SMART FUNDS® Target Index 2020 R-INST

All data as of December 31, 2016

Fund Details

CUSIP: **41023R248** **Inception Date:** **10/01/10** **Strategy Inception Date:** **6/1/14** **Annual Portfolio Turnover Rate:** **20%**

Expense Ratio: **.33%** or $3.30 per $1,000 invested (*No service fees are included in the expense ratio payable to the plan's service providers)*

Investment Category: US Target Date 2016-2020 *(Asset allocation at target date: 48% Cash, 47% Short Term Bonds, 3% US Stocks, 2% Foreign Stocks)*

About The Fund

The SMART Funds® Index 2020 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 Target Date Solutions which serve as the sub-advisors to the CIF.

Investment Strategy

The SMART Funds® Target Index 2020 seeks to preserve the purchasing power of accumulated assets at the target date and provide for the growth of assets. The SMART Funds® are managed "To" retirement meaning as one approaches retirement less than 10 percent of the assets are invested in equities. Using an asset allocation strategy designed for investors planning to retire in or within a few years of 2020; the SMART Funds® employ a three phase process, primarily using passive indexes to fill the underlying asset classes required by the allocation models. The SMART Funds Target Index primarily uses passive indexes, mutual funds, collective trusts, exchange traded funds to fill the underlying assets in the portfolio.

Phase I — Accumulation
Each of the SMART Funds® begins with a well-diversified equity portfolio ("Equity Growth Portfolio") at approximately 45 years prior to the target date. It includes domestic and foreign equities, commodities, precious metals and real estate and is designed to replicate, as far as practical, the world's investable securities, excluding bonds. A second portfolio of Global Bonds is added through time, so that at 16 years to target date the allocation is 70% Equity Growth Portfolio and 30% Global Bonds.

Phase II — 15 Years To Retirement Target Date
Beyond the 15th year to the retirement date, assets begin to shift into a safer asset pool ("Reserve Asset") containing Treasury bills, Treasury Inflation-Protected Securities (TIPS) and Cash.

Phase III — Retirement Income
In order to minimize the potential for loss and to maximize the purchasing power protection of the portfolio, 95% of the allocations beyond the target date are held in the Reserve Asset (TIPS, Treasury Bills and Cash). The fund reaches it's most conservative allocation at the target date and remains so beyond the target date.

The three phases are illustrated on the glide path (located on the back) which ranges over a 40 year period from age 25 to age 65. The asset allocation and glide path are both adjusted on a monthly basis.

Fund Performance History

	QTD	YTD	1 Year	3 Year	5 Year	10 Year
SMART Fund*	-1.11%	3.67%	3.67%	0.87%	3.22%	N/A
MStar Lifetime Con 2020 TR USD*	-1.71%	6.49%	6.49%	3.37%	5.48%	5.17%

Stated returns represents past performance of the index adjusted for fees. Past performance is not a guarantee of future results. Because market activity affects investment performance, an investor's principal value will fluctuate so that when shares are sold, they may be worth more or less than the original cost. Cumulative performance may be lower or higher than returns shown due to more recent market activity.

The SMART Funds®, a series of target retirement date collective investment funds offered through the Hand Composite Employee Benefit Trust name was changed effective June 1, 2014. In addition, HB&T has named Target Date Solutions, currently a sub-advisor and the glide path consultant, to be the sole sub-advisor to the series.

Prior to June 1, 2014, the portfolios consist of indexed funds with a portion of the assets actively managed. The actively managed component was removed effective June 1, 2014, to provide a lower cost, fully indexed approach. The patented Safe Landing Glide Path® (Patent 8352349) developed by Target Date Solutions remains in place, as does its primary goal of capital preservation close to retirement. The core benefits of the SMART Index Funds® are diversification, risk control, low investment cost, and a sound design strategy to optimize return per unit of risk. The fund structure will continue to encompass a globally defined mix of major asset classes, including stocks, bonds, real estate, and commodities.. Both the SMART Index Funds® and their respective On Target indices follow the Safe Landing Glide Path®.

