SMART FUNDS® Target Index 2040 R-INST

All data as of September 30, 2021

Fund Details

CUSIP: **41023R263** **Inception Date:** **11/01/08** **Strategy Inception Date:** **6/1/14** **Annual Portfolio Turnover Rate:** **20%**

Expense Ratio: **.35%** or $3.50 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 2036-2040 *(Asset allocation at target date: 47.5% TIPS, 47.5% Cash, 3% US Stocks, 2% Foreign Stocks)*

Index: Morningstar Lifetime Conservative 2040

About The Fund

The SMART Funds® Target Index 2040 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 invests in the strategies of Target Date Solutions which serves as the sub-advisor to the CIF.

Investment Strategy

The SMART Funds® Target Index 2040 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 2040; the SMART Funds® employ a three phase process, primarily using passive indexes to fill the underlying asset classes required by the allocation models. 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 the 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	-1.42%	6.40%	17.99%	8.75%	8.58%	7.87%
S&P Target Date 2040 TR USD	-0.70%	10.23%	24.96%	10.98%	11.54%	11.55%

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. The SMART Index Funds® follow the Safe Landing Glide Path®.

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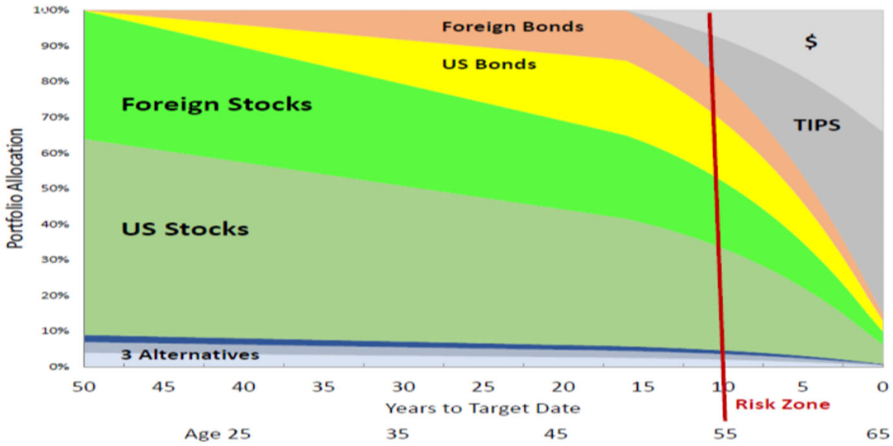
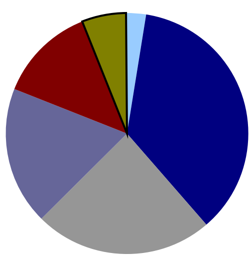
Glide Path



Selected Asset Allocation

Years to Target	Equity	Alterna-tives	Bonds	Tips and T-Bills
0	10	0	5	85
10	48	5	27	20
20	63	6	31	0
30	72	7	21	0
40	82	8	10	0

Asset Allocation



Cash	2.89%
US Stocks	35.70%
Non US Stocks	23.52%
US Bonds	18.65%
Non US Bonds	13.16%
Alternatives	6.08%

Management Team

Target Date Solutions (TDS)

Ron Surz, 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 Equity Index Fund M
2. BlackRock MSCI ACWI EX US Index Fund
3. Vanguard Short Term Treasury Index
4. SPDR Barclays SH TERM INTL Treasury Bond
5. HB&T Short Term Income Fund
6. Vanguard Real Estate Index Fund
7. Black Rock Commodity Index Daily Fund
8. INVESCO DB Precious Metals Fund
9. Federated Govt Obligations Fund CS

Sector Holdings are subject to change.

The SMART Funds® Target Index 2040 is generally best suited for investors in the age group of 30—40 years of age with 20 or less years to retirement. This age group generally looks for growth of assets and has a longer time horizon to weather 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.