



JUNE 30, 2015

FACETS Lifestyle Moderate Fund R4

ALERUS

Two Pine Tree Drive, Suite 400
Arden Hills, MN 55112
alerusretirementsolutions.com
800.433.1685

Alerus Financial, Inc. (Alerus) is a national, Financial Services firm headquartered in Grand Forks, North Dakota. Alerus provides a variety of banking, mortgage, retirement plan, and wealth management services to clients across the United States. Alerus acquired Fiduciary Consulting Group, LLC at the beginning of 2015 and assumes the role of sub-advisor for the FACETS funds. These funds have become part of a stable of eight Lifestyle and five Target Date Collective Investment Fund strategies offered by Alerus.

The FACETS Funds are Collective Investment Funds (CIFs) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invest in strategies implemented by Strategic Income Management, LLC as Investment Research Provider, on behalf of Alerus as the fund's Sub-Advisor.

FACETS Lifestyle Funds

Alerus offers lifestyle funds providing participants with a range of risk/return based investment solutions. By completing our risk-profile questionnaire, an employee is able to determine which lifestyle collective fund is best suited to their individual investment style and tolerance for risk.

FUND OVERVIEW

Investment Research Provider:
Strategic Income Management, LLC (SiM)

Inception Date: 9/1/2011

Cusip: 41023Q562

Benchmark: Morningstar Moderate Target Risk

Portfolio Turnover Rate*: 145%

**Rate is higher than should normally be expected due to mid-year change of Investment Research Provider.*

Top Holdings:

iShares Russell 1000 Growth Index (IWF)
Vanguard Growth (VUG)
Vanguard Value (VTV)
iShares Russell 1000 Value Index (IWD)
iShares MSCI EAFE Index (EFA)
iShares MSCI Emerging Mkt Index (EEM)
iShares C&S Realty Majors Index (ICF)
iShares Russell 2000 Growth Index (IWO)
iShares S&P US Preferred Stock Index (PFF)
iShares Barclays MBS Bond Fund (MBB)

Total Expense Ratio: 1.47%

The effect of the Total Expense Ratio per \$1,000 investment in the CIF is \$14.70 per year. The expense ratio includes 0.45% service fees payable to the plan's service providers. The expense ratio includes the underlying ETF expenses.

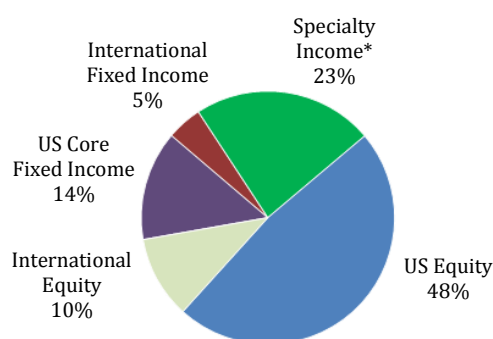
OBJECTIVE

The fund seeks to provide total return from a medium level of current income and a medium level of capital appreciation, with exposure to a medium level of risk.

INVESTMENT SUMMARY

The FACETS Lifestyle Moderate Fund is an actively managed, globally diversified, moderate portfolio that invests primarily in exchange-traded funds (ETFs) with a typical asset allocation range of 50-75% Equity and 25-50% Fixed Income securities.

ASSET ALLOCATION



*Allocations are subject to change. *Specialty Income may include Fixed Income and Equity securities.*

PERFORMANCE SUMMARY

As of June 30, 2015	3 Mos	YTD	1 Year	3 Year	Since Inc ¹ FACETS
FACETS Lifestyle Moderate Fund R4 (Net of Fees)	-1.17%	1.11%	2.87%	6.34%	4.24%
Morningstar Moderate Target Risk Index ²	-0.24%	1.13%	0.27%	8.81%	8.32%
SiM Portfolio Historical Performance**	3 Mos	YTD	1 Year	3 Year	Since Inc ¹ SiM
SiM Moderate Allocation Portfolio (Gross of Fees)	-1.00%	1.53%	3.72%	10.89%	9.34%
SiM Moderate Allocation Portfolio (Net of Fees)	-1.17%	1.19%	3.06%	9.95%	8.41%

¹Inception date of the FACETS Lifestyle Moderate fund is 9/1/2011. Inception date of the SiM Moderate Allocation Portfolio is 12/31/2010. Performance for periods greater than one year is annualized.

²Please see Benchmark description on next page.

****SiM began as Investment Research Provider for the Fund on April 9, 2014. SiM's historical performance represents the composite returns of SiM's Moderate Allocation Portfolios over the time periods shown, and is presented to familiarize investors with SiM. SiM's Moderate Allocation Portfolios follow an asset allocation strategy similar to that followed by the Fund in the past, but SiM's specific investment strategy, methodology, and allocation decisions are unique to SiM, and may materially differ from the Fund's past research providers. SiM's historical performance is not the performance of the Fund, should not be considered a substitute for the Fund's performance, and should not be considered indicative of the past or future performance of the Fund. Net performance includes fees applicable to SiM's Moderate Allocation Portfolios and does not represent fees applicable to investors in the Fund, which will be different.**

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 investment portfolio, the client and the financial professional should carefully consider investment objectives, time horizon, risk tolerance and fees.

