



Hand Composite Employee Benefit Trust Aegon Large Cap Equity CIF

**Independent Auditor's Report and
Financial Statements**

December 31, 2023



Hand Composite Employee Benefit Trust

December 31, 2023

Contents

Independent Auditor's Report	1
Basic Financial Statements	
Statement of Assets and Liabilities – Selected Fund	3
Schedule of Investments	
Aegon Large Cap Equity CIF	4
Statement of Operations – Selected Fund	7
Statement of Changes in Net Assets – Selected Fund	8
Notes to Financial Statements	9
Supplemental Information	
Schedule of Investment Purchases and Sales – Selected Fund	14

Independent Auditor's Report

To the Unitholders and Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

Opinion

We have audited the accompanying financial statements of the selected fund, Aegon Large Cap Equity CIF, included in the Hand Composite Employee Benefit Trust, which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2023, and the related statements of operations and changes in net assets for the period October 31, 2023 (inception) to December 31, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the selected fund, included in the Hand Composite Employee Benefit Trust, as of December 31, 2023, and the results of its operations and the changes in its net assets for the period October 31, 2023 (inception) to December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Hand Composite Employee Benefit Trust and the selected fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust and the selected fund's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hand Composite Employee Benefit Trust and the selected fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust and the selected fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the selected fund's basic financial statements. The schedule of investment purchases and sales listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

FORVIS,LLP

Houston, Texas
May 31, 2024

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2023

	<u>Aegon Large Cap Equity CIF</u>
Assets	
Investments, at cost	\$ 18,940,036
Investments, at fair value	\$ 21,460,829
Receivable for:	
Dividends and interest	39,017
Total assets	<u>\$ 21,499,846</u>
Liabilities	
Management fee payable	\$ 3,688
Accounts payable and accrued liabilities	13,495
Total liabilities	<u>\$ 17,183</u>
Net assets held for participants:	
Class R0	<u>\$ 21,482,663</u>
Total net assets held for participants	<u>\$ 21,482,663</u>
Units outstanding:	
Class R0	<u>1,874,225</u>
Total units outstanding	<u>1,874,225</u>
Net asset value per unit:	
Class R0	<u>\$ 11.46</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
Aegon Large Cap Equity CIF
December 31, 2023

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
196,713	State Street Institutional U.S. Government Money Market Fund 5.32%	\$ 196,713	\$ 196,713
Total Short Term Investment		0.96%	196,713
<u>Common Stocks</u>			
<u>Consumer Discretionary</u>			
6,188	Amazon.com, Inc.	822,417	940,205
1,251	Darden Restaurants, Inc.	179,427	205,539
2,617	NIKE, Inc. Class B	267,090	284,128
1,533	Tesla, Inc.	304,832	380,920
Total Consumer Discretionary		8.84%	1,573,766
<u>Consumer Staples</u>			
3,959	Colgate-Palmolive Co.	296,833	315,572
861	Costco Wholesale Corp.	473,225	568,329
6,619	Kroger Co.	298,065	302,554
1,683	McCormick & Co., Inc.	107,430	115,151
10,741	Nomad Foods Ltd.	148,959	182,060
Total Consumer Staples		7.24%	1,324,512
<u>Energy</u>			
3,007	Chevron Corp.	438,677	448,524
3,836	Exxon Mobil Corp.	393,095	383,523
Total Energy		4.06%	831,772
<u>Financials</u>			
746	Aon PLC Class A	231,849	217,101
1,976	CME Group, Inc.	419,448	416,145
4,318	JPMorgan Chase & Co.	596,807	734,492
3,157	MetLife, Inc.	193,060	208,772
771	Moody's Corp.	235,459	301,122
946	Progressive Corp.	154,091	150,679
2,461	State Street Corp.	166,103	190,629
2,162	Visa, Inc. Class A	504,876	562,877
Total Financials		13.58%	2,501,693
<u>Health Care</u>			
1,172	Danaher Corp.	224,273	271,131
433	Elevance Health, Inc.	195,058	204,185
1,756	Gilead Sciences, Inc.	136,271	142,254
1,130	ICON PLC	275,019	319,869
476	IDEXX Laboratories, Inc.	189,099	264,204
2,003	Medtronic PLC	140,668	165,007
4,808	Merck & Co., Inc.	494,935	524,168
6,576	Pfizer, Inc.	196,152	189,323
860	Quest Diagnostics, Inc.	111,861	118,577
2,483	Twist Bioscience Corp.	38,093	91,523
Total Health Care		11.18%	2,290,241

