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# **Hand Composite Employee Benefit Trust Agilis Long Credit Fund**

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

December 31, 2023

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**Hand Composite Employee Benefit Trust**  
**December 31, 2023**

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## Independent Auditor's Report

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

### ***Opinion***

We have audited the financial statements of the selected fund, Agilis Long Credit Fund, 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 year then ended, 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 year then ended 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 going concerns 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 the 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 going concerns 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 basic 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**

	<b>Agilis Long Credit Fund</b>
<b>Assets</b>	
Investments, at cost	\$ 354,813,090
Investments, at fair value	\$ 322,066,086
Cash denominated in foreign currencies (cost - \$80,015)	80,927
Unrealized gain on foreign currency forward exchange contracts	19,617
Deposits with brokers for open futures contracts	247,000
Receivable from broker - variation margin on open futures contracts	23,994
Deposits with brokers for Centrally Cleared swap contracts	787,000
Over the Counter swaps, at value (net premiums paid - \$7,178)	11,866
Receivable for dividends and interest	3,799,794
Dividends and interest receivable	1,046,035
Other assets	256,276
Total assets	\$ 328,338,595
<b>Liabilities</b>	
Payable to broker - variation margin on Centrally Cleared swap contracts	\$ 189,200
Payable for investment securities purchased	12,661,636
Written options, at value (premiums received - \$10,594)	11,885
Unrealized loss on foreign currency forward exchange contracts	10,840
Accounts payable and accrued liabilities	230,525
Total liabilities	\$ 13,104,086
Net assets held for participants - Class R	\$ 315,234,509
Units outstanding - Class R	21,461,509
Net asset value per unit - Class R	\$ 14.69

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments**  
**Agilis Long Credit Fund**  
**December 31, 2023**

Number of Shares or Principal Amount		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
4,094,595	Blackrock Liquid Treasury Instl Var Rt	\$ 4,094,595	\$ 4,094,595
	Total Short Term Investment	1.30% <u>4,094,595</u>	<u>4,094,595</u>
<b><u>US Government &amp; Agency Obligations</u></b>			
<b><u>US Government Obligations</u></b>			
\$ 1,000,000	U S Treasury Note 3.875% 08/15/2033 DD 08/15/23	1,004,223	1,000,781
118,161	US Treas-CPI Inflat 0.125% 02/15/2051 DD 02/15/21	85,121	73,811
358,974	US Treas-CPI Inflat 0.250% 02/15/2050 DD 02/15/20	261,480	236,032
5,692,000	US Treasury Bd Prin Strip 0.000% 02/15/2049 DD 02/15/19	3,560,996	2,022,127
1,894,000	US Treasury Bd Prin Strip 0.000% 05/15/2044 DD 05/15/14	942,692	803,619
1,300,000	US Treasury Bond 2.250% 05/15/2041 DD 05/15/21	948,477	994,094
3,400,000	US Treasury Bond 2.375% 02/15/2042 DD 02/15/22	2,515,484	2,619,063
1,300,000	US Treasury Bond 2.500% 02/15/2046 DD 02/15/16	912,411	979,672
1,800,000	US Treasury Bond 3.375% 08/15/2042 DD 08/15/22	1,533,695	1,611,070
37,238,000	US Treasury Bond 3.750% 08/15/2041 DD 08/15/11	32,788,431	35,560,836
1,600,000	US Treasury Bond 4.000% 11/15/2042 DD 11/15/22	1,555,464	1,560,625
730,000	US Treasury Bond 4.375% 08/15/2043 DD 08/15/23	746,317	747,908
2,300,000	US Treasury Bond 4.750% 11/15/2043 DD 11/15/23	2,493,825	2,475,734
1,046,000	US Treasury Note 4.125% 11/15/2032 DD 11/15/22	832,566	1,065,245
	Total US Government Obligations	16.42% <u>50,181,182</u>	<u>51,750,617</u>
<b><u>Non-US Government Bond</u></b>			
100,000	Abu Dhabi Government International144a 2.700% 09/02/2070 DD 09/02/20	100,000	63,210
200,000	Chile Government International 3.500% 04/15/2053 DD 04/15/21	200,000	150,369
100,000	Chile Government International 5.330% 01/05/2054 DD 07/05/23	99,925	99,384
100,000	Romanian Government International 144a 3.750% 02/07/2034	111,826	94,941
200,000	Saudi Government International 144A 5.000% 01/18/2053 DD 01/18/23	185,578	188,264
	Total Non-US Government Bond	0.19% <u>697,329</u>	<u>596,168</u>
<b><u>Municipals</u></b>			
100,000	Gainesville & Hall Cnty GA Hos 3.000% 02/15/2054 DD 09/09/21	100,000	69,583
100,000	Univ of Minnesota Mn 4.048% 04/01/2052 DD 04/19/22	100,000	90,175
	Total Municipals	0.05% <u>200,000</u>	<u>159,758</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

