Vanguard 100% Equity Managed Trust Fund R3

About the Trustee

The Vanguard 100% Equity Managed Trust Fund R3 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 the Vanguard ETF Model Portfolio.

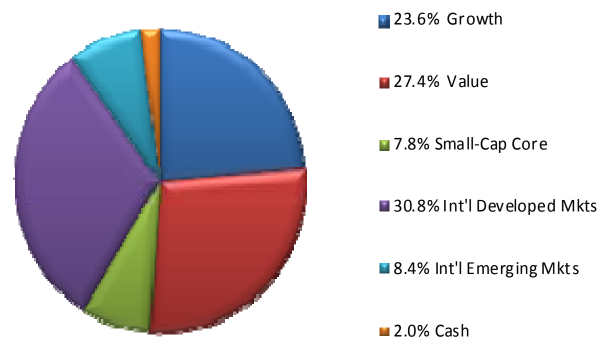
Investment Objective

Broadly diversified but are subject to extremely wide fluctuations in share price. These funds may be appropriate for investors who have a long-term investment horizon.

Fund Facts

Share Class: R3
CUSIP: 41023V462
Inception Date: 11/2/2012
Investment Category: All Equity
Annual Portfolio Turnover Rate: 20%
Expense Ratio^: 92bps
^The total fee paid per annum would be $9.20 per $1,000 investment.
The expense ratio includes 50 bps of service fees payable to the plan's service providers

Diversification of Assets



Vanguard ETFs - Top 10 Holdings:

1. FTSE Developed Markets ETF (VEA)
2. Value ETF (VTV)
3. Growth ETF (VUG)
4. Emerging Markets ETF (VWO)
5. Small Cap ETF (VB)
6. HB&T Short Term Income (STI01)

Average Annual Returns

INVESTMENT	3MOS*	YTD*	1 YR.	3 YR.	5 YR.	10 YR.	SINCE INCEPTION
Vanguard 100% Equity Managed Trust Fund R3	5.37	22.03	22.03	9.11	11.49	N/A	11.59
BROAD BASED INDEX FTSE All World Index	5.97	24.62	24.62	10.01	11.46	N/A	11.80

*Not Annualized

Important Notes Regarding Return Information

The asset allocation is presented to illustrate examples of the securities that the portfolio has bought and the diversity of areas in which the portfolio may invest and may not be representative of the portfolio's current or future investments. The figures presented are as of date shown, and may change at any time.

Reported benchmarks are not intended as direct comparisons to the performance of the portfolio. Instead, they are intended to represent the performance of certain sectors of the overall securities market (e.g. equities, bonds, etc.). Respectively, the volatility and performance of the reported benchmark may be greater than or less than the volatility and performance of the investment portfolio. The indices reflect the reinvestment of dividends and income and do not reflect deductions for fees, expenses or taxes. The indices are unmanaged and are not available for direct investment.

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. The Vanguard 100% Equity Managed Trust Fund R3 is new and does not have actual performance data to report. Performance data quoted prior to inception date represents past performance of the Vanguard model portfolio adjusted for fees. 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.

Use of Vanguard Investment Models:

Hand Benefits & Trust Company as investment manager of the funds will use Vanguard Investment Models as a basis for the investment strategy of the funds; however, Vanguard does not serve as an investment fiduciary to the funds, nor are they responsible for determining the suitability of the use of the Models within the funds.

Successful investment management companies base their business on a core investment philosophy, and Vanguard is no different. These tenets have been a part of the company since their inception and are embedded in Vanguard's culture.

1) When using a diversified portfolio, the most important decision is selecting the mix of assets to be held in a portfolio, not selecting the individual investments themselves. An investment policy, or asset mix, should weigh the trade-off between return and risk. Potential return rises along with the risk of volatility in an asset mix.

2) Broad diversification to the stock and bond markets reduces risk. Investors whose holdings vary substantially from overall market weightings - in terms of capitalization, style (growth or value), and industry sectors - are assuming additional risk that is unlikely to pay off over the long term.

3) Minimizing the costs of investing is vital for long-term investment success. Investment returns are reduced dollar for dollar by the fees, commissions, transaction expenses, and, for taxable assets, any taxes incurred. By minimizing costs, investors (and mutual funds) improve their odds of posting superior relative returns.

Their model portfolios reflect the following:

- Build and maintain portfolios that are broadly diversified across all sectors of a securities market.
- Use broadly diversified, low-cost funds.
- Have exposure to bond funds with a broad range of maturities and credit quality.
- Hold both growth and value stock funds.
- Where an allocation to equities is involved, include some exposure to international stock funds.

INVESTMENT RISKS:

Investment risks include: *Passive Management*-The investment is not actively managed, and the advisor does not attempt to manage volatility or take defensive positions in declining markets. This passive management strategy may subject the investment to greater losses during general market declines than actively managed investments. *Equity Securities*-The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers' financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions. *Fixed-Income Securities* **-** The value of fixed-income or debt securities may be susceptible to general movements in the bond market and are subject to interest-rate and credit risk. *Foreign Securities***-**Investments in foreign securities may be subject to increased volatility as the value of these securities can change more rapidly and extremely than can the value of U.S. securities. Foreign securities are subject to increased issuer risk because foreign issuers may not experience the same degree of regulation as U.S. issuers do and are held to different reporting, accounting, and auditing standards. In addition, foreign securities are subject to increased costs because there are generally higher commission rates on transactions, transfer taxes, higher custodial costs, and the potential for foreign tax charges on dividend and interest payments. Many foreign markets are relatively small, and securities issued in less-developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations, including suspension of the ability to transfer currency from a country. Economic, political, social, or diplomatic developments can also negatively impact performance. *ETF*-Investments in exchange-traded funds generally reflect the risks of owning the underlying securities they are designed to track, although they may be subject to greater liquidity risk and higher costs than owning the underlying securities directly because of their management fees. Shares of ETFs are subject to market trading risk, potentially trading at a premium or discount to net asset value. *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.