INVESTMENT STRATEGY

The fund's active asset allocation strategy is based on a long-term Strategic Foundation with near-term Selective Tactical Tilts and a focus on Income-producing investments.

Strategic Foundation

Efficient diversification and risk management across over 30 asset classes utilizes SiM's long-term asset class research which seeks to maximize return at desired risk levels.

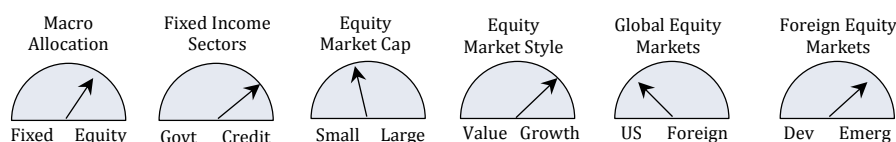
Selective Tactical Tilts

Opportunistic and active near-term risk, asset class, style and sector tactical positioning driven by SiM's proprietary Economic and Investment Outlook.

Income Focus

Material yield and dividend bias powered by SiM's experience and expertise in higher yielding asset classes.

CURRENT TACTICAL TILTS



Current Tactical Tilts are driven by SiM's Economic and Investment Outlook and represent the relative desired exposures in select areas. For illustrative purposes only and are subject to change.

QUALIFIED DEFAULT INVESTMENT ALTERNATIVE

When used as a Qualified Default Investment Alternative (QDIA) solution for plan sponsors who must decide to invest a participant's account when no other direction is available or provided, fund options within FACETS Collective Funds may provide a safe harbor under the Pension Protection Act (PPA) to limit liability for plan fiduciaries.

Since the FACETS Collective Funds meet the requirements for QDIA under the PPA, this fund solution can stand alone or dovetail with an existing plan advisor's own fund selection. Additionally, participants and beneficiaries on whose behalf assets are invested in the QDIA have the right to redirect the investment to any other investment alternative under the plan.

WHO SHOULD INVEST *This fund may be appropriate for individuals with a medium tolerance for risk*

Benchmark: The Index is shown for comparison purposes only and cannot be invested in directly. The Morningstar Target Risk Index represents a portfolio of global equities, bonds, and traditional hedges such as commodities and TIPS based on specific equity risk preferences. The Morningstar Target Risk Index was selected based on the CIF's stated target equity exposure. The performance of an unmanaged index is not indicative of the performance of any particular investment.

Underlying Fund/Fund of Funds: A portfolio's risks are closely associated with the risks of the securities and other investments held by the underlying or subsidiary funds, and the ability of the portfolio to meet its investment objective likewise depends on the ability of the underlying funds to meet their objectives. Investment in other funds may subject the portfolio to higher costs than owning the underlying securities directly because of their management fees.

ETF: Investments in exchange-traded funds generally reflect the risks of owning the underlying securities they are designed to track, although they may be subject to greater liquidity risk and higher costs than owning the underlying securities directly because of their management fees. Shares of ETFs are subject to market trading risk, potentially trading at a premium or discount to net asset value.

Fees: There are no sales commissions or redemption fees charged for purchases and sales of interests in the Fund. The Total Expense Ratio (TER) includes the expense ratio of the underlying ETFs. As of 12/31/14 the weighted ETF funds' cost was approximately 0.27%. The Trustee Fee accrues on a daily basis and is payable monthly in arrears. The Trustee Fee is charged directly to each particular CIF. A portion of the TER (0.60%) will be paid to Alerus Financial for sub-advisory services provided to the Trustee. The fund will invest in exchange-traded funds and collective investment trusts. To provide liquidity and ease of administration of the Fund, the Trustee requires that the Fund maintain 3% of its assets in cash. As permitted by the Declaration of Trust that governs the Fund, such cash may be invested in a deposit account or other cash vehicle maintained by the Trustee or an affiliate of the Trustee.

Funds: The CIFs are not mutual funds. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Alerus Financial, and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIFs are securities which have not been registered under the Securities Act of 1933 and are exempt from investment company registration under the Investment Act of 1940. For more information, please visit www.alerusretirementsolutions.com.

Suitability: Investors are expected to select investments whose investment strategies are consistent with their financial goals and risk tolerance.

Investment Products: Not FDIC Insured - No Bank Guarantee - May lose value, including losses near and following retirement. There is no guarantee that the investment will provide adequate retirement income.

ABOUT THE TRUSTEE:

Hand Benefits & Trust Company

HB&T is a non-depository financial institution that specializes in providing daily valuation accounting and unitization of Collective Investment Funds. HB&T believes in a culture of fiduciary responsibility and long-term success for its clients.

ABOUT THE SUB-ADVISOR:

Alerus Financial, Inc.

Alerus, through its retirement plan division, Alerus Retirement Solutions, provides a combination of recordkeeping, administration, and investment advisory services to over 5,000 retirement plans in 49 states. Alerus has over \$17 billion in total assets under management. The Alerus stable of Collective Investment Funds allow plan sponsors to provide low-cost, professionally managed, and diversified portfolios that may be utilized as a Safe Harbor QDIA solution.

ABOUT THE INVESTMENT

RESEARCH PROVIDER:

Strategic Income Management (SiM)

SiM is an independent and 100% employee-owned company dedicated to the goal of providing superior investment management for institutional and individual clients. SiM's asset allocation investment team has over 50 years of combined experience in asset allocation investment management.