Principal Amount		Cost	Fair Value
<i><u>Corporate Bonds</u></i>			
<i>Consumer Discretionary</i>			
\$ 100,000	Aptiv PLC 3.100% 12/01/2051 DD 11/23/21	\$ 97,908	\$ 65,438
200,000	General Motors Co 5.600% 10/15/2032 DD 08/02/22	199,551	204,916
200,000	Home Depot Inc 2.750% 09/15/2051 DD 09/21/21	197,972	137,126
200,000	Home Depot Inc 4.950% 09/15/2052 DD 09/19/22	197,344	202,925
300,000	Lowe's Cos Inc 5.800% 09/15/2062 DD 09/08/22	287,975	318,981
100,000	Warnermedia Holdings Inc 5.141% 03/15/2052 DD 03/15/23	100,000	86,286
200,000	Warnermedia Holdings Inc 5.391% 03/15/2062 DD 03/15/23	209,815	172,300
	Total Consumer Discretionary	0.38% <u>1,290,565</u>	<u>1,187,972</u>
<i>Consumer Staples</i>			
200,000	Altria Group Inc 3.700% 02/04/2051 DD 02/04/21	163,163	141,291
100,000	BAT Capital Corp 2.726% 03/25/2031 DD 09/25/20	100,000	83,986
	Total Consumer Staples	0.07% <u>263,163</u>	<u>225,277</u>
<i>Energy</i>			
100,000	Boardwalk Pipelines LP 3.600% 09/01/2032 DD 02/16/22	99,919	88,934
100,000	Cheniere Corpus Christi Holdings 2.742% 12/31/2039 DD 12/31/21	100,000	79,672
100,000	Ecopetrol SA 5.875% 11/02/2051 DD 11/02/21	100,000	75,631
100,000	Enbridge Inc Var Rt 01/15/2083 DD 09/20/22	100,000	100,136
200,000	Energy Transfer Lp 5.300% 04/15/2047 DD 01/17/17	171,360	183,975
200,000	MPLX LP 4.950% 09/01/2032 DD 08/11/22	199,004	196,050
200,000	Occidental Petroleum Corp 6.200% 03/15/2040 DD 09/15/19	196,337	206,500
100,000	Occidental Petroleum Corp 8.875% 07/15/2030 DD 07/13/20	113,798	117,020
100,000	Ovintiv Inc 7.100% 07/15/2053 DD 05/31/23	99,692	110,306
100,000	Targa Resources Partners LP / 4.000% 01/15/2032 DD 02/02/21	100,000	91,481
100,000	Transcanada Trust Var Rt 03/07/2082 DD 03/07/22	100,000	83,774
	Total Energy	0.42% <u>1,380,110</u>	<u>1,333,479</u>
<i>Financials</i>			
200,000	AerCap Ireland Capital Dac A 3.300% 01/30/2032 DD 10/29/21	199,386	174,266
200,000	Banco Santander SA 5.294% 08/18/2027 DD 08/18/22	200,068	200,805
100,000	Bellis Acquisition Co PLC Regs 3.250% 02/16/2026	138,450	118,035
200,000	Lloyds Banking Group Plc VAR RT 12/31/2049 DD 03/13/23	200,000	200,437
200,000	Mitsubishi Ufj Financial Group VAR RT 12/31/2049 DD 10/26/23	200,000	216,999
200,000	Morgan Stanley Var Rt 02/13/2032 DD 11/13/20	200,000	159,962



**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

Principal Amount		Cost	Fair Value
<i>Financials (continued)</i>			
\$ 100,000	PNC Financial Services Group I Var Rt 12/31/2049 DD 09/13/21	\$ 100,000	\$ 80,078
400,000	Royal Bank of Canada Var Rt 11/24/2081	332,806	229,241
100,000	SLM Corp 3.125% 11/02/2026 DD 11/01/21	99,666	93,244
200,000	SVB Financial Group Var Rt 12/31/2049 DD 02/02/21	166,905	2,000
200,000	Synchrony Financial 7.250% 02/02/2033 DD 02/02/23	199,374	198,868
100,000	Wells Fargo & Co Var Rt 07/25/2033 DD 07/25/22	100,000	97,555
	Total Financials	0.56% <u>2,136,655</u>	<u>1,771,490</u>
<i>Healthcare</i>			
200,000	Amgen Inc 5.650% 03/02/2053 DD 03/02/23	199,715	211,359
100,000	Beth Israel Lahey Health Inc 3.080% 07/01/2051 DD 11/16/21	100,000	64,548
100,000	Bio-Rad Laboratories Inc 3.700% 03/15/2032 DD 03/02/22	99,776	90,445
100,000	Bristol-Myers Squibb Co 3.900% 03/15/2062 DD 03/02/22	99,526	78,354
100,000	Cvs Health Corp 5.625% 02/21/2053 DD 02/21/23	95,835	101,784
200,000	Cvs Health Corp 6.000% 06/01/2063 DD 06/02/23	198,148	212,952
100,000	Hca Inc 4.625% 03/15/2052 DD 03/15/23	101,292	85,371
100,000	HOAG Memorial Hospital Presbyterian 3.803% 07/15/2052 DD	100,000	82,426
100,000	Integris Baptist Medical Center 3.875% 08/15/2050 DD 10/13/20	100,000	76,762
200,000	Pfizer Investment Enterprises 5.300% 05/19/2053 DD 05/19/23	199,704	204,984
100,000	Royalty Pharma Plc 3.550% 09/02/2050 DD 03/02/21	69,413	71,115
	Total Healthcare	0.41% <u>1,363,409</u>	<u>1,280,100</u>
<i>Industrials</i>			
200,000	Boeing Co 3.625% 02/01/2031 DD 11/02/20	199,911	186,064
100,000	Claremont Mckenna College 3.775% 01/01/2122 DD 01/26/22	100,000	68,369
100,000	CSX Corp 4.650% 03/01/2068 DD 02/20/18	95,674	92,124
100,000	Global Payments Inc 5.950% 08/15/2052 DD 08/22/22	99,568	102,224
100,000	MDC Holdings Inc 3.966% 08/06/2061 DD 08/06/21	100,000	65,410
	Total Industrials	0.16% <u>595,153</u>	<u>514,191</u>
<i>Information Technology</i>			
200,000	Apple Inc 4.850% 05/10/2053 DD 05/10/23	199,007	204,647
100,000	International Business Machine 4.900% 07/27/2052 DD 07/27/22	98,644	96,789
300,000	Oracle Corp 4.100% 03/25/2061 DD 03/24/21	299,452	229,622
	Total Information Technology	0.17% <u>597,103</u>	<u>531,058</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

