This document discloses information concerning Collective Investment Funds (“CIFs”) maintained by Hand Benefits & Trust Company, a BPAS company, (the “Trustee”) within the Hand Composite Employee Benefit Trust (the “Trust”). The information pertains to the objectives and operations of the First Trust Target Date Fund Family, which includes the First Trust Target Date Fund 2010, First Trust Target Date Fund 2020, First Trust Target Date Fund 2030, First Trust Target Date Fund 2040 and First Trust Target Date Fund 2050 (collectively, the “Funds”). This collective investment fund is available for investment by eligible qualified retirement plan trusts only and has been created specifically for 401(k) and other employer-sponsored retirement plan investors. These Funds are options available to you through your employer’s qualified retirement plan. It is important that you review this information prior to investing. However, this document is not a prospectus and is only part of the information you may need to make your investment decisions. Before making any investment decision, you should consider all relevant material and, as appropriate, consult an investment professional. To the extent that this information varies from the Declaration of Trust establishing the Funds, the Declaration of Trust shall control. You may obtain a copy of the Declaration of Trust by contacting the Trustee at (713) 460-1000 or by visiting [http://www.bpas.com/media/hbt/HBTCEBTDocument.pdf].

What is the First Trust Target Date Fund Family? Each Fund is a CIF maintained by the Trustee and is designed to serve the investment needs of tax-qualified retirement plans. The Funds are not mutual funds registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and Fund unit holders are not entitled to the protections of the 1940 Act. In addition, the Funds’ units are not securities required to be registered under the Securities Act of 1933, as amended (the “1933 Act”), or applicable securities laws of any state or other jurisdiction. The regulatory requirements applicable to a CIF differ from those applicable to a mutual fund, although both types of funds commingle participants’ assets with the objective of obtaining economies of scale in investment management. The Funds’ units are not traded on an exchange or “over-the-counter” and as a result, the unit values are not available for publication in newspapers. Daily unit values may be obtained from the Trustee or third-party administrator or recordkeeper for your employer’s plan and the First Trust website, www.ftportfolios.com.

Each Fund is structured as a target date fund (sometimes referred to as a “lifecycle fund”), meaning it is designed to offer a convenient way to invest for a person scheduled to retire at a certain time. Each Fund pursues a long-term investment strategy, using a mix of assets (as described below) that First Trust Advisors L.P., the Funds’ sub-advisor, adjusts to become more conservative over time (i.e., the glide path, as described below). The date in each Fund’s name generally means the date at which the “typical” investor for whom that Fund is designed would reach retirement age and generally stop making new investments in the Fund.

The target date in the name of a Fund does not mean the date at which an investor should cash out the entire Fund investment. Generally, the Funds are designed to be held beyond the presumed retirement date, to offer a continuing investment option for the investor in retirement. The target date of a Fund is also not the date at which the Fund arrives at its most conservative asset allocation. A Fund does not reach its most conservative asset allocation until after its target date. Therefore, investors may choose to purchase units of a Fund with a target date other than their presumed retirement date. An investor who expects to retire in 2035, for example, might select the First Trust Target Date Fund 2030 (to be more conservative) or the First Trust Target Date Fund 2040 (to be more aggressive).

Who is the Trustee? The Trustee, Hand Benefits & Trust Company, is a trust company chartered in the state of Texas. As trustee to the Funds, the Trustee makes units of the Funds available to qualified retirement plans under the Employee Retirement Income Security Act of 1974 (“ERISA”).

Who is the Investment Sub-Advisor? First Trust Advisors L.P. serves as each Fund’s investment sub-advisor (the “Sub-Advisor”). The Sub-Advisor, along with its affiliate First Trust Portfolios L.P., is a privately-held company which provides a variety of investment services, including asset management, financial advisory services and corporate investment banking, with collective assets under management or supervision of approximately $132.2 billion as of April 30, 2019 through closed-end funds, unit investment trusts, mutual funds, separate managed accounts and exchange-traded funds. The Sub-Advisor also manages the investment portfolios of several CIFs, including the Funds.