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Aegon Large Cap Equity CIF (Continued)
December 31, 2023

Number of Shares		Cost	Fair Value
<u>Common Stocks (continued)</u>			
<i>Industrials</i>			
769	Advanced Drainage Systems, Inc.	\$ 108,094	\$ 108,152
715	Automatic Data Processing, Inc.	154,412	166,574
368	Deere & Co.	133,492	147,152
1,590	Eaton Corp. PLC	327,847	382,904
2,441	Republic Services, Inc.	365,894	402,545
1,512	Tetra Tech, Inc.	227,709	252,398
1,182	Timken Co.	82,094	94,737
391	Veralto Corp.	26,752	32,164
276	Watsco, Inc.	95,893	118,258
2,391	Xylem, Inc.	220,027	273,435
	Total Industrials	9.66% <u>1,742,214</u>	<u>1,978,319</u>
<i>Information Technology</i>			
411	Adobe, Inc.	255,346	245,202
8,537	Apple, Inc.	1,440,063	1,643,629
720	Arista Networks, Inc.	138,217	169,567
988	Autodesk, Inc.	193,286	240,558
551	Broadcom, Inc.	461,898	615,054
1,065	Cadence Design Systems, Inc.	249,848	290,074
6,356	Cisco Systems, Inc.	328,935	321,105
1,794	Cloudflare, Inc. Class A	153,005	149,368
679	CrowdStrike Holdings, Inc. Class A	117,847	173,362
1,969	Dynatrace, Inc.	105,324	107,685
1,406	First Solar, Inc.	202,718	242,226
4,518	Microsoft Corp.	1,523,384	1,698,949
1,662	NVIDIA Corp.	662,520	823,056
357	ServiceNow, Inc.	203,719	252,217
845	Workiva, Inc.	73,192	85,793
	Total Information Technology	34.46% <u>6,109,302</u>	<u>7,057,845</u>
<i>Materials</i>			
523	Albemarle Corp.	65,585	75,563
1,350	Ecolab, Inc.	218,956	267,772
1,134	Linde PLC	429,509	465,745
942	Sherwin-Williams Co.	222,707	293,810
	Total Materials	5.38% <u>936,757</u>	<u>1,102,890</u>
<i>Real Estate</i>			
1,351	American Tower Corp. REIT	236,048	291,654
	Total Real Estate	1.42% <u>236,048</u>	<u>291,654</u>
<i>Telecommunication Services</i>			
3,823	Alphabet, Inc. Class A	475,680	534,035
3,762	Alphabet, Inc. Class C	472,718	530,179
	Total Telecommunication Services	5.20% <u>948,398</u>	<u>1,064,214</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Aegon Large Cap Equity CIF (Continued)
December 31, 2023

Number of Shares		Cost	Fair Value
<i><u>Common Stocks (continued)</u></i>			
<i>Utilities</i>			
4,187	Essential Utilities, Inc.	\$ 142,759	\$ 156,384
6,820	NextEra Energy, Inc.	394,673	414,247
	Total Utilities	2.79% <u>537,432</u>	<u>570,631</u>
	Total Common Stocks	103.82% <u>18,743,323</u>	<u>21,264,116</u>
	Total Investments	104.78% \$ <u>18,940,036</u>	\$ <u>21,460,829</u>

Abbreviations used in this table:

REIT Real Estate Investment Trust

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
For the Period October 31, 2023 (Inception) to December 31, 2023

	Aegon Large Cap Equity CIF⁽¹⁾
Income	
Interest	\$ 7,105
Dividends	<u>74,932</u>
Total income	<u>82,037</u>
Expenses	
Trustee and administrative	13,494
Class R0 expenses	<u>6,989</u>
Total expenses	<u>20,483</u>
Net Investment Income	<u>61,554</u>
Net Realized Gains	158,062
Change in Net Unrealized Appreciation/Depreciation	<u>2,520,793</u>
Net Realized and Unrealized Gains on Investments	<u>2,678,855</u>
Net Increase in Net Assets Resulting From Operations	<u><u>\$ 2,740,409</u></u>

⁽¹⁾ For the period October 31, 2023 (inception date) to December 31, 2023

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
For the Period October 31, 2023 (Inception) to December 31, 2023

	Aegon Large Cap Equity CIF⁽¹⁾
Operations	
Net investment income	\$ 61,554
Net realized gains	158,062
Change in net unrealized appreciation/depreciation	2,520,793
Net increase in net assets from operations	2,740,409
Net Increase in Net Assets From Participant Unit Transactions	18,742,254
Increase in Net Assets	21,482,663
Net Assets	
Beginning of year	-
End of year	\$ 21,482,663

⁽¹⁾ For the period October 31, 2023 (inception date) to December 31, 2023

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hand Composite Employee Benefit Trust (“HB&T” or “the Trust”) was created in order to provide broad and uniform diversification programs for pension and profit sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 76 portfolios (the Funds); the financial statements of one of those funds, the Aegon Large Cap Equity CIF (the Fund), are included in this report.

