



Hand Composite Employee Benefit Trust Bowen, Hanes Total Return Fund

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

December 31, 2024



Hand Composite Employee Benefit Trust
Contents
December 31, 2024

Independent Auditor's Report	1
Financial Statements	
Statement of Assets and Liabilities – Selected Fund.....	3
Schedule of Investments	
Bowen, Hanes Total Return Fund.....	4
Statement of Operations – Selected Fund.....	8
Statement of Changes in Net Assets – Selected Fund.....	9
Notes to Financial Statements	10
Supplementary Information	
Schedule of Investment Purchases and Sales	15

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the selected fund, Bowen, Hanes Total Return 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, 2024 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, 2024, 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 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 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 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 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 Mazars, LLP

Houston, Texas
May 27, 2025

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2024

	Bowen, Hanes Total Return Fund
ASSETS	
Investments, at cost	\$ 13,160,727
Investments, at fair value	\$ 16,993,127
Receivable for:	
Investment advisor	913
Capital shares sold	220,954
Dividends and interest	33,735
Total Assets	\$ 17,248,729
LIABILITIES	
Accounts payable and accrued liabilities	\$ 7,302
Total Liabilities	\$ 7,302
Net assets held for participants	
Class R	\$ 5,683,660
Class R1	11,557,767
Total net assets held for participants	\$ 17,241,427
Units outstanding	
Class R	323,608
Class R1	665,937
Total units outstanding	989,545
Net asset value per unit	
Class R	\$ 17.56
Class R1	\$ 17.36

Hand Composite Employee Benefit Trust
Bowen, Hanes Total Return Fund
Schedule of Investments
December 31, 2024

<u>Number of Shares / Principal Amount</u>		<u>Cost</u>	<u>Fair Value</u>
<u>Short Term Investments</u>			
1,416,188	First American Treasury Obligation Fund V	\$ 1,416,188	\$ 1,416,188
	Total Short Term Investments	8.21% 1,416,188	1,416,188
<u>Corporate Bonds</u>			
Consumer Discretionary			
200,000	Leggett & Platt 4.4% 03/15/2029	188,436	187,506
75,000	Marriott International Inc 4.625% 06/15/2030	71,690	73,621
100,000	VF Corp 2.95% 04/23/2030	84,648	85,689
	Total Consumer Discretionary	2.01% 344,774	346,816
Energy			
75,000	Occidental Petroleum Corporation 3.5% 08/15/2029	64,652	68,853
	Total Energy	0.40% 64,652	68,853
Financials			
100,000	Ally Financial Inc 4.625% 03/30/2025	96,595	99,796
100,000	Bank of Montreal 6.5% 10/31/2033	99,447	99,726
75,000	Brookfield Finance Inc 4.85% 03/29/2029	73,432	74,494
100,000	Capital One Finl 3.75% 03/09/2027	93,635	97,668
100,000	Citigroup Inc 5% 05/18/2032	98,600	98,622
75,000	Goldman Sachs Group Inc 5.5% 01/31/2031	75,000	74,411
100,000	JPMorgan Chase & Co 6% 11/30/2033	99,850	100,100
50,000	Lincoln National Corporation 3.05% 01/15/2030	41,310	45,034
100,000	Schwab Charles Corporation 1.95% 12/01/2031	77,623	81,619
125,000	Toronto-dominion Bank 5.3% 01/03/2028	124,975	123,510
	Total Financials	5.19% 880,467	894,980
Healthcare			
100,000	Gilead Sciences Inc 3.65% 03/01/2026	96,315	98,900
50,000	McKesson Corp .9% 12/03/2025	48,615	48,355
	Total Healthcare	0.85% 144,930	147,255

Hand Composite Employee Benefit Trust
Bowen, Hanes Total Return Fund
Schedule of Investments
December 31, 2024

(Continued)