Principal Amount		Cost	Fair Value
<i>Real Estate</i>			
\$ 100,000	Alexandria Real Estate Equities 3.000% 05/18/2051 DD 02/18/21	\$ 99,611	\$ 66,175
100,000	Host Hotels & Resorts LP 3.500% 09/15/2030 DD 08/20/20	99,719	89,302
100,000	National Health Investors Inc 3.000% 02/01/2031 DD 01/26/21	99,411	80,066
100,000	National Retail Properties Inc 3.000% 04/15/2052 DD 09/24/21	97,797	65,371
100,000	Piedmont Operating Partnership 3.150% 08/15/2030 DD 08/12/20	99,005	75,827
100,000	Prologis Lp 5.250% 06/15/2053 DD 03/30/23	97,368	104,299
150,000	Sabra Health Care LP 3.200% 12/01/2031 DD 09/30/21	148,947	122,764
	Total Real Estate	0.19% <u>741,858</u>	<u>603,804</u>
<i>Telecommunication Services</i>			
200,000	Alibaba Group Holding Ltd 3.150% 02/09/2051 DD 02/09/21	198,921	131,624
100,000	Meta Platforms Inc 4.650% 08/15/2062 DD 08/09/22	99,828	93,552
100,000	Meta Platforms Inc 5.600% 05/15/2053 DD 05/03/23	99,727	108,909
	Total Telecommunication Services	0.11% <u>398,476</u>	<u>334,085</u>
<i>Utilities</i>			
100,000	Appalachian Power Co 4.500% 08/01/2032 DD 08/01/22	99,771	96,433
100,000	AT&T Inc 3.800% 12/01/2057 DD 06/01/21	81,829	74,669
200,000	At&T Inc 5.400% 02/15/2034 DD 06/02/23	199,353	206,679
100,000	Dominion Energy Inc Var Rt 12/31/2049 DD 12/09/21	100,000	88,746
200,000	Duke Energy Corp 5.000% 08/15/2052 DD 08/11/22	199,190	187,484
100,000	Duke Energy Florida LLC 5.950% 11/15/2052 DD 11/10/22	99,372	109,842
200,000	Edison International Var Rt 12/31/2049 DD 03/09/21	200,000	189,160
100,000	Edison International Var Rt 12/31/2049 DD 11/12/21	100,000	93,110
100,000	Entergy Arkansas LLC 2.650% 06/15/2051 DD 09/11/20	99,631	63,087
100,000	Entergy Louisiana LLC 2.900% 03/15/2051 DD 03/06/20	104,099	66,994
50,000	Georgia Power Co 3.250% 03/15/2051 DD 02/26/21	49,956	36,346
50,000	Nextera Energy Capital Holding 5.050% 02/28/2033 DD 02/09/23	49,991	50,188
50,000	Nextera Energy Capital Holding 5.250% 02/28/2053 DD 02/09/23	49,980	49,314
100,000	Pacific Gas And Electric Co 4.300% 03/15/2045 DD 11/06/14	93,629	78,516
400,000	PacifiCorp 2.900% 06/15/2052 DD 07/09/21	397,100	258,304
200,000	Pacificorp 5.500% 05/15/2054 DD 05/17/23	199,912	196,821
300,000	San Diego Gas & Electric Co 5.350% 04/01/2053 DD 03/10/23	296,894	304,818
100,000	T-Mobile USA Inc 3.300% 02/15/2051 DD 02/15/21	99,810	72,572
100,000	T-Mobile USA Inc 3.600% 11/15/2060 DD 05/15/21	99,762	72,776
100,000	T-Mobile USA Inc 5.650% 01/15/2053 DD 09/15/22	99,731	104,506
27,000	Verizon Communications Inc 2.850% 09/03/2041 DD 09/03/21	26,951	20,026
133,000	Verizon Communications Inc 3.700% 03/22/2061 DD 03/22/21	145,535	101,741

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

Number of Shares/ Principal Amount		Cost	Fair Value
<i>Utilities (continued)</i>			
\$ 100,000	Verizon Communications Inc 4.522% 09/15/2048 DD 03/13/15	\$ 85,111	\$ 91,529
200,000	Verizon Communications Inc 5.050% 05/09/2033 DD 05/09/23	199,764	204,430
200,000	Virginia Electric and Power Co 2.450% 12/15/2050 DD 12/15/20	197,050	123,384
	Total Utilities	0.93% <u>3,374,421</u>	<u>2,941,475</u>
	Total Corporate Bonds	3.40% <u>12,140,913</u>	<u>10,722,931</u>
<b><u>Exchange-traded Funds</u></b>			
<i>Fixed Income</i>			
663,259	iShares 10+ Year Inv Gr Corp	33,006,601	34,947,117
436,299	Vanguard Long-term Corp Bond	33,007,989	34,969,366
	Total Fixed Income	22.18% <u>66,014,590</u>	<u>69,916,483</u>
	Total Exchange-traded Funds	22.18% <u>66,014,590</u>	<u>69,916,483</u>
<b><u>Mutual Funds</u></b>			
<i>Fixed Income</i>			
6,504,581	PAPS Long Duration Credit Bond Portfolio	82,892,282	62,899,303
32,595	PIMCO Funds Short Term Fltg NAV Port	326,416	326,406
3,796,306	Vanguard Long-term Investment Grade	40,679,759	30,863,965
	Total Fixed Income	29.85% <u>123,898,457</u>	<u>94,089,674</u>
	Total Mutual Funds	29.85% <u>123,898,457</u>	<u>94,089,674</u>
<b><u>Private Placements</u></b>			
\$ 100,000	Ares Finance Co III LLC 144a Var Rt 06/30/2051 DD 06/30/21	100,000	84,746
100,000	Ares Finance Co IVLLC 144a 3.650% 02/01/2052 DD 01/21/22	97,869	71,504
100,000	Blackstone Holdings Finan 144a 2.850% 08/05/2051 DD 08/05/21	99,759	63,647
100,000	Boston Gas Co 144a 3.757% 03/16/2032 DD 03/16/22	100,000	88,980
200,000	CSN Resources SA 144a 4.625% 06/10/2031 DD 06/10/21	200,000	163,623
100,000	Electricite De France Sa 144A 6.250% 05/23/2033 DD 05/23/23	99,901	108,422
100,000	EQM Midstream Partners LP 144a 4.750% 01/15/2031 DD 01/08/21	100,000	93,064
200,000	Export-Import Bank of India 144a 2.250% 01/13/2031 DD 01/13/21	186,974	167,094
100,000	Flex Intermediate Holdco 144a 3.363% 06/30/2031 DD 05/28/21	100,006	81,875
50,000	Freedom Mortgage Corp 144A 6.625% 01/15/2027 DD 07/15/23	45,035	47,645

