

Paradigm Value Collective Fund R1 Share

1ST QUARTER | MARCH 31, 2013
FACT SHEET

Asset Class
Small-Cap Domestic Equity

Strategy Inception Date
1/1/2003

Collective Investment Fund (CIF) Inception Date
November 1, 2012

ABOUT THE FUND

The **Paradigm Value Collective Fund R1 Share** 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 Paradigm Capital Management, which serves as the sub-advisor to the CIFs.

INVESTMENT OBJECTIVE

The **Paradigm Value Collective Fund** focuses on small companies that are often ignored by Wall Street. The Fund’s management conducts extensive research to identify companies it believes are trading at an unwarranted discount to their peers and/or their long-term prospects. The goal is to find what we believe to be good companies with sound businesses and strong management teams whose stock prices don’t reflect the value of the underlying company.

PERFORMANCE

AVERAGE ANNUALIZED TOTAL RETURN' (AS OF 3/31/13)

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Paradigm Value Collective Fund R1	8.38%	8.38%	5.26%	10.61%	7.72%	16.48%	15.38%
Russell 2000® Value Index	11.63%	11.63%	18.09%	12.12%	7.29%	11.29%	10.45%
+/-	(3.25)%	(3.25)%	(12.83)%	(1.51)%	0.43%	5.19%	4.93%

Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

TOP 10 HOLDINGS

	% of Total Net Assets ²
Regal Entertainment Group	2.6
Mid-America Apartment Communities Inc.	2.6
Microsemi Corp.	2.5
QLogic Corp.	2.5
Magellan Health Services Inc.	2.3
Premiere Global Services Inc.	2.2
GATX Corp.	2.1
Emulex Corp.	2.1
Aspen Insurance Holdings Ltd.	2.1
j2 Global Inc.	2.1
Total	23.1

SECTOR ALLOCATION

	% of Total Net Assets ³	Russell 2000 Value Index
Consumer Discretionary	20.6	12.2
Consumer Staples	0.9	2.6
Energy	13.2	6.6
Financials	16.5	37.8
Health Care	7.0	4.4
Industrials	5.7	12.6
Information Technology	27.3	11.7
Materials	6.6	5.5
Telecomm. Services	2.2	0.5
Utilities	0.0	6.1
Total	100.0	100.0

- ▶ Small-cap strategy specifically for defined contribution plans
- ▶ Research-driven approach to identifying hidden value
- ▶ Strong track record of downside protection
- ▶ Cost-effective, low-turnover strategy
- ▶ Net expense ratio well below median for asset class

FUND FACTS

- ▶ Median Market Cap (Billions): **\$1.5**
- ▶ Price/Book Ratio: **1.9x**
- ▶ Turnover: **56%**
- ▶ Number of Holdings: **66**
- ▶ Standard Deviation (5-year): **21.6%**

SHARE CLASS INFORMATION

CUSIP: 41023V793

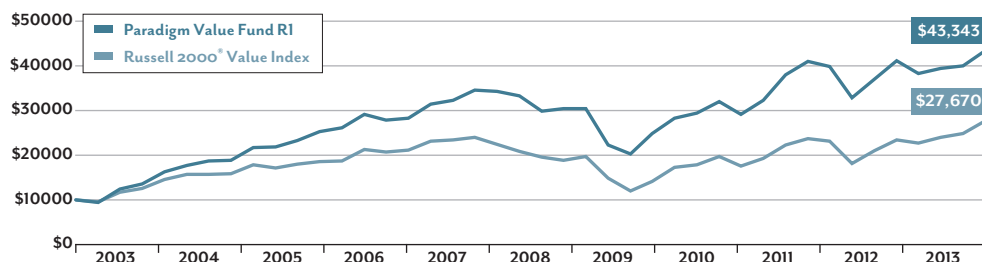
Net Expense Ratio: **1.08%**

The impact of the expense ratio on an investment of \$1,000 would be \$10.80.

The R1 Share does not include any service fees.