Each class of the Fund has equal rights as to earnings and assets except that each class bears different distribution, shareholder servicing, and transfer agent expenses. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments and foreign currency are allocated to each class of units based on its relative net assets.

The reporting period is October 31, 2023 (inception) to December 31, 2023.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of investment income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation

All investments in securities are recorded at their estimated fair value. Transfers in and out of Level 1 (quoted market prices), Level 2 (significant other observable inputs), and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Investment Transactions

Investment transactions are accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments are reported on the identified cost basis.

Investment Income and Distribution of Income

Dividend income less foreign taxes withheld, if any, is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Fund until units owned

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Fund are reinvested, thereby increasing the respective unit values.

Valuation of Participants' Interest

Units of participation may be purchased or redeemed on the valuation dates at the fair value per unit on such valuation dates. The Fund is valued daily.

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and apportion all of its taxable income to its participants. Therefore, no federal income tax provision is required.

Subsequent Events

Subsequent events have been evaluated through May 31, 2024, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is Aegon Asset Management UK PLC.

Note 2: Investment Advisory Fees and Other Transactions with Affiliates

The Fund is charged a fee by HB&T for trustee/administrative services and other fees which include fund accounting services, transfer agency services, custody services, etc. The Fund has also entered into investment advisory and service agreements with a third-party advisor. These fees compensate the advisor for the services it provides and for expenses borne by the advisor under the agreement.

During the period ended December 31, 2023, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

The following table indicates the fees charged to the Fund and the various classes of units within the Fund (as a percentage of net assets). These charges are calculated using the Fund's prior day total net assets.

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
Aegon Large Cap Equity CIF:				
Class R0	0.00%	0.03%	0.07%	0.10%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Note 3: Financial Highlights

	Aegon Large Cap Equity CIF⁽¹⁾
	Class R0
Net asset value, beginning of year	\$ 10.00
Net investment income	0.03
Net realized and unrealized gains	1.43
Net increase from investment operations	1.46
Net asset value, end of year	\$ 11.46
Total return	14.60%
Ratio to average net assets:	
Net investment income	1.73% ⁽²⁾
Expenses without reimbursement	0.58% ⁽²⁾
Expenses with reimbursement	0.58% ⁽²⁾

⁽¹⁾ For the period October 31, 2023 (inception date) to December 31, 2023

⁽²⁾ Annualized

Note 4: Participant Unit Transactions

	Aegon Large Cap Equity CIF⁽¹⁾	
	Units	Dollars
Class R0:		
Proceeds from sales of units	1,874,225	\$ 18,742,254
Cost of units redeemed	-	-
Net change in Class R1 from participant transactions	1,874,225	18,742,254
Net change in net assets from participant unit transactions		\$ 18,742,254

⁽¹⁾ For the period October 31, 2023 (inception date) to December 31, 2023

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Note 5: Disclosures About Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices in active markets for identical assets or liabilities that the Fund can access at measurement date.
- Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities that the Fund can access at the measurement date; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of assets and liabilities, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the period ended December 31, 2023.

Short Term Investments. Short term investments, including money market funds, for which market quotations are readily available, are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

Common Stocks. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depositary Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy.

The following table presents the fair value measurements of assets recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2023

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Aegon Large Cap Equity CIF				
Short Term Investment	\$ 196,713	\$ 196,713	\$ -	\$ -
Common Stocks	21,264,116	21,264,116	-	-
Total	\$ 21,460,829	\$ 21,460,829	\$ 0	\$ 0

Note 6: Risk Factors

Investment Securities Risk

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
Aegon Large Cap Equity CIF
For the Period October 31, 2023 (Inception) to December 31, 2023

Purchases

Investment Class	Cost
Common Stocks	\$ 20,425,923
Total Investments Purchased	\$ 20,425,923

Sales

Investment Class	Proceeds	Cost	Gains
Common Stocks	\$ 1,840,663	\$ 1,682,601	\$ 158,062
Total Investments Sold	\$ 1,840,663	\$ 1,682,601	\$ 158,062