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

Number of Shares/ Principal Amount		Cost	Fair Value
<b><u>Private Placements (continued)</u></b>			
\$ 300,000	Glencore Funding LLC 144a 3.875% 04/27/2051 DD 04/27/21	\$ 299,917	\$ 232,493
100,000	Global Atlantic Fin Co 144a Var Rt 10/15/2051 DD 07/06/21	100,000	85,684
200,000	Intesa Sanpaolo SPA 144a Var Rt 06/01/2042 DD 06/01/21	209,355	142,590
100,000	Intesa Sanpaolo Spa 144A VAR RT 06/20/2054 DD 06/20/23	100,000	103,935
100,000	Lenovo Group Ltd 144a 6.536% 07/27/2032 DD 07/27/22	100,000	106,559
200,000	Melco Resorts Finance Ltd 144a 5.375% 12/04/2029 DD 12/04/19	206,130	176,074
100,000	MPH Acquisition Holdings 144a 5.500% 09/01/2028 DD 08/24/21	100,000	89,541
200,000	Prosus Nv 144a 3.832% 02/08/2051 DD 12/08/20	200,014	126,181
250,000	Reliance Industries Ltd 144a 3.750% 01/12/2062 DD 01/12/22	247,395	180,858
110,000	Santos Finance Ltd 144a 3.649% 04/29/2031 DD 04/29/21	110,029	95,872
200,000	Saudi Arabian Oil Co 144a 3.250% 11/24/2050 DD 11/24/20	198,236	141,791
200,000	Sierra Pacific Power Co 144A 5.900% 03/15/2054 DD 09/15/23	198,744	212,499
200,000	Societe Generale SA 144a 3.625% 03/01/2041 DD 03/01/21	199,896	136,879
200,000	Standard Chartered Plc 144A VAR RT 07/06/2034 DD 07/06/23	200,000	210,220
200,000	TSMC Global Ltd 144a 1.375% 09/28/2030 DD 09/28/20	198,737	162,468
400,000	UniCredit SPA 144a Var Rt 04/02/2034 DD 04/02/19	462,042	411,628
200,000	Xiaomi Best Time Internat 144a 4.100% 07/14/2051 DD 07/14/21	207,147	142,608
200,000	XP Inc 144a 3.250% 07/01/2026 DD 07/01/21	198,821	187,562
	Total Private Placements	1.24% <u>4,666,007</u>	<u>3,916,042</u>
<b><u>Common Trust Funds</u></b>			
<b><u>Fixed Income</u></b>			
9,077,984	SLC Management Long Credit CIT	92,920,017	86,819,818
	Total Fixed Income	27.54% <u>92,920,017</u>	<u>86,819,818</u>
	Total Common Trust Funds	27.54% 92,920,017	86,819,818
	Total Investments	102.17% <u>\$ 354,813,090</u>	<u>\$ 322,066,086</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Agilis Long Credit Fund (Continued)**  
**Year Ended December 31, 2023**

**Schedule of Written Options**

Security	Maturity Date	Strike Price	Contracts	Value
Interest Rate Swap, 2.65%, for 6 Month LIBOR, call	1/4/2024	\$ 0.328	100,000	\$ (1,620)
Interest Rate Swap, 3.03%, for 6 Month LIBOR, Put	1/4/2024	0.328	100,000	(0)
Interest Rate Swap, SOFR for 3.6475%, Call	1/4/2024	0.455	100,000	(1,506)
Interest Rate Swap, SOFR for 3.67%, Call	1/4/2024	0.470	100,000	(1,674)
Interest Rate Swap, SOFR for 4.12%, Put	1/4/2024	0.470	100,000	(0)
Interest Rate Swap, SOFR for 3.56%, Call	1/5/2024	0.513	100,000	(944)
Interest Rate Swap, SOFR for 3.59%, Call	1/5/2024	0.500	100,000	(1,158)
Interest Rate Swap, SOFR for 4.01%, Put	1/5/2024	0.513	100,000	(0)
Interest Rate Swap, SOFR for 4.04%, Put	1/5/2024	0.500	100,000	(0)
Interest Rate Swap, 2.44%, for 6 Month LIBOR, Call	1/8/2024	0.207	100,000	(397)
Interest Rate Swap, 2.86%, for 6 Month LIBOR, Put	1/8/2024	0.207	100,000	(3)
Interest Rate Swap, SOFR for 3.45%, Call	1/8/2024	0.485	100,000	(534)
Interest Rate Swap, SOFR for 3.99%, Put	1/8/2024	0.485	100,000	(3)
Interest Rate Swap, 2.49%, for 6 Month LIBOR, call	1/12/2024	0.360	100,000	(762)
Interest Rate Swap, 2.89%, for 6 Month LIBOR, Put	1/12/2024	0.360	100,000	(23)
Interest Rate Swap, 2.33%, for 6 Month LIBOR, call	1/15/2024	0.383	100,000	(277)
Interest Rate Swap, 2.74%, for 6 Month LIBOR, Put	1/15/2024	0.383	100,000	(138)
Interest Rate Swap, SOFR for 3.27%, Put	1/16/2024	0.426	100,000	(138)
Interest Rate Swap, SOFR for 3.30%, Call	1/16/2024	0.426	100,000	(306)
Interest Rate Swap, SOFR for 3.54%, Call	1/16/2024	0.449	100,000	(1,178)
Interest Rate Swap, SOFR for 3.99%, Put	1/16/2024	0.449	100,000	(17)
Interest Rate Swap, SOFR for 3.22%, Call	1/22/2024	0.405	100,000	(259)
Interest Rate Swap, SOFR for 3.24%, Call	1/22/2024	0.410	100,000	(292)
Interest Rate Swap, SOFR for 3.67%, Put	1/22/2024	0.405	100,000	(347)
Interest Rate Swap, SOFR for 3.69%, Put	1/22/2024	0.410	100,000	(309)
Total Written Option (Premiums received \$10,594)				\$ (11,885)

**Hand Composite Employee Benefit Trust**  
**Statement of Operations – Selected Fund**  
**Year Ended December 31, 2023**