The Paradigm Value Collective Funds are collective investment funds (“CIFs”) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company that invest in the strategies of Paradigm Capital Management, which serves as the sub-advisor to the CIFs.

GROWTH OF \$10,000 INVESTMENT



This chart illustrates an investment of \$10,000 in Paradigm Value Fund R1 on January 1, 2003, including reinvestment of dividends and distributions.

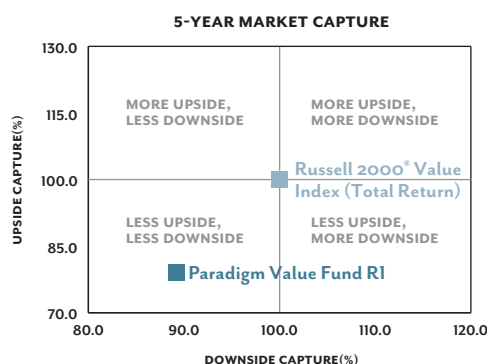
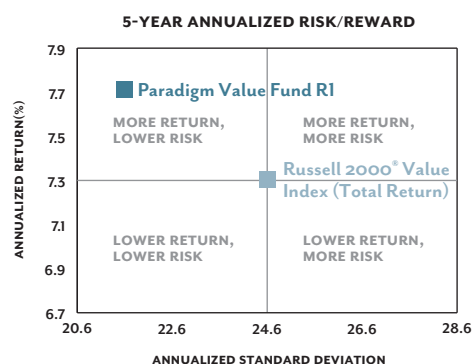
ABOUT THE ADVISOR

Paradigm Capital Management is a boutique small-cap manager. The firm has served institutional investors since 1994.

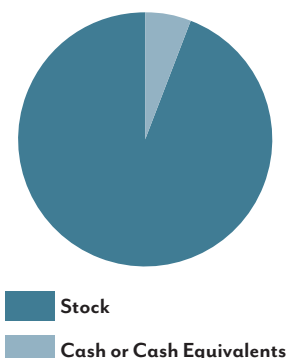
CONTACT US

For more information please contact:
800.239.0732
www.paradigmcapital.com

RISK PROFILE



ASSET ALLOCATION AS OF 3/31/13



IMPORTANT INFORMATION

As is the case with most investments, you may lose money by investing in the Fund. The Fund invests in companies that appear to be “undervalued” in the marketplace (i.e., trading at prices below the company’s true worth). If the Fund’s perceptions of value are wrong, the securities purchased may not perform as expected, reducing the Fund’s return. The Fund primarily invests in small capitalization companies (less than \$2.5 billion). Small capitalization companies can be riskier investments than larger companies.

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Paradigm Capital Management, 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.

¹ The Paradigm Value Fund R1 Share is new and does not have actual performance data report. Performance data quoted represents past performance of Paradigm Capital Management’s Value strategy adjusted for the expense ratio of this share class. 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 client investment objectives, time horizon, risk tolerance, and fees.

² Holdings are subject to change and may not be representative of current or future holdings.

³ Sector allocations are based upon the GICS Classifications and represent a % of the common stock held and is subject to change and may not be representative of current or future holdings.

The Russell 2000® Value Index is an unmanaged index of small capitalization stocks with lower price-to-book ratios and lower forecasted growth values than the total population of small capitalization stocks whose composition is different from the Fund. P/E Ratio is the market price per share divided by earnings per share. Price/Book Ratio is the market price per share divided by book value. Standard Deviation shows the degree of variation in the Fund’s returns and can serve as a useful measure of the Fund’s risk. It is measured using monthly observations, but expresses the result on an annualized basis. Market Capture Ratios is a statistical measure of the Fund’s overall performance in up-markets (positive return periods) and down-markets (negative return periods). The market capture ratios are used to evaluate how well an investment performed relative to an index during periods when that index has risen or fallen. The ratio is calculated by dividing the Fund’s returns by the returns of the index during the up-market or the down-market, and multiplying that factor by 100.