

Vanguard 20/80 - Conservative Managed Trust Fund R1

About the Trustee

The Vanguard 20/80 - Conservative Managed Trust Fund R1 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

Subject to low-to-moderate fluctuations in share prices. In general, such funds may be appropriate for investors with at least medium-term investment horizons. This portfolio is best suited for investors who are seeking a high level of income and are looking for a simple way to achieve a broadly diversified holding of stocks and fixed income investments.

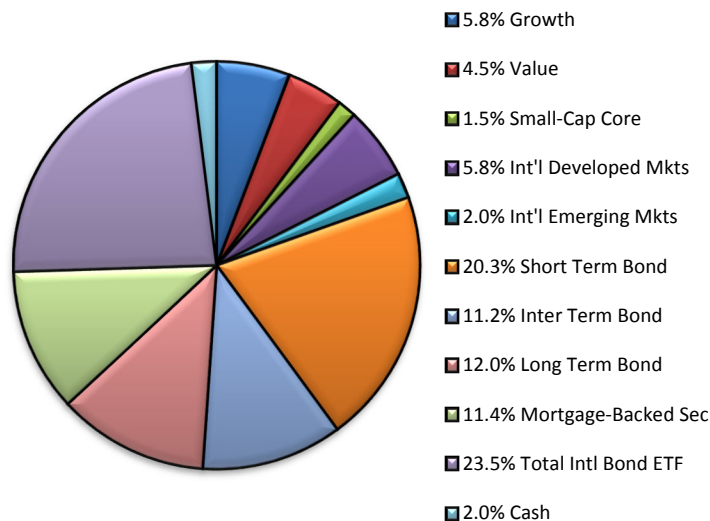
Fund Facts

Share Class: R1
 CUSIP: 41023V405
 Inception Date: 11/2/2012
 Investment Category: Conservative
 Annual Portfolio Turnover Rate: <20%
 Expense Ratio[^]: 65bps

[^]The total fee paid per annum would be \$6.50 per \$1,000 investment.

The expense ratio includes 35 bps of service fees payable to the plan's service providers

Diversification of Assets



Vanguard ETFs - Top 10 Holdings:

1. Total Intl Bond ETF (BNDX)
2. Short-Term Bond ETF (BSV)
3. Long-Term Bond ETF (BLV)
4. Mortgage Backed Securities ETF (VMBS)
5. Intermediate Term Bond ETF (BIV)
6. FTSE Developed Markets ETF (VEA)
7. Growth ETF (VUG)
8. Value ETF (VTV)
9. HB&T Short Term Income Fund (STI01)
10. FTSE Emerging Markets ETF (VWO)

Average Annual Returns

INVESTMENT	3MOS*	YTD*	1 YR.	3 YR.	5 YR.	10 YR.	SINCE INCEPTION
Vanguard 20/80 – Conservative Managed Trust Fund R1	-0.42	0.35	3.77	6.41	4.51	N/A	4.09
BROAD BASED INDEX Morningstar Conservative Target Risk	-0.31	1.12	5.41	6.82	5.08	N/A	4.25

*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. This collective investment fund is available for investment by eligible qualified retirement plan trusts only. 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.