

Dear SMART 2010 Fund Investor:

Hand Benefits & Trust is proud to announce the hiring of the investment management firm of Target Date Analytics, LLC (TDA) to be an advisor for the SMART Funds, effective November 1, 2008. The three principles of TDA are well respected and industry leaders in the area of target date allocation strategies.

The SMART Funds were designed over ten years ago with three risk based investment objectives: Conservative, Moderately Aggressive, and Aggressive. As of January 2008, the investment objectives of the SMART funds were changed from a risk based to a target date allocation. Under a target date allocation, the allocation starts off with a more aggressive allocation and over time moves to a more conservative allocation as the SMART fund approaches its target date.

The original target date allocation was to have a 50 / 50 allocation between stocks and bonds at the end of the target date. Working with the TDA group the allocations of the SMART Funds will have a more conservative allocation at the end of the target date. The current allocation for the SMART 2010 fund will be revised effective as of January 1, 2009 and will hold about 8% in stock investments. These revised allocations would provide less risk as participants approach their retirement date. Less risk means earning a lower return over time but also having a lower probability of losing money.

If you are an investor in the SMART 2010 fund and do not plan to retire and/or take a lump sum distribution in the year 2010, you should take time prior to January 1, 2009 to review all of their investment options available in their employer's retirement plan to determine the most appropriate investments for you and your retirement needs.

If you have any questions, please contact Jesus Herrera, 713 460-1000 x1304 or Stephen Hand, 713 460-1000 x1360.

Investment Objective

The SMART® 2010 Fund seeks to replicate, before fees and expenses, as closely as possible, the total return of the PLANSponsor On Target 2010 Index.

Investment Objective of the PLANSponsor On Target 2010 Index

The PLANSponsor On Target 2010 Index seeks first to provide a high probability of preserving the purchasing power of accumulated assets at the target date; and secondly, to the extent the first objective is not violated, to provide for the growth of assets.

Investment Strategy

The SMART® 2010 Fund replicates as nearly as practical, the strategy of the PLANSponsor On Target 2010 Defensive Index.

Investment Strategy of the PLANSponsor On Target 2010 Index

The PLANSponsor On Target 2010 Index primarily uses passive indexes (mutual funds, collective trusts, Exchange Traded Funds or Exchange Traded Notes) to fill the underlying asset classes required by the allocation models. Allocations are adjusted each month to the glide path. The Advisor does not engage in tactical asset allocation, or market timing. For more about the allocation and glide path, see "About the PLANSponsor ON Target Indexes" on the next page.

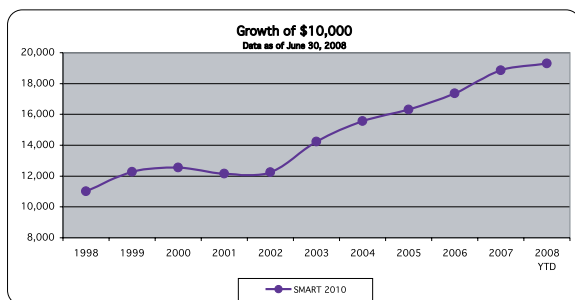
Before the target date—accumulation phase and the glide path

The PLANSponsor On Target 2010 Index begins with an extremely well-diversified portfolio, "the Risky Portfolio" at approximately 45 years prior to the target date. It includes domestic and foreign equities, mid and long-term domestic and foreign bonds, commodities and real estate, in percentages designed to replicate, as far as practical, the composition of a hypothetical basket of the world's investable securities. The Index allocations remain unchanged until 20 years before the target date, small amounts at first, and increasingly larger amounts later on, of the Risky Portfolio are shifted into a safer asset pool called the "Reserve Asset," containing treasury bills and inflation protected Treasury Bills (TIPS).

At the target date and beyond—the decumulation or retirement income fund

In order to maximize the purchasing power protection of the strategy and to minimize the potential for loss, at the target date and beyond, at that date assets are held 100% in the Reserve Asset, (TIPS), and cash). For more about the strategy at beyond the target date, see "About the PLANSponsor ON Target Indexes" on the next page.