	<b>Agilis Long Credit Fund</b>
<b>Income</b>	
Interest	\$ 1,538,783
Dividends	5,087,159
Total income	6,625,942
<b>Expenses</b>	
Investment management and administrative	215,055
Custody fees	86,972
Audit	23,000
Class level expenses	359,923
Total expenses	684,950
<b>Net Investment Income</b>	5,940,992
<b>Net Realized and Unrealized Gains (Losses) on Investments, Written Options, Futures Contracts, Swap Contracts and Foreign Currency</b>	
Net realized losses on investments	(16,846,334)
Net realized gains on written options	28,957
Net realized gains on futures contracts	491,912
Net realized losses on swap contracts	(427,734)
Net realized gains on foreign currencies	318
Net realized gains on foreign currency forward exchange contracts	17,837
Net realized losses	(16,735,044)
<b>Change in Net Unrealized Appreciation/Depreciation</b>	
Investments	38,073,876
Futures contracts	(351,003)
Swap contracts	133,722
Foreign currencies	(309)
Foreign currency forward exchange contracts	(13,261)
Written options	372,968
Net change in unrealized appreciation/depreciation	38,215,993
Net realized and unrealized change on investments	21,480,949
<b>Net Increase in Net Assets Resulting From Operations</b>	\$ 27,421,941

**Hand Composite Employee Benefit Trust**  
**Statement of Changes in Net Assets – Selected Fund**  
**Year Ended December 31, 2023**

	<b>Agilis Long Credit Fund</b>
<b>Operations</b>	
Net investment income	\$ 5,940,992
Net realized losses	(16,735,044)
Change in unrealized appreciation/depreciation	38,215,993
Net increase in net assets from operations	27,421,941
<b>Net Increase in Net Assets From Participant Transactions</b>	<b>20,411,000</b>
<b>Increase in Net Assets Held for Participants</b>	47,832,941
<b>Net Assets Held for Participants</b>	
Beginning of year	267,401,568
End of year	\$ 315,234,509

# 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 is included in this report.

#### ***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 recorded on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are determined using the identified cost basis.

#### ***Foreign Currency***

Investment securities and other assets and liabilities denominated in, or expected to settle in, foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held.

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short-term securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's



# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at December 31, 2023, resulting from changes in the exchange rates.

### ***Futures Contracts***

The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This is known as the "initial margin" and subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. The daily changes in contract value are recorded as unrealized gains or losses in the statement of operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

### ***Foreign Currency Forward Exchange Contracts***

The Fund may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Fund's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses are included in the statement of operations. These instruments involve market risk, credit risk or both kinds of risks in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates.

### ***Written Options***

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

the option exercise price and the Fund's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Fund from the exercise of the written put option to form the Fund's basis in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Fund.

The risk in writing a covered call option is that the Fund may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Fund is exposed to the risk of loss if the market price of the underlying security increases. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

### ***Purchased Options***

When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Fund realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

### ***Swap Agreements***

The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with other portfolio transactions. Swap agreements are privately negotiated in the over-the-counter market (OTC Swaps) or may be executed on a registered exchange (Centrally Cleared Swaps). Unlike Centrally Cleared Swaps, the Fund has credit exposure to the counterparties of OTC Swaps.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, is recorded as a receivable or payable for variation margin on the statement of assets and liabilities. Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the schedule of investments and restricted cash, if any, is identified on the statement of assets and liabilities. Risks may exceed amounts recorded in the

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

statement of assets and liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, and the possible lack of liquidity with respect to the swap agreements.

OTC swap payments received or made at the beginning of the measurement period are reflected as a premium or deposit, respectively, on the statement of assets and liabilities. These upfront payments are amortized over the life of the swap and are recognized as realized gain or loss in the statement of operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the statement of operations.

For average notional amounts of swaps held during the year ended December 31, 2023, see Note 11.

#### **Credit Default Swaps**

The Fund enters into credit default swap (CDS) contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (*i.e.*, to reduce risk where the Fund has exposure to an issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the notes to financial statements and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized on the statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of December 31, 2023, the total notional value of all credit default swaps to sell protection was \$2,650,000. This amount would be offset by the value of the swap's reference entity, upfront premiums received on the swap and any amounts received from the settlement of a credit default swap where the Fund bought protection for the same referenced security/entity for a notional value, if any.

### **Swaptions**

The Fund purchases and writes swaption contracts to manage exposure to an underlying instrument. The Fund may also purchase or write swaptions to manage exposure to fluctuations in interest rates or to enhance yield. Swaption contracts written by the Fund represent an option that gives the purchaser the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date. Swaption contracts purchased by the Fund represent an option that gives the Fund the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date.

When the Fund writes a swaption, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the swaption written. If the swaption expires, the Fund realizes a gain equal to the amount of the premium received.

When the Fund purchases a swaption, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market daily to reflect the current market value of the swaption purchased. If the swaption expires, the Fund realizes a loss equal to the amount of the premium paid.

Swaptions are marked-to-market daily based upon quotations from market makers. Changes in the value of the swaption are reported as unrealized gains or losses in the statement of operations.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

### **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 and includes accretion of discounts and amortization of premiums. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Fund until units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by these other funds 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 their taxable income to their 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 Agilis Group PLC.

