



# Advice Portfolios

## Moderate Fund R2

### FUND INFORMATION

**CUSIP:** 41023X849

**Inception Date:**  
September 2010

**Investment Category:**  
Conservative Allocation

**Benchmark:**  
Morningstar Moderate Conservative  
Target Risk Index

**Portfolio Turnover:** 30%

**Expense Ratio:**  
0.74% (or \$7.40 per \$1,000  
invested)

### FUND OBJECTIVE

The fund seeks to provide total returns for investors who pursue a balanced portfolio or have a time horizon of 5 to 10 years until retirement.

### FUND DESCRIPTION

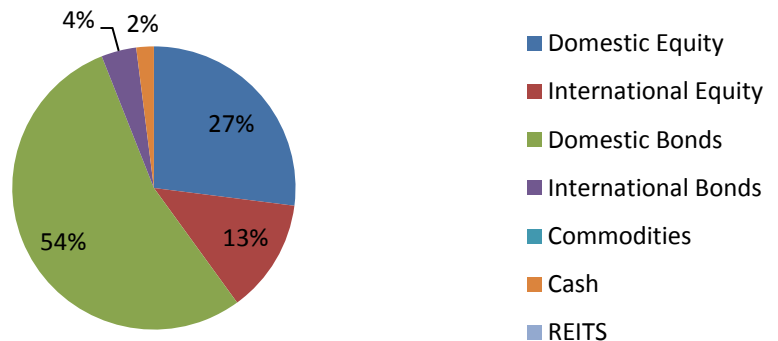
The fund consists of three sleeves of investments: equities, fixed income, and inflation-hedging assets.

The equity component of the fund is invested in a diversified portfolio of passively managed funds whose underlying securities are small, mid and large cap U.S., international and emerging market equities.

The fixed income component of the fund is invested in a diversified portfolio of passively managed funds whose underlying securities are U.S., international and emerging market bonds.

The inflation hedge component of the fund is invested in funds whose underlying securities have high correlations with inflation, such as commodities, and Treasury Inflation Protected Securities (TIPS).

### CURRENT ASSET ALLOCATION



### TOP TEN HOLDINGS

Blackrock US Debt Index	48.0%	Blackrock Emerging Markets Index	4.0%
Blackrock US Equity Index	17.0%	Vanguard Total Intl Bond Index	4.0%
Blackrock EAFE Equity Index	9.0%	Blackrock Russell 2000 Index	3.0%
BlackRock Mid Cap Equity Index	6.0%	HB&T Short Term Income	2.0%
Blackrock US TIPS	6.0%		0.0%



## ABOUT THE FUND

The Advice Portfolios are collective investment funds (“CIFs”) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company.

## PERFORMANCE (as of 03/31/17)

	3 Month	YTD	1 Year	3 Year	5 Year	ITD
Fund	2.78%	2.78%	6.45%	1.58%	3.10%	3.20%
Morningstar Moderate Conservative Target Risk Index	3.10%	3.10%	7.35%	3.66%	5.04%	5.77%

## STRATEGIC OBJECTIVE

Manage a diversified, liquid and transparent investment solution utilizing equity, fixed income, and inflation hedging assets to produce annual risk-adjusted returns in-line with the appropriate peer group and benchmark.

## ADVICE COLLECTIVES TARGET ASSET ALLOCATION

Asset Class	High Growth	Growth	Moderate Growth	Moderate	Moderate Conservative
Equity	93%	78%	58%	38%	18%
Fixed Income	2%	16%	33%	50%	64%
Inflation Hedge	2%	3%	6%	8%	11%
Cash	3%	3%	3%	4%	7%

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company 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. Performance data quoted represents past performance. Returns are calculated by a third-party calculation agent using the time weighted return methodology. 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.



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### RISK MEASURES AND DESCRIPTIONS

**Active Benchmark:** Morningstar Moderate Conservative Target Risk Index.

The Target Risk Index represents a portfolio of global equities, bonds and traditional inflation hedges such as commodities and TIPS.

**Beta:** Beta is a measure of an investment's sensitivity to market movements. An investment with a beta greater than 1 is more volatile than the market, and an investment with a beta less than 1 is less volatile than the market.

**Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

**Standard Deviation:** In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility. Standard deviation is also known as historical volatility and is used by investors as a gauge for the amount of expected volatility.

Active benchmarks reflect the performance of a larger percentage of the portfolio, but does not match all underlying asset classes. Performance will vary. Performance provided for informational purposes only. Furthermore, active benchmarks approximate the allocations and risk characteristics of the strategies. These benchmarks may differ in holdings and allocations as compared to the strategies, and as such may exhibit unique performance and risk measures. Past performance does not guarantee future results.

**Trailing 12 Month Yield (%)** is the percentage income the portfolio has returned over the past 12 months. It is calculated by taking the weighted average of the yields of the investments that compose the portfolio.

### DISCLOSURES

Investing involves risk including the potential loss of principal. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio in any given market environment. No investment strategy, such as asset allocation, can guarantee a profit or protect against loss in periods of declining values. Please note that individual situations can vary. Therefore, the information presented here should only be relied upon when coordinated with individual professional advice.

Technical Analysis is based on the study of historical price movements and past trend patterns. There is no assurance that these movements or trends can or will be duplicated in the near future. It logically follows that historical precedent does not guarantee future results. Conclusions expressed in the TA section are personal opinions; and may not be construed as recommendations to buy or sell anything.

Investors should understand that investing in strategies that are non-correlated to the stock and bond markets are not without risk. There can be no assurance that alternative investments will be profitable and will even outperform asset classes correlated to the stock and bond markets. These strategies are not suitable for all investors. Investors should be aware that alternative investments may be subject to certain fees, create taxable events, may be illiquid as well as the fact that no secondary market may exist.

In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.