What is the Investment Objective of Each Fund? Each Fund invests assets according to the year a “typical” investor would plan to retire and seeks above-average total return through a portfolio diversified across multiple asset classes.
What is the Principal Investment Strategy of Each Fund? Each Fund pursues a long-term investment strategy and invests in multiple investment categories according to an investment model that becomes more conservative over time (the Fund’s “glide path”). Glide path weightings and component investments are intended to reflect the declining risk tolerance of a typical investor as he or she approaches retirement. The Sub-Advisor utilizes its knowledge of historical risk/return profiles of different style/asset categories and professional judgment to formulate the glide path for a Fund to balance expected risk and expected return in a gradually more conservative manner as the target retirement date of the Fund approaches. Within the glide path, the Funds are subdivided among the various investment categories. The investment categories within the glide path are U.S. equity, non-U.S. equity, U.S. fixed income, non-U.S. fixed income and other investments. Each investment category contains one or more asset classes.

When selecting securities to be included in a Fund, the Sub-Advisor first weights the investment category allocations pursuant to the Fund’s glide path and determines which asset classes to utilize for each investment category. The Sub-Advisor then chooses individual securities within a given asset class, as further described below. On a quarterly basis, the weightings of the investment categories in each Fund are rebalanced according to each Fund’s glide path. Actual weightings may deviate from the glide path ranges due to asset appreciation and/or depreciation that may occur subsequent to a Fund’s rebalancing. When weighting the investment categories, the Sub-Advisor may, depending on market conditions, deviate from the glide path weightings by up to 10%. For example, if an investment category weighting is 20% per the glide path, the Sub-Advisor may weight the investment category between 18% and 22%.

When selecting U.S. or non-U.S. equity securities from developed markets for a Fund, the Sub-Advisor uses a strategic approach to select large-cap, mid-cap, small-cap and international stocks based on multiple risk, value and growth factors. The goal is to identify stocks which exhibit the fundamental characteristics that enable them to provide the greatest potential for capital appreciation. Because stock prices are subject to factors that can make them deviate from a company’s true value, the Sub-Advisor believes that evaluating each company based on fundamental measures is key to achieving a higher rate of long-term success. The Sub-Advisor’s approach to selecting stocks is based on a proprietary rules based process which is consistently applied to select the stocks for a Fund. This process embodies key elements of the Sub-Advisor’s investment philosophy by focusing on financial measures that may be less susceptible to accounting distortions and erroneous corporate guidance. Each Fund will reconstitute the underlying equity holdings on or about December 31 of each year. In certain circumstances, including the initial invest-up period of a Fund and at times when a Fund must invest inflows of cash, the Sub-Advisor may find it beneficial to a Fund to invest in exchange-traded funds (“ETFs”) or other pooled investment vehicles (“PIVs”) that provide exposure to the investment categories within the Fund’s glide path, in lieu of investing directly in individual equity securities within such investment categories. If a Fund uses ETFs and other PIVs in this way, there is no guarantee that it will be able to match the performance of its equity investment strategy.

For fixed-income, non-U.S. equity securities from emerging markets, and other investments portions of a Fund, the Sub-Advisor includes ETFs and other PIVs which invest in appropriate securities for each asset class. Incorporating ETFs and PIVs which invest in a broad range of securities, results in distinct portfolios with varying risk/reward profiles. ETFs and PIVs provide investors with several benefits, including diversification, transparency and discipline. The Sub-Advisor can make adjustments to the ETFs and PIVs throughout the year, provided that the adjustments maintain a Fund’s glide path investment category weights, subject to any adjustments made by the Sub-Advisor.

The Fund does not engage in securities lending activities.

What are the Principal Risks of Investing in a Fund? The First Trust Collective Investment Funds are not mutual funds and their units are not deposits of the Trustee, Hand Benefits & Trust Company, or the Sub-Advisor, and are not insured by the Federal Deposit Insurance Corporation or any other agency. The units are securities which have not been registered under the 1933 Act and the Fund is exempted from investment company registration under the 1940 Act. 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 ERISA.

As with any investment, you can lose money by investing in a Fund. The mix of assets in a Fund is intended to diminish the risk of loss, but sometimes stocks, bonds, and other assets in a Fund’s portfolio may lose value simultaneously. While the Funds are managed to reduce equity market exposure and, therefore, equity market risk over time, investment in a Fund is exposed to market risk and other certain risks.