**New Benchmark based on the 6/1/14 strategy change. ** On Target Index Strategy adjusted for fees.

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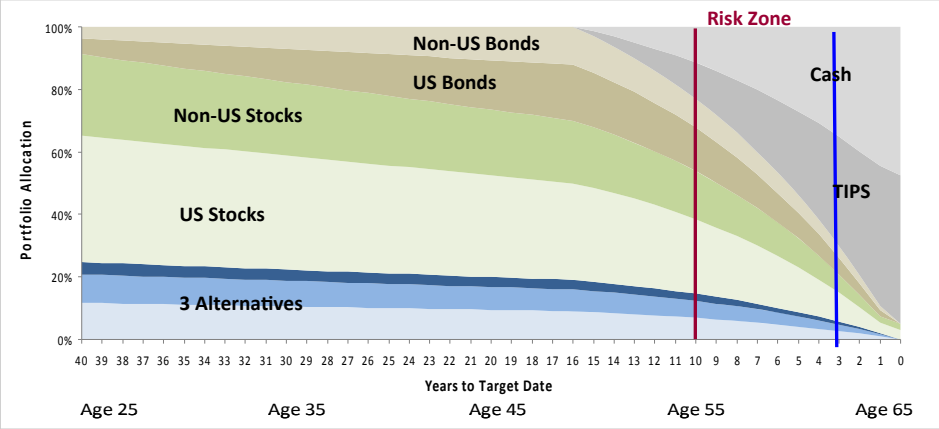
Glide Path

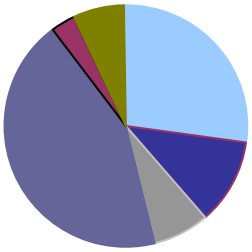


Selected Asset Allocation

Years to Target	Equity	Alterna-tives	Bonds	Tips and T-Bills
0	5	0	0	95
10	42	15	20	23
20	57	21	22	0
30	63	23	14	0
40	68	25	7	0

Vertical Blue line indicates the allocations of the SMART Funds® Target Index 2020

Asset Allocation



Cash	27.46%
US Stocks	11.11%
Non US Stocks	7.56%
US Bonds	43.53%
Non US Bonds	3.42%
Alternatives	6.92%

Management Team

Target Date Solutions (TDS)

Ron Surz, CIMA, President, M.S., Applied Mathematics, University of Illinois; M.B.A., University of Chicago

Target Date Solutions develops and licenses high-quality Safe Landing Glide Paths® that end at the target date, using a precision engineered asset allocation design. TDS is a wholly owned subsidiary of PPCA Inc, San Clemente CA, which is registered with the states of California and Texas. For more information, please go to www.targetdatesolutions.com

Top 10 Holdings

1. BlackRock US TIPS Fund
2. BlackRock Short-Term Investment Fund
3. BlackRock US Equity Market Fund
4. BlackRock MSCI ACWI EX US Index Fund
5. BlackRock 1-3 Year Govt Bond Index Fund
6. BlackRock Developed Real Estate Fund
7. SPDR Barclays SH TRM Intl Treasury Bond
8. BlackRock Commodity Index Daily Fund
9. HB&T Short Term Income Fund
10. Powershares DB DB Precious Metal Fund

Sector Holdings are subject to change.

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS Company, Target Date Solutions 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 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 age and retirement date, along with the client's investment objectives, time horizon, risk tolerance and fees.

The SMART Funds® Target Index 2020 is generally best suited for investors in the age group of 50—60 years of age with 10 or less years until retirement, . This age group generally looks for some growth of assets while minimizing the volatility of the stock and bond markets. If the SMART Funds are designated as a QDIA investment, participants and beneficiaries have the right to direct the investment to any other investment alternative under the plan, subject to any limitation that may apply to such transfer under the plan.

Investment risks include: *Active Management*-the investment is actively managed and subject to the risk that the 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. *Target Date*-Target-date funds, also known as lifecycle funds, shift their asset allocation to become increasingly conservative as the target retirement year approaches. Still, investment in target date funds may lose value near, at, or after the target retirement date, and there is no guarantee they will provide adequate income at retirement. *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.