<u>Principal Amount</u>		<u>Cost</u>	<u>Fair Value</u>
Industrials			
100,000	Boeing Co 2.25% 06/15/2026	\$ 91,444	\$ 96,084
125,000	Boeing Co 3.1% 05/01/2026	121,344	121,939
50,000	Celanese Us Holdings Llc 6.379% 07/15/2032	48,256	50,786
75,000	Fortune Brands Home & Security 4% 06/15/2025	73,122	74,621
50,000	General Electric Co 4.5% 12/15/2031	45,718	48,277
50,000	Kennametal Inc 4.625% 06/15/2028	45,852	49,330
Total Industrials		2.56%	425,736
Information Technology			
75,000	HP Inc 4.2% 04/15/2032	66,835	70,226
150,000	Hewlett Packard Enterprise 5% 10/15/2034	147,203	144,348
150,000	Intel Corporation 5.15% 02/21/2034	149,256	144,087
75,000	Micron Technology Inc 2.703% 04/15/2032	57,402	62,909
75,000	Motorola Solutions Inc 2.75% 05/24/2031	61,926	64,994
175,000	VMware LLC 3.9% 08/21/2027	168,768	171,119
Total Information Technology		3.81%	651,390
Materials			
100,000	FMC Corporation 5.65% 05/18/2033	98,051	99,027
50,000	Freeport-McMoran Copper & Gold 5.25% 09/01/2029	48,035	50,056
50,000	Westrock Co 4% 03/15/2028	46,970	48,497
Total Materials		1.15%	193,056
Telecommunication Services			
75,000	Netflix Inc 4.875% 04/15/2028	72,793	75,323
Total Telecommunication Services		0.44%	72,793
Real Estate			
100,000	Equinix Inc 1.25% 07/15/2025	96,610	98,016
75,000	Life Storage Lp 3.5% 07/01/2026	70,769	72,911
Total Real Estate		0.99%	167,379
Total Corporate Bonds		17.40%	2,945,177

Hand Composite Employee Benefit Trust
Bowen, Hanes Total Return Fund
Schedule of Investments
December 31, 2024

(Continued)

<u>Number of Shares</u>		<u>Cost</u>	<u>Fair Value</u>
<u>Common Stock</u>			
Consumer Discretionary			
1,715	Amazon.com Inc	\$ 272,583	\$ 376,254
875	Home Depot Inc	170,306	340,366
545	Netflix Inc	228,454	485,769
1,150	Tesla Motors Inc	308,617	464,416
	Total Consumer Discretionary	9.67%	979,960
			1,666,805
Consumer Staples			
425	CostCo Wholesale Corp	145,769	389,415
1,985	Procter & Gamble Co	278,638	332,785
	Total Consumer Staples	4.19%	424,407
			722,200
Financials			
1,520	American Express Co Company	229,073	451,121
1,510	JPMorgan Chase & Co	323,584	361,962
670	S&P Global Inc	142,993	333,680
4,035	Schwab Charles Corporation	324,780	298,630
	Total Financials	8.38%	1,020,430
			1,445,393
Healthcare			
775	Intuitive Surgical Inc	170,569	404,519
615	Lilly Eli & Company	154,786	474,780
545	McKesson Corporation	214,315	310,601
630	Thermo Fisher Scientific Inc	335,335	327,745
730	Vertex Pharmaceuticals Inc	268,793	293,971
	Total Healthcare	10.51%	1,143,798
			1,811,616
Industrials			
1,535	Badger Meter	277,924	325,604
845	Caterpillar Inc	324,718	306,532
1,265	Nordson Corp	289,541	264,689
1,600	Republic Services Inc	276,173	321,888
725	Teledyne Technologies Inc	145,655	336,494
8,315	Tetra Tech Inc	265,237	331,270
1,390	Union Pacific Corp	324,576	316,976
2,525	Vertiv Holdings Co	337,845	286,865
	Total Industrials	14.44%	2,241,669
			2,490,318

**Hand Composite Employee Benefit Trust
Bowen, Hanes Total Return Fund
Schedule of Investments
December 31, 2024**

(Continued)

<u>Number of Shares</u>		<u>Cost</u>	<u>Fair Value</u>
Information Technology			
1,460	Apple Inc	\$ 81,526	\$ 365,613
1,000	Auto Data Processing Inc.	117,909	292,730
6,710	Corning Inc	299,351	318,859
805	Microsoft Corporation	137,539	339,308
760	Motorola Solutions Inc	196,862	351,295
3,050	Nvidia Corp	249,362	409,585
1,860	Palo Alto Networks Inc	286,918	338,446
1,095	Visa Inc Cl A	217,191	346,063
Total Information Technology		16.02% 1,586,658	2,761,899
Materials			
5,755	Allegheny Technologies Inc	250,759	316,755
3,460	Hawkins Inc	222,965	424,438
Total Materials		4.30% 473,724	741,193
Telecommunication Services			
1,500	T-Mobile US Inc	301,368	331,095
Total Telecommunication Services		1.92% 301,368	331,095
Total Common Stock		69.43% 8,172,014	11,970,519
<u>Foreign Stock</u>			
Information Technology			
900	Accenture PLC	324,346	316,611
Total Information Technology		1.84% 324,346	316,611
Materials			
5,145	Wheaton Precious Metals Corp	303,002	289,355
Total Materials		1.68% 303,002	289,355
Total Foreign Stock		3.51% 627,348	605,966
Total Investments		98.56% \$ 13,160,727	\$ 16,993,127