Commodity Risk. The value of commodities and commodity-linked instruments typically is based upon the price movements of a physical commodity or an economic variable linked to such price movements. The prices of commodities and commodity-related investments may fluctuate quickly and dramatically and may not correlate to price movements in other asset classes. An active trading market may not exist for certain commodities. Each of these factors and events could have a significant negative impact on a Fund.
Credit Risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and/or principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer’s ability to make such payments.

Currency Exchange Rate Risk. The Fund may hold investments that are denominated in non-U.S. currencies, or in securities that provide exposure to such currencies, currency exchange rates or interest rates denominated in such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund’s investments and the value of Fund shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.

High-Yield Securities Risk. High-yield securities, or “junk” bonds, are subject to greater market fluctuations and risk of loss than securities with higher investment ratings, and therefore, may be highly speculative. These securities are issued by companies that may have limited operating history, narrowly focused operations, and/or other impediments to the timely payment of periodic interest and principal at maturity. If the economy slows down or dips into recession, the issuers of high-yield securities may not have sufficient resources to continue making timely payment of periodic interest and principal at maturity. The market for high-yield securities is smaller and less liquid than that for investment grade securities. High-yield securities are generally not listed on a national securities exchange but trade in the over-the-counter markets. Due to the smaller, less liquid market for high-yield securities, the bid-offer spread on such securities is generally greater than it is for investment grade securities and the purchase or sale of such securities may take longer to complete.

Income Risk. Income from a Fund’s fixed-income investments could decline during periods of falling interest rates.

Inflation Protection Securities Risk. The Funds may invest in ETFs that invest in Treasury Inflation-Protected Securities (“TIPS”) issued by the U.S. Department of Treasury or similar securities issued by foreign governments. TIPS are inflation-indexed fixed-income securities that utilize an inflation mechanism tied to the Consumer Price Index (“CPI”). TIPS are backed by the full faith and credit of the United States. TIPS are offered with coupon interest rates lower than those of nominal rate Treasury securities. The coupon interest rate remains fixed throughout the term of the securities. However, each day the principal value of the TIPS is adjusted based upon a pro-rata portion of the CPI as reported three months earlier. Future interest payments are made based upon the coupon interest rate and the adjusted principal value. Inflation-protected securities issued by foreign governments offer similar features as TIPS. In a falling inflationary environment, both interest payments and the value of the TIPS and other inflation-protected securities will decline.

Interest Rate Risk. Interest rate risk is the risk that the value of the fixed-income securities and real estate investment trust (“REIT”) interests held by the Fund will decline because of rising market interest rates. Interest rate risk is generally lower for shorter term investments and higher for longer term investments. Increases in interest rates typically lower the present value of a REIT’s future earnings stream, and may make financing property purchases and improvements more costly. Because the market price of REIT stocks may change based upon investors’ collective perceptions of future earnings, the value of a Fund will generally decline when investors anticipate or experience rising interest rates.

Market Risk. Market risk is the risk that a particular security owned by a Fund or units of a Fund in general may fall in value. Securities are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall Fund unit values could decline generally or could underperform other investments.

Non-U.S. Securities and Emerging Markets Risk. The Funds invest in securities of non-U.S. issuers, including non-U.S. dollar-denominated securities traded outside of the United States and U.S. dollar-denominated securities of non-U.S. issuers traded in the United States. Such securities are subject to higher volatility than securities of U.S. issuers due to: possible adverse political, social or economic developments; restrictions on foreign investment or exchange of securities; lack of liquidity; excessive taxation; government seizure of assets; different legal or accounting standards; and less government supervision and regulation of exchanges in foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

