



Hand Composite Employee Benefit Trust The DGI Growth Fund

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

December 31, 2024



Hand Composite Employee Benefit Trust
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December 31, 2024

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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, The DGI Growth 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 (GAAP).

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

	The DGI Growth Fund
ASSETS	
Investments, at cost	<u>\$ 30,123,539</u>
Investments, at fair value	\$ 38,995,002
Receivable for:	
Capital shares sold	90
Dividends and interest	<u>3,049</u>
Total Assets	<u>\$ 38,998,141</u>
LIABILITIES	
Payable for capital shares redeemed	\$ 16,446
Payable for investment securities purchased	72,634
Accounts payable and accrued liabilities	<u>36,013</u>
Total Liabilities	<u>\$ 125,093</u>
Net assets held for participants	
Class R1	<u>\$ 38,873,048</u>
Units outstanding	
Class R1	<u>1,156,016</u>
Net asset value per unit	
Class R1	<u>\$ 33.63</u>

Hand Composite Employee Benefit Trust
The DGI Growth Fund
Schedule of Investments
December 31, 2024

<u>Number of Shares</u>		<u>Cost</u>	<u>Fair Value</u>
<u>Short Term Investment</u>			
759,946	First American Treasury Obligation Fund V	\$ 759,946	\$ 759,946
Total Short Term Investment		1.95% 759,946	759,946
<u>Common Stock</u>			
<u>Consumer Discretionary</u>			
12,425	Floor and Decor Holdings Inc	1,171,216	1,238,773
3,670	Generac Holdings Inc	495,712	569,034
46,795	Gentex Corp	1,466,012	1,344,420
5,726	Gentherm Inc	224,729	228,611
7,191	LGI Homes Inc	936,011	642,875
103,037	Stitch Fix Inc Cl A	738,395	444,089
3,276	Strategic Education Inc	293,533	306,044
56,257	Under Armour Inc - Class C Cl A	631,920	465,808
5,540	Royal Caribbean Cruises Ltd	447,491	1,278,023
Total Consumer Discretionary		16.77% 6,405,019	6,517,677
<u>Energy</u>			
36,779	Core Laboratories Inc	745,966	636,644
47,992	Coterra Energy Inc	975,605	1,225,716
13,831	Expand Energy Corp	807,414	1,376,876
Total Energy		8.33% 2,528,985	3,239,236
<u>Healthcare</u>			
6,023	Align Technology Inc	1,321,496	1,255,856
1,567	Intuitive Surgical Inc	127,898	817,911
15,773	Myriad Genetics Inc	428,734	216,248
5,543	Progyny Inc	209,143	95,617
Total Healthcare		6.14% 2,087,271	2,385,632

Hand Composite Employee Benefit Trust
The DGI Growth Fund
Schedule of Investments
December 31, 2024

(Continued)

Number of Shares		Cost	Fair Value
Industrials			
3,323	Graco Inc	\$ 102,738	\$ 280,096
2,712	Landstar Systems Inc	249,136	466,084
6,977	MSC Industrial Direct Co - A	637,981	521,112
15,615	Proto Labs Inc	932,144	610,390
3,255	Snap-on Inc	739,664	1,105,007
	Total Industrials	7.67%	2,661,663
Information Technology			
15,248	Akamai Technologies Inc	1,387,648	1,458,471
24,473	Alarm.com Holdings Inc	1,592,523	1,487,958
19,188	Arista Networks Inc	342,391	2,120,850
2,932	Autodesk Inc	249,976	866,611
38,134	Cognex Corporation	1,671,012	1,367,485
13,227	Dolby Laboratories Inc	981,625	1,033,029
10,483	DoubleVerify Holdings Inc	206,416	201,378
5,141	IPG Photonics Inc	513,093	373,854
8,853	Interdigital Inc	826,694	1,715,003
1,414	Intuit Inc	176,593	888,699
16,778	Microchip Technology Inc	1,176,974	962,218
1,492	PayChex Inc	190,531	209,208
11,858	Plexus Corp	973,127	1,855,540
15,064	Power Integrations Inc	764,317	929,449
38,394	Pure Storage Inc - Class A	852,731	2,358,543
18,535	Semtech Corp	731,661	1,146,390
20,642	Super Micro Computer Inc	353,109	629,168
3,469	Take-Two Interactive Software	521,841	638,574
31,925	Viasat Inc	702,952	271,682
	Total Information Technology	52.77%	14,215,214
	Total Common Stock	91.68%	27,898,152

Hand Composite Employee Benefit Trust
The DGI Growth Fund
Schedule of Investments
December 31, 2024

(Continued)