Hypothetical Performance

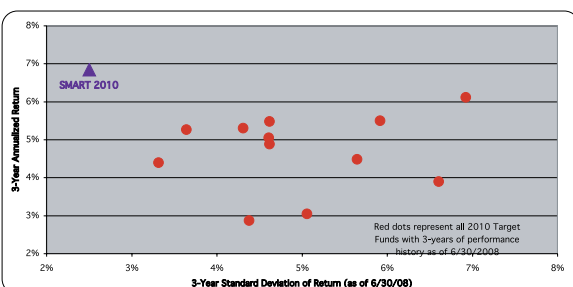


Past Performance is no guarantee of future results and the actual performance of the Index and the Fund may be lower or higher than the back-tested past performance shown above. Investment return and principal value of the portfolio will fluctuate causing units of the Fund, when redeemed, to be worth more or less than their original cost. Historical performance of the Fund and the Index is back-tested and does not represent actual fund performance since it did not exist during any of the periods shown. Returns are net of all estimated expenses and assume that all dividends received during a year are reinvested monthly. Actual performance will vary from that of investing in the underlying funds because it may not be invested in exactly the proportions indicated and may not be fully invested at all times. It is important to note that the Fund may underperform its Benchmark, the PLANSponsor On Target 2010 Index in certain

years and may produce negative results. See the next page for additional information about the back-tested results shown here.

Risk/Return Chart: The chart (at right) plots all 2010 target date mutual funds (those with 3 years of return history as of June 30, 2008) against the SMART 2010 Fund. (Since the risk/return characteristics of the Fund and the Index are so nearly identical they share the space indicated by the purple triangle.)

The scale on the left side of the chart shows the 3-year annualized return for each fund, with higher on the scale being preferable to lower. The scale on the bottom of the chart shows the 3-year standard deviation, a measure of risk, with the lower numbers (toward the left side) being preferable to the higher numbers (further to the right.) When measuring their funds on such a grid, fund managers seek risk/ return characteristics that will position their funds upwards and to the left.



Fund Facts

Inception Date: November 1, 2008
 CUSIP: 41023R230
 Share Class: R-Institutional
 Est. Expense Ratio: 0.38%
 Benchmark: PLANSponsor On Target 2010 Index
 Glidepath Adjustments: Monthly
 Automatic Rebalancing: Monthly
 Fund Management: Target Date Analytics LLC

Back-tested Portfolio Data

As of September 30, 2008
 Alpha: <0.32>
 Beta: 1.00
 3-Year Std Dev: 3.19
 Sharpe Ratio: 0.22

Back-tested Returns

As of 9/30/08

Year	Annual Total Returns		
	SMART 2010	PLANSponsor On Target 2010 Index	Target Date Fund Per Group
1998	9.92	9.66	17.04
1999	11.26	11.93	10.69
2000	1.97	1.88	1.50
2001	<3.33>	<2.84>	<0.61>
2002	0.47	0.71	<5.96>
2003	16.03	16.28	17.00
2004	9.19	9.45	8.03
2005	4.47	4.79	4.62
2006	6.23	6.56	10.45
2007	8.49	9.00	6.36
YTD 2008	<0.97>	<0.81>	<12.18>

Year	Average Annualized Returns*		
	SMART 2010	PLANSponsor On Target 2010 Index	Target Date Fund Per Group
1-Yr Return	1.42	1.69	<12.69>
3-Yr Return	4.78	5.13	1.57
5-Yr Return	6.59	6.91	4.39
10-Yr Return	6.11	6.43	4.77

*Calculated through 9/30/2008

During the periods shown in figures on this page, Target Date Analytics LLC did not manage or sub-advise actual funds; the returns shown are back-tested returns based on the actual strategies in place.

About the PLANSPONSOR On Target Indexes

The PLANSPONSOR On Target Indexes were developed in 2007 in response to market demand for suitable benchmarks for tracking the performance of the growing number of target date products. They were the first target date indexes to incorporate inflation protection as a fundamental objective and remain today the only target date indexes with a theoretically sound and operationally practical basis.

The PLANSPONSOR On Target Indexes start with the fundamentals of portfolio construction. They achieve extremely broad diversification through the utilization of the Harry Markowitz model of the world market basket of securities. The Indexes extend the efficient frontier by drawing on William Sharpe's Capital Market Line and allocating, over time, an increasing share of assets to the protection of a "safe" portfolio. These amounts are determined by the principles of Liability Driven Investing, the probability of loss theory and a lock box concept which was also advocated by Dr. Sharpe. The glide path of the Indexes (the scheduled movement of assets into the safe portfolio) ensures that potential growth will be maximized in the early years when the consequences of short-term market losses are small, and that preservation of purchasing power dominates in the later years when the consequences of inflation and market losses can be ruinous.