## **Note 2: Futures Contracts**

At December 31, 2023, the Fund has the following open futures contract:

	<b>Number of Contracts</b>	<b>Expiration Date</b>	<b>Basis Value</b>	<b>Market Value</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
<b>Contracts to Sell:</b>					
Euro-Schatz Future	21	03/24	\$ (2,471,594)	\$ (2,409,024)	\$ (62,570)
Euro-Bund Future	2	03/24	(606,320)	(580,793)	(25,527)
Long Gilt Future	2	03/24	261,716	241,321	20,395
U.S. Treasury Ultra Bonds	1	03/24	133,594	121,359	12,235
U.S. Treasury Ultra 10-Year Notes	2	03/24	826,109	795,246	30,863
U.S. Treasury 10-Year Notes	88	03/24	(9,934,375)	(9,623,625)	(310,750)
U.S. Treasury 5-Year Notes	2	03/24	(217,547)	(212,704)	(4,843)
					<u>\$ (340,197)</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

#### Note 3: Foreign Currency Forward Exchange Contracts

At December 31, 2023, the Fund had the following open forward foreign currency contracts:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
AUD	\$ 338,000	USD	\$ 230,637	Morgan Stanley	1/3/2024	\$ 2
CAD	312,000	USD	230,549	HSBC Holdings PLC	1/9/2024	(6,088)
EUR	20,000	USD	21,838	BNP Paribas SA	1/9/2024	(260)
EUR	243,000	USD	265,134	BNP Paribas SA	1/9/2024	(3,358)
GBP	123,000	USD	155,674	Bank of America Corp	1/9/2024	(1,132)
USD	378,324	AUD	572,000	Bank of America Corp	1/9/2024	12,057
USD	146,737	JPY	21,600,000	BNP Paribas SA	1/9/2024	6,621
MXN	1,282	USD	73	Citigroup Inc	1/31/2024	(2)
USD	9,578	MXN	168,014	Goldman Sachs Group Inc	1/31/2024	298
USD	53,330	INR	4,458,495	JPMorgan Chase & Co	3/20/2024	63
USD	51,179	INR	4,282,531	Bank of America Corp	3/20/2024	106
USD	52,303	INR	4,375,151	BNP Paribas SA	3/20/2024	92
USD	62,326	INR	5,210,578	Standard Chartered PLC	3/20/2024	73
USD	53,741	INR	4,495,999	Standard Chartered PLC	3/20/2024	101
USD	125,536	INR	10,499,912	BNP Paribas SA	3/20/2024	204
Total						<u>\$ 8,777</u>

*Abbreviations used in the above table:*

AUD	Australian Dollar	GBP	British Pound
CAD	Canadian Dollar	JPY	Japanese Yen
INR	Indian Rupees	MXN	Mexican Peso
EUR	Euro	USD	United States Dollar

#### Note 4: Swap Contracts

At December 31, 2023, the Fund had the following open swap contracts:

OTC Credit Default Swaps on Credit Indices - Buy Protection <sup>4</sup>						
Swap Counterparty	Notional Amount <sup>2</sup>	Termination Date	Periodic Payments Made by the Fund <sup>†</sup>	Market Value <sup>3</sup>	Upfront Premiums Paid	Unrealized Appreciation
Citibank NA	\$ 100,000	12/20/2026	5.00% quarterly	<u>\$ 11,866</u>	<u>\$ 7,178</u>	<u>\$ 4,688</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

#### Centrally Cleared Credit Default Swaps on Credit Indices - Sell Protection<sup>1</sup>

Central Counterparty (Reference Entity)	Notional Amount <sup>2</sup>	Termination Date	Periodic Payments Made by the Fund <sup>†</sup>	Market Value <sup>3</sup>	Upfront Premiums Paid	Unrealized Appreciation (Depreciation)
Morgan Stanley & Co.	\$ 600,000	EUR 06/20/2026	5.00% quarterly	\$ 69,765	\$ 135,020	\$ (65,255)
Morgan Stanley & Co.	100,000	EUR 12/20/2026	5.00% quarterly	12,866	20,508	(7,642)
Morgan Stanley & Co.	200,000	12/20/2025	5.00% quarterly	16,880	39,696	(22,816)
Morgan Stanley & Co.	700,000	06/20/2026	1.00% quarterly	11,931	4,556	7,375
Morgan Stanley & Co.	200,000	12/20/2027	1.00% quarterly	3,676	-	3,676
Morgan Stanley & Co.	200,000	06/20/2028	1.00% quarterly	2,815	-	2,815
Morgan Stanley & Co.	350,000	06/20/2028	1.00% quarterly	3,644	-	3,644
Morgan Stanley & Co.	100,000	12/20/2024	1.00% quarterly	527	284	243
Morgan Stanley & Co.	100,000	12/20/2028	5.00% quarterly	12,867	10,110	2,757
				\$ 134,971	\$ 210,174	\$ (75,203)

#### Centrally Cleared Interest Rate Swaps on Credit Indices - Sell Protection<sup>1</sup>

Central Counterparty (Reference Entity)	Notional Amount <sup>2</sup>	Termination Date	Periodic Payments Made by the Fund <sup>†</sup>	Market Value <sup>3</sup>	Upfront Premiums Paid	Unrealized Depreciation
LCH Ltd	\$ 2,800,000	CAD 06/21/2025	4.00% semi-annual	\$ (4,845)	\$ -	\$ (4,845)
LCH Ltd	2,000,000	07/18/2024	4.50% at maturity	(7,888)	-	(7,888)
				\$ (12,733)	\$ -	\$ (12,733)

#### Centrally Cleared Interest Rate Swaps on Credit Indices - Buy Protection<sup>1</sup>

Central Counterparty (Reference Entity)	Notional Amount <sup>2</sup>	Termination Date	Periodic Payments Made by the Fund <sup>†</sup>	Market Value <sup>3</sup>	Upfront Premiums Paid	Unrealized Appreciation (Depreciation)
LCH Ltd	\$ 100,000	EUR 12/15/2033	2.97% semi-annual	\$ (4,611)	\$ -	\$ (4,611)
LCH Ltd	100,000	EUR 12/19/2028	2.88% semi-annual	(2,266)	-	(2,266)
LCH Ltd	100,000	EUR 12/29/2028	2.95% semi-annual	(2,645)	-	(2,645)
LCH Ltd	500,000	10/27/2053	2.06% quarterly	143,560	-	143,560
				\$ 134,038	\$ -	\$ 134,038

**Abbreviations used in the above table:**

CAD Canadian Dollar

EUR Euro

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (3) The quoted market prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed /sold as of year-end. Decreasing market values (sell protection) or increasing market values (buy protection) when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.
- (4) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

† Percentage shown is an annual percentage rate.

\* Notional amount denominated in U.S. dollars, unless otherwise noted.