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2024

	Bowen, Hanes Total Return Fund
Income	
Interest	\$ 139,223
Dividends	96,461
Total Income	<u>235,684</u>
Expenses	
Investment management and administrative	11,646
Custody	10,000
Class R1 expenses	50,840
Total Expenses Before Reimbursement of Fees	72,486
Reimbursement of fees	<u>(5,929)</u>
Net Expenses	<u>66,557</u>
Net Investment Income	<u>169,127</u>
Net Realized and Unrealized Gains on Investments	
Net realized gains	566,641
Change in unrealized appreciation/depreciation	1,385,934
Net Realized and Unrealized Gains on Investments	<u>1,952,575</u>
Net Increase in Net Assets Resulting From Operations	<u><u>\$ 2,121,702</u></u>

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2024

	Bowen, Hanes Total Return Fund
Operations	
Net investment income	\$ 169,127
Net realized gains	566,641
Change in unrealized appreciation/depreciation	<u>1,385,934</u>
Net Increase in Net Assets From Operations	2,121,702
Net Increase in Net Assets From Participant Unit Transactions	<u>2,955,398</u>
Increase in Net Assets	5,077,100
Net Assets	
Beginning of Year	<u>12,164,327</u>
End of Year	<u><u>\$ 17,241,427</u></u>

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

Nature of Operations

Hand Composite Employee Benefit Trust (HB&T or 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 (IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 70 portfolios (Funds); the financial statements of one of those funds, Bowen, Hanes Total Return Fund (Fund), are included in this report.

Each class of units 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 are allocated to each class of units based on its relative net assets.

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 the trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are determined using 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 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 apportions all of its taxable income to its participants. Therefore, no federal income tax provision is required.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2024

Subsequent Events

As a result of recently implemented global economic policies, economic uncertainties have arisen that may negatively affect the financial position, results of operations, and cash flows of the Fund. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through May 27, 2025, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is Bowen, Hanes & Company.

Note 2. 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 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 year ended December 31, 2024, 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 average daily net assets.

Fund	Administrative Fees	Investment Advisory Fees	Custody Fees	Total Fees
Bowen, Hanes Total Return Fund				
Class R	0.08%	0.00%	0.03%	0.11%
Class R1	0.08%	0.55%	0.03%	0.66%

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2024

Note 3. Financial Highlights

	Bowen, Hanes Total Return Fund	
	Class R	Class R1
Net asset value, beginning of the year	\$ 15.02	\$ 14.93
Net investment income	0.22	0.16
Net realized and unrealized gains	2.32	2.27
Net increase from investment operations	2.54	2.43
Net asset value, end of the year	\$ 17.56	\$ 17.36
Total return	16.91%	16.28%
Ratio to average net assets		
Net investment income	0.14%	0.99%
Expenses without reimbursements	0.14%	0.70%
Expenses with reimbursements	0.10%	0.66%

Note 4. Participant Unit Transactions

	Bowen, Hanes Total Return Fund	
	Units	Dollars
Class R		
Proceeds from sales of units	5,688	\$ 100,000
Cost of units redeemed	-	-
Net change in Class R from participant transactions	5,688	100,000
Class R1		
Proceeds from sales of units	226,638	3,763,245
Cost of units redeemed	(55,576)	(907,847)
Net change in Class R1 from participant transactions	171,062	2,855,398
Net increase in net assets from participant transactions		\$ 2,955,398

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 the measurement date
- 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 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 year ended December 31, 2024.

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.

Corporate Bonds – The fair value of corporate 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.

Common Stock and Foreign Stock – 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 Level 1 in the hierarchy. For those foreign securities where additional foreign market activities are taken into consideration by the pricing service, those securities are categorized as Level 2 in the hierarchy.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2024

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, 2024:

		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)
	Fair Value			
Bowen, Hanes Total Return Fund				
Short Term Investment	\$ 1,416,188	\$ 1,416,188	\$ -	\$ -
Corporate Bonds	3,000,454		3,000,454	-
Common Stock	11,970,519	11,970,519	-	-
Foreign Stock	605,966	605,966	-	-
Total	<u>\$ 16,993,127</u>			

Note 6. Risk Factors

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.

Supplementary Information

Hand Composite Employee Benefit Trust
Bowen, Hanes Total Return Fund
Schedule of Investment Purchases and Sales
Year Ended December 31, 2024

Purchases				
Investment Class	Cost			
Corporate Bonds	\$ 1,193,380			
Common Stock	5,920,479			
Foreign Stock	627,348			
Total investments purchased	<u>\$ 7,741,207</u>			
		Sales		
Investment Class	Proceeds	Cost	Gains	
Corporate Bonds	\$ 56,781	\$ 50,000	\$	6,781
Common Stock	5,282,153	4,763,935		518,218
Foreign Stock	245,943	204,301		41,642
Total investments sold	<u>\$ 5,584,877</u>	<u>\$ 5,018,236</u>	<u>\$</u>	<u>566,641</u>