4%</b>	<b>14.0%</b>	<b>20.5%</b>	<b>30.8%</b>
Large Value	1.5%	1.6%	3.0%	4.3%	7.8%
Mid Value	1.0%	1.0%	1.0%	2.0%	3.0%
Small Value	0.0%	0.0%	1.0%	1.5%	2.0%
Large Growth	1.0%	1.6%	3.0%	4.3%	6.5%
Mid Growth	0.0%	1.0%	1.0%	1.9%	3.0%
Small Growth	0.0%	0.0%	1.0%	1.2%	1.5%
Microcap Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Opportunity Domestic Equity					
<i>Healthcare Sector</i>	2.2%	3.2%	4.0%	5.3%	7.0%
<b>International Equity</b>	<b>6.0%</b>	<b>7.5%</b>	<b>9.5%</b>	<b>12.4%</b>	<b>16.0%</b>
International Large Value	2.0%	2.0%	2.0%	2.3%	2.4%
International Large Growth	1.0%	1.0%	1.0%	1.2%	2.4%
International Small Value	1.0%	1.0%	1.0%	1.2%	1.4%
International Small Growth	0.0%	1.0%	1.0%	1.2%	1.3%
Emerging Markets	1.0%	1.0%	2.0%	3.0%	4.0%
Opportunity International Equity					
<i>Japan</i>	1.0%	1.5%	2.5%	3.5%	4.5%
<b>Alternative Investments</b>	<b>18.5%</b>	<b>23.1%</b>	<b>27.0%</b>	<b>31.6%</b>	<b>35.7%</b>
Real Estate	2.5%	3.6%	5.0%	6.2%	7.2%
Precious Metals	4.0%	6.5%	8.0%	10.4%	12.0%
Commodities	1.0%	1.5%	2.0%	3.0%	4.0%
Natural Resources	1.0%	2.5%	4.0%	5.0%	6.5%
Opportunity Alternative					
<i>Hedging Strategies</i>	10.0%	9.0%	8.0%	7.0%	6.0%
<b>Fixed Income Allocation Ranges</b>	<b>60% – 80%</b>	<b>40% – 70%</b>	<b>25% – 55%</b>	<b>10% – 40%</b>	<b>0% – 20%</b>
<b>Equity Allocation Ranges</b>	<b>20% – 40%</b>	<b>30% – 60%</b>	<b>45% – 75%</b>	<b>60% – 90%</b>	<b>80% – 100%</b>
<b>Recommended Age Bands</b>	<b>Over 60</b>	<b>56 – 60</b>	<b>50 – 55</b>	<b>40 – 49</b>	<b>Under 40</b>

Note: Actual allocation may be subject to changes at the discretion of the TL Focus Fund Manager



FUND CLOSING EFFECTIVE 9/30/13

## Fund Disclosure

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Penniall & Associates, Inc., and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940.

The TL Focus Conservative Fund was funded on June 15, 2010. Performance data quoted prior to this date represents hypothetical past performance of the Penniall Model Portfolio. The performance quoted here does not guarantee future results. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any portfolio, one should carefully consider investment objectives, time horizon, risk tolerance and fees.

Benchmarks listed are indices. Indices are not managed and cannot be invested in directly.

## Important Investment Disclosures

### Fixed Income

The return of principal in bond funds is not guaranteed. Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund. Lower rated bonds may be subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility.

### Domestic Equity

Investing in equities includes exposure to financial and market risks. Markets are volatile and can decline significantly in response to adverse issues, political, regulatory, market or economic developments. Small cap stocks may be more volatile and less liquid than stocks of larger more established companies.

### International Equity

Investing in foreign securities poses special risks, including currency fluctuation, economic and political risks not found in investments that are solely domestic. Risks of foreign investing are generally intensified for investments in emerging markets.

### Alternative Investments

Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses and have a potentially large impact on performance. Exposure to commodities may be subject to greater volatility than investments in traditional securities markets. The price of real estate equity securities may drop because of falling property values, increased interest rates, poor management of the company or other factors.

“ Investing is laying out money today to receive more money tomorrow. ”

– Warren Buffett