



MERGANSER
CAPITAL MANAGEMENT

MERGANSER CORE BOND INSTITUTIONAL TRUST R1

AS OF SEPTEMBER 30, 2018

Portfolio Managers

ANDREW M. SMOCK, CFA
CHIEF INVESTMENT OFFICER
19 Yrs Experience, Joined Merganser 2003

ADAM M. WARE, CFA
PORTFOLIO MANAGER
21 Yrs Experience, Joined Merganser 2007

Investment Overview

INVESTMENT OBJECTIVE

To exceed the returns of the Bloomberg Barclays US Aggregate Index over the course of a market cycle.

DESCRIPTION

Merganser Core Bond Institutional Trust R1 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 invest in the strategies of Merganser Capital Management, LLC (Merganser) which serves as sub-advisor to the CIF.

PRINCIPAL INVESTMENT STRATEGY

We employ a team managed approach to a disciplined, value-oriented process for investing in investment grade spread sectors. We construct portfolios from the bottom-up, and manage risk from the top-down, with a goal of achieving high risk-adjusted returns.

COMPARABLE COMPOSITE STRATEGY

The related performance information provided in this material is for the Merganser Core Bond Composite. Merganser employs the same team managed approach to a disciplined, value-oriented process for investing in investment grade spread sectors.

RELATED PERFORMANCE OF MERGANSER CORE BOND COMPOSITE

ANNUALIZED* TOTAL RETURN THROUGH 9/30/18

	Merganser Core Bond Composite (Net)	Bloomberg Barclays US Aggregate Index
Third Qtr 2018	0.00%	0.02%
Year-to-Date	-1.43%	-1.60%
One Year	-1.01%	-1.22%
Three Years	1.60%	1.31%
Five Years	2.70%	2.16%
Ten Years	5.08%	3.77%

*Periods less than one year are not annualized

PERFORMANCE OF MERGANSER CORE BOND CIF

ANNUALIZED* TOTAL RETURN THROUGH 9/30/18

	Merganser Core Bond CIF (Net)	Bloomberg Barclays US Aggregate Index
Third Qtr 2018	-0.09%	0.02%
Year-to-Date	-1.63%	-1.60%
One Year	-1.09%	-1.22%
Three Years	1.04%	1.31%
Inception-to-Date	1.69%	1.94%

*Periods less than one year are not annualized

FUND INFORMATION

SHARE CLASS:	R1
CUSIP:	410236202
FUND INCEPTION DATE:	2/4/2014
CUSTODY/ADMINISTRATION:	BNY Mellon
TRUSTEE:	Hand Benefits & Trust Co.
R1 CLASS EXPENSE RATIO:	
MANAGER	0.25%
TRUSTEE	0.08%
CUSTODIAN	0.12%
TOTAL EXPENSE RATIO**	0.45%

(or \$4.50 per \$1,000 investment)

**Included in the expense ratio is 0.00% of service fees payable to the plan's service providers.

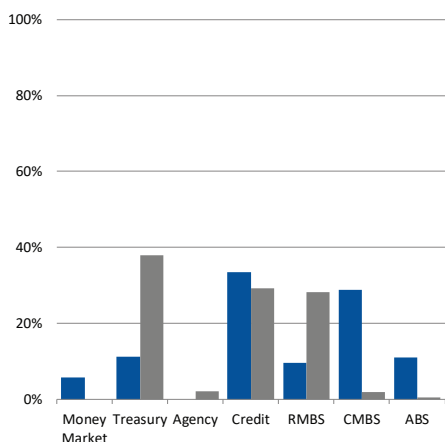
FUND SNAPSHOT

FUND AUM:	\$1.31 MM
YIELD TO MATURITY:	3.53%
AVERAGE QUALITY:	AA
DURATION:	5.81 YRS
EFFECTIVE MATURITY:	8.96 YRS
NUMBER OF HOLDINGS:	93
% TURNOVER (TRAILING 12 MONTHS):	74%

Characteristics vs. Benchmark

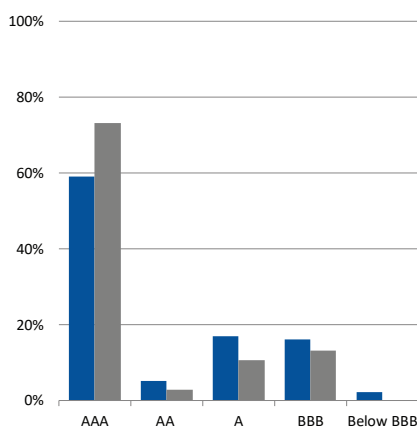
We seek to find the best risk/reward opportunities across the fixed income market. While we are cognizant of our performance being measured against a benchmark, we do not seek to mimic or manage to its profile.