Pooled Investment Vehicles and Exchange-Traded Funds Risk. The Fund may invest in securities of other investment companies, including ETFs and other PIVs. The risks of owning shares of an ETF or other PIV generally reflect the risks of owning the underlying securities of the ETF or other PIV, although lack of liquidity in an ETF or other PIV could result in it being more volatile. As a shareholder in an ETF or other PIV, the Fund will bear its ratable share of that vehicle’s expenses, and would remain subject to payment of the Fund’s advisory and administrative fees with respect to assets so invested. Unit holders would therefore be subject to duplicative expenses to the extent the Fund invests in ETFs or other PIVs. In addition, the Fund will incur brokerage costs when purchasing and selling shares of ETFs or other exchange-traded PIVs. Securities of ETFs or other PIVs may be leveraged, in which case the value and/or yield of such securities will tend to be more volatile than securities of unleveraged vehicles.
Real Estate Investment Risk. The Fund invests in companies in the real estate industry, including REITs. Therefore, the Fund is subject to the risks associated with investing in real estate, which may include, but are not limited to, fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures or operating expenses; and other economic, political or regulatory occurrences affecting companies in the real estate industry.

The Fund invests in real estate companies that may be adversely impacted by the downturn in the subprime mortgage lending market in the United States. Subprime loans have higher defaults and losses than prime loans. Subprime loans also have higher delinquency rates than prime loans. The downturn in the subprime mortgage lending market may have far-reaching consequences into many aspects and geographic regions of the real estate business, and consequently, the value of the Fund may decline in response to such developments.

REIT Investment Risk. In addition to risks related to investments in real estate generally, investing in REITs involves certain other risks related to their structure and focus, which include, but are not limited to, dependency upon management skills, limited diversification, the risks of locating and managing financing for projects, heavy cash flow dependency, possible default by borrowers, the costs and potential losses of self-liquidation of one or more holdings, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages, changes in neighborhood values and appeal to purchases, the possibility of failing to maintain exemptions from registration under the 1940 Act and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities.

Senior Loans Risk. Senior loan securities are subject to numerous risks, including credit risk, interest-rate risk, income risk and prepayment risk. Senior floating-rate loans are usually rated below investment grade but may also be unrated. As a result, the risks associated with these loans are similar to the risks of high-yield fixed-income instruments. An economic downturn would generally lead to a higher non-payment rate, and a loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan’s value. Unlike the securities markets, there is no central clearinghouse for loan trades, and the loan market has not established enforceable settlement standards or remedies for failure to settle. Therefore, portfolio transactions in loans may have uncertain settlement time periods. Floating rate loans are subject to prepayment risk. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among loan investors, among others. As such, prepayments cannot be predicted with accuracy. Upon a prepayment, either in part or in full, the actual outstanding debt on which the Fund derives interest income will be reduced. The Fund may not be able to reinvest the proceeds received on terms as favorable as the prepaid loan.

Smaller Companies Risk. The Funds invest in small and/or mid-capitization companies. Such companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than those of larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

What are the Costs of Investing? The estimated expense ratio for each Fund, based on the class of the Fund unit, is provided in the table below. A portion of this expense may be paid to the Trustee as well as other service providers for services provided to the Funds.

<table>
<thead>
<tr>
<th>Target Date</th>
<th>UNIT CLASS</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
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<tr>
<td>R0</td>
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<td>0.36%</td>
<td>0.34%</td>
<td>0.35%</td>
<td>0.35%</td>
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</tr>
<tr>
<td>R2*</td>
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<td>1.05%</td>
<td>1.03%</td>
<td>1.04%</td>
<td>1.04%</td>
<td></td>
</tr>
<tr>
<td>R3*</td>
<td>1.39%</td>
<td>1.30%</td>
<td>1.28%</td>
<td>1.29%</td>
<td>1.29%</td>
<td></td>
</tr>
</tbody>
</table>

*For participating employer plans selecting the R2 or R3 share class, a portion of this expense will also be paid from the Trust as service fees to certain brokers and third-party administrators/recordkeepers for services provided to the employer’s plan based on the average daily value of the employer plan’s assets held in the Fund. These service fees constitute “plan expense reimbursements” paid to designated service providers for services to such employer’s plan and are described in further detail and authorized in the Participation Agreement that each plan sponsor executes with the Trustee in order to include the Fund as one of the plan’s investment options. The R2 share class includes a broker service fee of 0.25% and a record keeping service fee of 0.15%. The R3 share class includes a broker service fee of 0.50% and a record keeping service fee of 0.15%.