

# GlobeFlex ACWI ex-U.S. Equity CIF – R1



as of September 30, 2020

## Fund Facts

<b>Share Class:</b>	R1
<b>CUSIP:</b>	41026E160
<b>Inception:</b>	05/18/2020
<b>Benchmark:</b>	MSCI ACWI ex USA
<b>Investment Category:</b>	International Core
<b>Annual Turnover:</b>	N/A
<b>Total Expense Ratio:</b>	0.20%

Total Expense Ratio consists of the annual Advisory Fee and operating expenses for the R1 Class of Units, subject to a cap. The effect of the Total Expense Ratio per \$1,000 investment is \$2.00 per year. Total Expense Ratio does not include the quarterly Performance Fee to which the Sub-Adviser is entitled with respect to the R1 Class of Units. The Performance Fee is detailed on the reverse side of this page.

## Fund Characteristics

	<u>Fund</u>	<u>Index</u>
Number of Holdings	194	2,367
Market Cap	\$16.2 B	\$35.8 B
Long-Term (Five-Year Historical)	9.4%	4.4%
Short-Term (One-Year Expected)	6.6%	-0.1%
Return on Equity	13.5%	10.1%
Positive Earnings Surprise	65%	55%
P/E Current Year	13.9 x	23.3 x
P/E Next Year	12.3 x	17.5 x

## Fund Allocation

Equities	98.03%
Cash	1.97%
<b>Total</b>	<b>100.00%</b>

## Fund Profile

### Top Ten Holdings

Deutsche Telekom AG	1.97%
Merck KGaA	1.97%
Roche Holding AG	1.77%
Astellas Pharma Inc.	1.69%
LG Electronics Inc.	1.60%
Novo Nordisk A/S	1.55%
BAE Systems plc	1.53%
Deutsche Post AG	1.50%
Ashtead Group plc	1.45%
Samsung Electronics Co., Ltd.	1.44%

### Top Ten Countries

Japan	15.6%
China	10.8%
U.K.	10.4%
Germany	7.8%
Taiwan	6.2%
France	5.3%
Switzerland	4.9%
South Korea	4.5%
Canada	4.4%
Sweden	3.7%

### GICS Sector Allocation

Communication Services	11.5%
Consumer Discretionary	7.7%
Consumer Staples	6.9%
Energy	1.3%
Financials	11.0%
Health Care	17.0%
Industrials	14.9%
Information Technology	11.4%
Materials	5.6%
Real Estate	5.1%
Utilities	5.5%

## About the Fund

The GlobeFlex ACWI ex-U.S. Equity CIF is a collective investment fund ("the CIF") created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company (Hand), a BPAS company. Hand serves as Trustee and Investment Manager of the CIF. GlobeFlex Capital serves as the Sub-Adviser to the CIF.

## About the Sub-Adviser

GlobeFlex Capital is an independent, employee- and majority women-owned investment adviser managing long-only equity portfolios according to a bottom-up and systematic investment process.

## Fund Objective

The CIF seeks long-term capital appreciation.

## Principal Philosophy and Investment Strategy

The GlobeFlex philosophy focuses on the early identification of fundamental growth before it is recognized by other investors by emphasizing the following company characteristics:

- **Business Improvement** – GlobeFlex seeks to identify companies with accelerating business conditions in order to identify early signs of growth.
- **Management Quality** – The longer term sustainability of a company's fundamental business improvement is evaluated through analysis of a company's prospective operating performance and management's skill to increase shareholder wealth.
- **Relative Value** – GlobeFlex seeks to stay ahead of other investors by recognizing accelerating business conditions early, buying and holding companies at or below their fair market value given their future growth prospects.

GlobeFlex employs a systematic investment process by blending fundamental and quantitative methods to identify attractive non-U.S., developed and emerging markets companies across the entire capitalization spectrum.

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## Performance Summary

	3 Months	Year-to-Date 2020	1 Year	3 Years	5 Years	Since Inception (05/18/2020)
GlobeFlex ACWI ex-U.S. Equity CIF – R1 (Net)	4.70%	N/A	N/A	N/A	N/A	13.71%
MSCI ACWI ex USA Index	6.25%	N/A	N/A	N/A	N/A	18.49%

Performance is presented in U.S. Dollar terms. Performance for periods greater than one year is annualized.