Once the PLANSPONSOR On Target Indexes were introduced, many observers noticed their dominance on risk/return scales, over all existing target date products, and soon they began requesting investable products based on the Indexes.

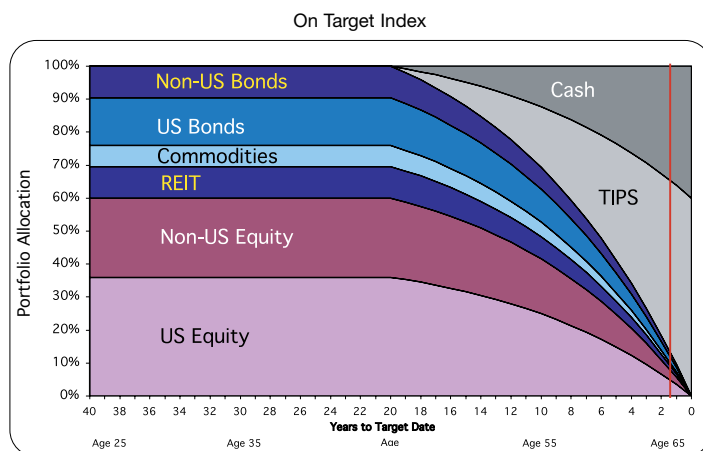
About the Hand Benefits & Trust SMART® Funds

The SMART® Funds are unique in a number of ways. They are the only target date funds based on a series of target date indexes *and* which utilize underlying indexes to achieve their allocations. The result is a family of target date funds with a history of outperforming their peers, doing so with substantially lower risk, especially during the last few critical years before and upon reaching the target date, and with some of the lowest fees in the industry.

A note about back-tested returns: As of October 1, 2008, the SMART® Funds began replicating the PLANSPONSOR ON Target Indexes in objectives and strategies. The On Target Indexes were developed in 2007 and the returns reported for the Indexes (and for the SMART® Funds) are based on the returns of the underlying component funds in the same proportion as mandated by design of Indexes. Because Target Date Analytics LLC (TDA), the Funds' Advisor and the developer of the Indexes uses a glide path and allocation model that does not change with market fluctuations there is justification for using back-tested returns of the underlying funds. Nevertheless, the decisions the Advisor made with regard to the models are not necessarily the same decisions they would have made at the theoretical inception of the Funds, ten years prior.

The Fund is not a mutual fund and its units are not deposits of Hand Benefits & Trust Company or Target Date Analytics LLC, and are not insured by the Federal Deposit Insurance Corporation or any other

Allocations, Glidepath and Holdings as of 9/30/2008



Vertical red line indicates the allocations of the SMART 2010 Fund as of September 2008.

Composition

Asset Class	SMART 2010
US Equity	5.3%
Non-US Equity	3.5%
REIT	1.4%
Commodities	0.9%
US Bond	2.1%
Non-US Bond	1.4%
TIPS	51.2%
Cash	34.1%

Top 10 Holdings

Xxxxx	BGI US Equity Market	5.3%
Xxxxx	BGI MSCI ACWI-Ex US	3.5%
VGSNX	Vanguard REIT Index I	1.4%
DJPI	iPath DJ-AIG Total Return ETN	0.9%
Xxxxx	BGI LB Aggregate Bond	2.1%
RPIBX	T. Rowe Price International Bond	1.4%
xxxxx	BGI US TIPS	51.2%
VMRXX	Vanguard Prime Money Market I	34.1%

agency. The units are securities which have not been registered under the Securities Act of 1933 and the Fund is exempted from investment company registration under the Investment Company Act of 1940. Therefore, Participating Plans and their Participants will not be entitled to the protections under these Acts. Management of the Trust, however, is generally subject to the fiduciary duty and prohibited transaction rules under the Employee Retirement Income Securities Act of 1974 ("ERISA"). Target Date Analytics LLC is the Fund's Advisor and provides investment management services. Hand Benefits & Trust is the Fund's Trustee.

As defined in the Declaration of Trust and Participation Agreement documents, the Hand Benefits & Trust Smart 2010 Fund is available for investment only by eligible qualified retirement plan trusts. The unit value will fluctuate and investors may lose money. Various asset classes such as international stocks, commodities and real estate may carry additional risks.