SECTOR DISTRIBUTION



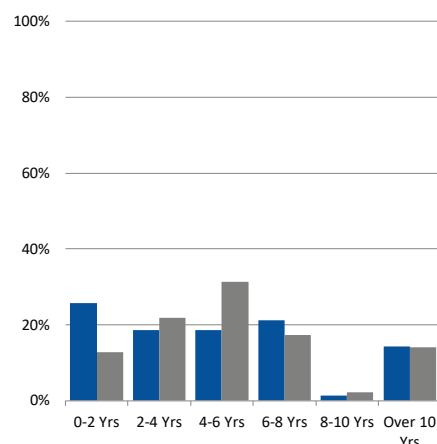
■ Merganser Core Bond CIF

QUALITY DISTRIBUTION



■ Bloomberg Barclays US Aggregate Index

DURATION DISTRIBUTION



TOP TEN FUND ISSUERS (27% OF TOTAL)

	Coupon	Maturity	% of Holdings
US Treasury	3.00	11/15/45	9.70%
Fannie Mae Series 2017-M10 Class AV2	2.56	7/25/24	2.22%
Fannie Mae Series 2017-M12 Class A2	3.08	6/25/27	2.22%
Fannie Mae Series 2017-M8 Class A2	3.06	5/25/27	2.21%
COMM Mortgage Tr Series 2015-CR22 Class ASB	3.14	3/10/48	1.89%
Citigroup Commcl Mrtg Trust Series 2017-P8 Class A4	3.47	9/15/50	1.86%
Fannie Mae-Aces Series 2017-M15 Class AV2	2.64	11/25/24	1.84%
Fannie Mae-Aces Series 2017-M13 Class A2	2.94	9/25/27	1.82%
The Progressive Corp	3.75	8/23/21	1.55%
American Express Co. Floating Rate Note	2.95	8/1/22	1.54%

Firm Overview

Formed in 1985, Merganser Capital Management is an SEC registered investment advisor focused exclusively on fixed income investing. Based in Boston, Massachusetts, we manage approximately \$10B in assets across a wide multitude of fixed income strategies.

We believe that in an inefficient over-the-counter market, our active fixed income management process can provide consistent excess returns. As fundamental investors, we aim to understand the intricacies of fixed income vehicles in order to identify the securities and sectors that provide the most attractive risk/reward characteristics. Succeeding in this endeavor has allowed us to meet the needs and objectives of our clients and gain their trust.

Important Performance Information: Merganser Core Bond Institutional Trust R1 has limited performance data to report. All performance information shown for Merganser Core Bond Composite, is presented on a total return basis, and reflects the reinvestment of distributions. The performance quoted here does not guarantee future results. Performance information for Merganser Core Bond Composite shown herein should not be relied upon, does not represent, and is not indicative of the Fund's actual or future performance or the results that may be achieved by an investor in the Fund. Merganser Core Bond CIF is a private collective trust fund that is not registered as an investment company under the 1940 Act. Before investing in any investment portfolio, the client and financial professional should carefully consider the client's investment objectives, time horizon, risk tolerance and concerns about fees.

Disclaimers & Footnotes: Merganser Core Bond Institutional Trust R1 is a collective investment funds ("CIF") created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invest in the strategies of Merganser which serves as sub-advisor to the CIF. The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Merganser, 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 Fund was funded on February 4, 2014. The Merganser Core Bond Institutional Trust R1 is new and has limited actual performance data to report. The CIF performance inception date is March 1, 2014, which reflects the first full month of performance. Related performance data quoted represents the past performance of Merganser's Core Bond strategy composite based on separately managed accounts. The net of fees performance is calculated by subtracting the anticipated expense ratio (0.45%) from the annualized gross of fee composite returns. Actual fund expenses will be accrued daily and paid monthly. The total expense ratio for the Merganser Core Bond Institutional Trust R1 is an estimate based on \$20 million in net assets. The actual fund expense ratio may be different. The composite returns for the stated period assumes reinvestment of dividends and other earnings. The performance quoted here does not guarantee future results. This material is intended for informational purposes only and does not constitute investment advice, a recommendation, or an offer or solicitation to purchase or sell any security or other instrument.

Principal Risks: There are risks involved with investing, including possible loss of principal. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. All fixed income securities are subject to interest rate risk in that bond prices move inversely to changes in interest rates. Mortgage backed and asset backed securities are specifically exposed to prepayment risk. Securities below investment grade typically experience greater price volatility in conjunction with having an increased risk of default. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.

This factsheet is also available online at http://www.bpas.com/products/inst_trust_serv_factsheets.htm

Please [click here](#) for a copy of our composite performance disclosures. CIT CB 10.16.18 v1

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