#### Note 5: Written Options Rollforward

During the year ended December 31, 2023, written option transactions for the Fund were as follows:

	<b>Number of Contracts/ Notional Amount</b>	<b>Premiums</b>
Written options, outstanding as of January 1, 2023	\$ 5,900,000	\$ 64,113
Options written	13,000,036	68,069
Options closed	(16,400,036)	(121,588)
Written options, outstanding as of December 31, 2023	\$ 2,500,000	\$ 10,594

#### Note 6: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer-agency services, trustee services, etc.). The Fund has also entered into an investment advisory and service agreement 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, as show in the Statement of Operations.

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 average daily net assets:

Fund	Administrative Fees	Custody Fees	Total Fees
<b>Agilis Long Credit Fund:</b>			
Class R - First \$150 million	0.07%	0.02%	0.09%
Class R - Over \$150 million	0.05%	0.02%	0.07%



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**Note 7: Financial Highlights**

	<b>Agilis Long Credit Fund</b>
Net asset value, beginning of year	\$ 13.42
Net investment income	0.29
Net realized and unrealized gains	0.98
Net increase from investment operations	1.27
Net asset value, end of year	\$ 14.69
Total return	9.46%
Ratio to average net assets:	
Net investment income	2.11%
Expenses	0.24%

**Note 8: Participant Unit Transactions**

	<b>Agilis Long Credit Fund</b>	
	<b>Units</b>	<b>Dollars</b>
<b>Class R:</b>		
Proceeds from sales of units	2,151,544	\$ 28,661,000
Cost of units redeemed	(613,354)	(8,250,000)
Net increase in Class R from participant transactions	1,538,190	\$ 20,411,000

**Note 9: 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 Funds can access at the measurement date.

# Hand Composite Employee Benefit Trust

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**Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; 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 and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year 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.

### **U.S. Government Obligations, Agencies and Commitments to Purchase Government**

**Agencies.** U.S. Government obligations and agencies are valued using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

**Non-U.S. Government Obligations.** Non-U.S. Government obligations are valued using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

**Corporate Bonds and Municipals.** The fair value of these bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. These securities are categorized as Level 2 in the hierarchy.

**Exchange-traded Funds and Mutual Funds.** 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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

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**Private Placements.** Private placements are primarily determined using discounted cash flow models. These models primarily use observable inputs that include Treasury or similar base rates plus estimated credit spreads to value each security. The credit spreads are obtained through a survey of private market intermediaries who are active in both primary and secondary transactions, and consider, among other factors, the credit quality and industry sector of the issuer and the reduced liquidity associated with private placements. Since most private placements are valued using standard market observable inputs and inputs derived from, or corroborated by, market observable data including observed prices and spreads for similar publicly traded or privately traded issues, they have been reflected within Level 2 of the hierarchy.

**Call and Put Options.** Options are marked-to-market based on quoted market prices in active markets. If recent market transactions are not available, observable market quotations are obtained from brokers specializing in options. Options are generally categorized as Level 1 or 2 in the hierarchy.

**Foreign Currency Forward Exchange Contracts.** These contracts are valued at the prevailing forward exchange rate of the underlying currencies on the reporting date and unrealized gains or losses recorded daily. Foreign currency contracts are generally categorized as Level 2 in the hierarchy.

**Futures Contracts.** Futures contracts are marked-to-market on the daily fluctuations between the contract price and the market value of the underlying, as reported on a recognized exchange. Futures contracts are categorized as Level 1 in the hierarchy.

**Credit Default Swaps.** Credit default swaps are traded on the over-the-counter (OTC) market. Fair value for credit default swaps is based on models which take into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. As the underlying debt on credit default swaps held by the Fund are liquid and the OTC market for the current spread is active, credit default swaps are categorized as Level 2 in the hierarchy.

The following table presents the fair value measurements of assets and liabilities 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	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Agilis Long Credit Fund</b>				
Financial Instruments - Assets:				
Short Term Investment	\$ 4,094,595	\$ 4,094,595	\$ -	\$ -
U.S. Government & Agency Obligations	51,750,617	51,750,617	-	-
Non-U.S. Government Bond	596,168	-	596,168	-
Municipals	159,758	-	159,758	-
Corporate Bonds	10,722,931	-	10,722,931	-
Exchange-traded Funds - Fixed Income	69,916,483	69,916,483	-	-
Mutual Funds - Fixed Income	30,863,965	30,863,965	-	-
Private Placements	3,916,042	-	3,916,042	-
Private Mutual Funds - Fixed Income (A)	63,225,709	63,225,709	-	-
Common Trust Funds - Fixed Income (A)	86,819,818	86,819,818	-	-
Total Financial Instruments- Assets	<u>\$ 322,066,086</u>			
Derivative Instruments - Assets:				
Foreign Currency Exchange Contracts	\$ 19,617	\$ -	\$ 19,617	\$ -
Futures Contracts	63,493	63,493	-	-
CC Credit Default Swaps on Credit Indices - Sell Protection	134,971	-	134,971	-
OTC Credit Default Swaps on Credit Indices - Buy Protection	11,866	-	11,866	-
CC Interest Rate Swaps on Credit Indices - Buy Protection	143,560	-	143,560	-
Total Derivative Instruments - Assets	<u>\$ 373,507</u>			
Derivative Instruments - Liabilities:				
Written Options	\$ 11,885	\$ -	\$ 11,885	\$ -
Futures Contracts	403,690	403,690	-	-
Foreign Currency Exchange Contracts	10,840	-	10,840	-
CC Credit Default Swaps on Credit Indices - Buy Protection	9,522	-	9,522	-
CC Credit Default Swaps on Credit Indices - Sell Protection	12,733	-	12,733	-
Total Derivative Instruments - Liabilities	<u>\$ 448,670</u>			

(A) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of assets and liabilities.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

### Note 10: 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.

#### ***Foreign Securities Risk***

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. In particular, the Fund is subject to the risk that because there may be fewer investors on foreign exchanges and a smaller number of securities traded each day, it may be more difficult for the Fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may go up and down more than prices of securities traded in the United States.