<u>Number of Shares</u>		<u>Cost</u>	<u>Fair Value</u>
	<u>Foreign Stock</u>		
9,570	Consumer Discretionary Garmin Ltd	<u>\$ 898,693</u>	<u>\$ 1,973,908</u>
	Total Consumer Discretionary	<u>5.08% 898,693</u>	<u>1,973,908</u>
	Total Foreign Stock	<u>5.08% 898,693</u>	<u>1,973,908</u>
	<u>Exchange-Traded Funds</u>		
2,000	Fixed Income Vanguard Mid Cap Growth ETF	<u>452,445</u>	<u>507,501</u>
	Total Fixed Income	<u>1.31% 452,445</u>	<u>507,501</u>
	Total Exchange-Traded Funds	<u>1.31% 452,445</u>	<u>507,501</u>
	<u>Common Trust Fund</u>		
114,303	Fixed Income HB&T Short Term Income Fund	<u>114,303</u>	<u>114,303</u>
	Total Fixed Income	<u>0.29% 114,303</u>	<u>114,303</u>
	Total Common Trust Fund	<u>0.29% 114,303</u>	<u>114,303</u>
	Total Investments	<u>99.00% \$ 30,123,539</u>	<u>\$ 38,995,002</u>

Hand Composite Employee Benefit Trust
Schedule of Operations – Selected Fund
December 31, 2024

	The DGI Growth Fund
Income	
Interest	\$ 59,737
Dividends (net of \$0 in foreign taxes paid)	267,278
Total Income	327,015
Expenses	
Investment management and administrative	18,871
Custody	10,989
Audit	8,250
Other	739
Class R1 expenses	267,917
Total Expenses	306,766
Net Investment Income	20,249
Net Realized and Unrealized Gains (Losses) on Investments	
Net realized gains	7,562,297
Net change in unrealized appreciation/depreciation	(210,726)
Net Realized and Unrealized Gains on Investments	7,351,571
Net Increase in Net Assets Resulting From Operations	\$ 7,371,820

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

	The DGI Growth Fund
Operations	
Net investment income	\$ 20,249
Net realized gains	7,562,297
Net change in unrealized appreciation/depreciation	<u>(210,726)</u>
Net Increase in Net Assets From Operations	7,371,820
Net Increase in Net Assets From Participant Transactions	<u>1,154,609</u>
Increase in Net Assets	8,526,429
Net Assets	
Beginning of year	<u>30,346,619</u>
End of Year	<u><u>\$ 38,873,048</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 these funds (Fund) are 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 accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are reported on the identified cost basis.

Investment Income and Distribution of Income

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

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 Disciplined Growth Investors.

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 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.

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	Other Fees	Total Fees
The DGI Growth Fund Class R1	0.05%	0.71%	0.03%	0.04%	0.83%

Note 3. Financial Highlights

	The DGI Growth Fund Class R1
Net asset value, beginning of year	\$ 26.97
Net investment income	0.02
Net realized and unrealized gains	6.64
Net increase from investment operations	6.66
Net asset value, end of year	\$ 33.63
Total return	24.69%
Ratio to average net assets	
Net investment income	0.05%
Expenses	0.81%

Note 4. Participant Unit Transactions

	The DGI Growth Fund	
	Units	Dollars
Class R1		
Proceeds from sales of units	203,231	\$ 6,754,312
Cost of units redeemed	(173,377)	(5,599,703)
Net change in Class R1 from participant transactions	29,854	\$ 1,154,609

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.

Common 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 either Level 1 or 2 of 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			
The DGI Growth Fund				
Short Term Investment	\$ 759,946	\$ 759,946	\$ -	\$ -
Common Stock	35,639,344	35,639,344	-	-
Foreign Stock	1,973,908	1,973,908	-	-
Exchange-Traded Funds	507,501	507,501	-	-
Common Trust Fund – Fixed Income (A)	114,303			
Total	<u>\$ 38,995,002</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 accompanying statement of assets and liabilities.

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
The DGI Growth Fund
Schedule of Investment Purchases and Sales
Year Ended December 31, 2024

Purchases			
Investment Class	Cost		
Common Stock	\$	9,881,483	
Foreign Stock		57,880	
Exchange-Traded Funds		4,818,787	
Common Trust Fund – Fixed Income		1,806,197	
Total investments purchased	\$	16,564,347	

Sales			
Investment Class	Proceeds	Cost	Gains
Common Stock	\$ 8,141,075	\$ 667,723	\$ 7,473,352
Exchange-Traded Funds	4,455,285	4,366,340	88,945
Common Trust Fund – Fixed Income	1,769,572	1,769,572	-
Total investments sold	\$ 14,365,932	\$ 6,803,635	\$ 7,562,297