Performance is presented net of all fees and expenses. The R1 Class of Units (“R1”) pays an annual Advisory Fee of 0.20%, calculated daily based on daily net market value and a 365 day year. In addition, the Sub-Adviser is entitled to a Performance Fee, calculated quarterly as follows: 3.75% of the amount (if any) by which the rate of return of R1 over the twelve quarters ended at the time of calculation (the “Performance Period”), net of 0.20%, exceeds the rate of return of the MSCI ACWI ex USA Index over the Performance Period. The Performance Fee for any calendar quarter will not exceed 0.20% per quarter of the average daily market value of R1 assets for the relevant Performance Period. For the first eleven calendar quarters after the inception of the CIF, the rates of return and average daily market values used to calculate Performance Fee include historical returns and values of an account that the Sub-Adviser managed for the beneficial owner of R1 during the portion of the relevant Performance Period prior to the inception date of the CIF. For the month that the CIF was funded via transfer of assets from that certain account, the return for the full month for both the benchmark and R1 utilized in the Performance Fee calculation is 0%. Finally, with respect to R1, the Sub-Adviser bears a portion of certain operating, maintenance, and administration expenses of the CIF; this expense cap rate is 0.20% per annum. R1 is a specific purpose class of units offered to the lead beneficial owner in the CIF, and will not be broadly available.

The MSCI ACWI ex USA is a free float-adjusted market capitalization weighted index that captures large and mid cap representation across 22 developed and 26 emerging market countries, covering approximately 85% of the global equity opportunity set outside the U.S. It is an unmanaged index which for comparison purposes is fully invested, includes the reinvestment of dividends and interest income and does not reflect the impact of transaction costs or management fees. The index is net of foreign withholding tax.

Performance results may reflect the effect of material economic and market factors not anticipated by GlobeFlex. No assurance can be made that future results achieved will resemble past performance. As market conditions fluctuate, the returns and asset value of any investment will change. The CIF is available for investment by eligible qualified retirement plan trusts only.

## Principal Risks

There are risks involved with investing, including possible loss of principal. The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or GlobeFlex, 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. While GlobeFlex is registered with the U.S. Securities & Exchange Commission under the Investment Advisers Act of 1940, registration does not imply any particular level of skill or training.

The CIF’s portfolio is actively managed and subject to the risk that the sub-advisor’s usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general. Holdings selected by quantitative analysis may perform differently from the market as a whole based on the factors used in the analysis, the weighting of each factor, and how the factors have changed over time. While the CIF’s portfolio is diversified across countries and sectors, diversification may not protect against market risk. The market value of the portfolio’s securities may fall rapidly or unpredictably because of changing economic, political, or market conditions, which may reduce the value of the portfolio. The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers’ financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions. Concentrating assets in stocks of one or more capitalizations (small, mid, or large) may be subject to both the specific risks of those capitalizations as well as increased volatility because stocks of specific capitalizations tend to go through cycles of beating or lagging the market as a whole.

Investments in foreign securities may be subject to increased volatility as the value of these securities can change more rapidly and extremely than can the value of U.S. securities. Foreign securities are subject to increased issuer risk because foreign issuers may not experience the same degree of regulation as U.S. issuers do and are held to different reporting, accounting, and auditing standards. In addition, foreign securities are subject to increased costs because there are generally higher commission rates on transactions, transfer taxes, higher custodial costs, and the potential for foreign tax charges on dividend and interest payments. Many foreign markets are relatively small, and securities issued in less-developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations, including suspension of the ability to transfer currency from a country. Economic, political, social, or diplomatic developments can also negatively impact performance. Investments in emerging markets securities may be subject to greater market, credit, currency, liquidity, legal, political, and other risks compared with assets invested in developed foreign countries.

Any of the risks summarized above may adversely affect the CIF’s net asset value, performance and ability to meet its investment objective. This review of risk factors is not intended to be exhaustive and there may be other risks that should be taken into account in relation to an investment in the CIF. Investors should consider their financial goals, time horizon, and risk tolerance before investing in any security.

To obtain more information, please visit <https://www.bpas.com/employers/services/hbt/institutionaltrustservices/> or contact Hand at 1-866-401-5272.