#### ***Currency Risk***

Securities and other instruments in which the Fund invests may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates may affect the value of the Fund's portfolio. Because the Fund's assets are primarily invested in securities of foreign countries, the U.S. dollar equivalent of the Fund's net assets would be adversely affected by reductions in the value of the foreign currencies relative to the U.S. dollar. For this reason, changes in foreign currency exchange rates can affect the value of the Fund's portfolio. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars. This risk, generally known as "currency risk," means that a strong U.S. dollar may reduce returns for U.S. investors in foreign stocks while a weak U.S. dollar may increase those returns.

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

**Note 11: Derivative Instruments and Hedging Activities**

The following tables, grouped by derivative type, provide information about the fair value and the location of derivatives within the statement of assets and liabilities at December 31, 2023:

	<b>Asset Derivatives<sup>(1)</sup></b>			
	<b>Interest Rate Risk</b>	<b>Foreign Exchange Risk</b>	<b>Credit Risk</b>	<b>Total</b>
Foreign currency exchange contracts	-	19,617	-	19,617
Futures contracts <sup>(3)</sup>	63,493	-	-	63,493
CC swap contracts <sup>(3)</sup>	-	-	278,531	278,531
OTC swap contracts	-	-	11,866	11,866
Total	\$ 63,493	\$ 19,617	\$ 290,397	\$ 373,507

	<b>Liability Derivatives<sup>(1)</sup></b>			
	<b>Interest Rate Risk</b>	<b>Foreign Exchange Risk</b>	<b>Credit Risk</b>	<b>Total</b>
Futures contracts <sup>(2)</sup>	\$ 403,690	\$ -	\$ -	\$ 403,690
Written options	11,885	-	-	11,885
Foreign currency exchange contracts	-	10,840	-	10,840
CC swap contracts <sup>(3)</sup>	-	-	22,255	22,255
Total	\$ 415,575	\$ 10,840	\$ 22,255	\$ 448,670

- (1) Generally, the statement of assets and liabilities' location for asset derivatives is receivables/net unrealized appreciation and for liability derivatives is payables/net unrealized depreciation.
- (2) Includes cumulative unrealized appreciation (depreciation) on futures contracts as reported in Note 2. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.
- (3) Includes cumulative unrealized appreciation (depreciation) of centrally cleared swap contracts as reported in Note 4. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

The following tables provide information about the effect of derivatives and hedging activities on the Fund's statement of operations for the year ended December 31, 2023. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the year. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the year.

#### Amount of Realized Gains (Losses) on Derivatives Recognized

	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Written options	\$ 43,790	\$ -	\$ (14,833)	\$ 28,957
Futures contracts	491,912	-	-	491,912
Swap contracts	(447,512)	-	19,778	(427,734)
Foreign currency exchange contracts	-	17,837	-	17,837
Total	<u>\$ 88,190</u>	<u>\$ 17,837</u>	<u>\$ 4,945</u>	<u>\$ 110,972</u>

#### Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized

	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Purchased options <sup>(1)</sup>	\$ (214,066)	\$ -	\$ -	\$ (214,066)
Written options	372,968	-	-	372,968
Futures contracts	(351,003)	-	-	(351,003)
Swap contracts	121,305	-	12,417	133,722
Foreign currency exchange contracts	-	(13,261)	-	(13,261)
Total	<u>\$ (70,796)</u>	<u>\$ (13,261)</u>	<u>\$ 12,417</u>	<u>\$ (71,640)</u>

- (1) Net unrealized appreciation (depreciation) from purchased options is reported in net unrealized appreciation (depreciation) from investment transactions in the statement of operations.

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

During the year ended December 31, 2023, the volume of derivative activity for the Fund was as follows:

	<b>Average Market Value</b>
Purchased options	\$ 218,905
Written options	349,781
Futures contracts (to buy)	14,828,203
Futures contracts (to sell)	812,553
Foreign currency exchange contracts (to buy)	1,032,808
Foreign currency exchange contracts (to sell)	1,380,939
	<b>Average Notional Balance</b>
Credit default swap contracts (to buy protection)	
Credit default swap contracts (to sell protection)	\$ 5,990,908
Interest rate swaps (to buy protection)	590,310
Interest rate swaps (to sell protection)	6,258,203

The following tables present, by financial instrument, the Fund's derivative assets and liabilities net of the related collateral received and pledged by the Fund at December 31, 2023:

	<b>Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities<sup>(1)</sup></b>	<b>Collateral Pledged<sup>(3)(4)</sup></b>	<b>Net Amount</b>
Written options	\$ 11,885	\$ -	\$ 11,885
Foreign currency exchange contracts	10,840	-	10,840
CC swap contracts <sup>(2)</sup>	189,200	787,000	(597,800)
	\$ 211,925	\$ 787,000	\$ (575,075)

- (1) Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the statement of assets and liabilities.
- (2) Amount represents the current day's variation margin as reported in the statement of assets and liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table.
- (3) Gross amounts are not offset in the statement of assets and liabilities.
- (4) In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.



## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedule of Investment Purchases and Sales – Selected Fund**  
**Agilis Long Credit Fund**  
**Year Ended December 31, 2023**

**Purchases**

<b>Investment Class</b>	<b>Cost</b>
Corporate Bonds	\$ 4,018,962
Private Placements	598,637
U.S. Government Obligations	401,380,555
Non-US Government Obligations	285,313
Mutual Funds - Fixed Income	19,457,683
Exchange-traded Funds	<u>66,723,185</u>
 Total Investments Purchased	 <u><u>\$ 492,464,335</u></u>

**Sales**

<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gains (Losses)</b>
Corporate Bonds	\$ 2,965,608	\$ 3,329,222	\$ (363,614)
Private Placements	1,052,146	1,198,304	(146,158)
U.S. Government Obligations	361,930,174	360,955,056	975,118
Mutual Funds - Fixed Income	4,290,884	6,450,367	(2,159,483)
Exchange-traded Funds	3,294,255	3,336,615	(42,360)
Common Trust Funds- Fixed Income	<u>74,591,071</u>	<u>89,700,908</u>	<u>(15,109,837)</u>
 Total Investments Sold	 <u><u>\$ 448,124,138</u></u>	 <u><u>\$ 464,970,472</u></u>	 <u><u>\$ (16,846,334)</u></u>