



Hand Composite Employee Benefit Trust DSM US Large-Cap Growth Fund

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

December 31, 2023



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, DSM US Large-Cap 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, 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 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 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

	DSM US Large-Cap Growth Fund
Assets	
Investments, at cost	\$ 111,553,809
Investments, at fair value	\$ 160,637,908
Receivable for:	
Dividends and interest	18,708
Investment advisor	3,966
Total assets	\$ 160,660,582
Liabilities	
Investment securities purchased	\$ 305,786
Payable for capital shares redeemed	395,972
Accounts payable and accrued liabilities	18,615
Class R1 accrued expenses	59,913
Total liabilities	\$ 780,286
Net assets held for participants:	
Class R1	\$ 159,880,296
Total net assets held for participants	\$ 159,880,296
Units outstanding:	
Class R1	5,738,882
Total units outstanding	5,738,882
Net asset value per unit:	
Class R1	\$ 27.86

Hand Composite Employee Benefit Trust
Schedule of Investments
DSM US Large-Cap Growth Fund
December 31, 2023

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
739,221	First American Treasury Obligation Fund V	\$ 739,221	\$ 739,221
	Total Short Term Investment	0.46% <u>739,221</u>	<u>739,221</u>
<u>Common Stock</u>			
<u>Consumer Discretionary</u>			
91,475	Amazon.com Inc	10,530,496	13,898,712
1,765	Chipotle Mexican Grill CL A	3,366,026	4,036,484
	Total Consumer Discretionary	11.22% <u>13,896,522</u>	<u>17,935,196</u>
<u>Consumer Staples</u>			
53,300	Monster Beverage Corp	2,655,287	3,070,613
	Total Consumer Staples	1.92% <u>2,655,287</u>	<u>3,070,613</u>
<u>Financials</u>			
56,450	Schwab Charles Corporation	3,666,058	3,883,760
	Total Financials	2.43% <u>3,666,058</u>	<u>3,883,760</u>
<u>Healthcare</u>			
57,125	Boston Scientific Corp.	2,611,866	3,302,396
30,800	Neurocrine Biosciences Inc	3,064,763	4,058,208
3,250	Thermo Fisher Scientific Inc	1,788,960	1,725,068
	Total Healthcare	5.68% <u>7,465,589</u>	<u>9,085,672</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
DSM US Large-Cap Growth Fund (Continued)
December 31, 2023

Number of Shares		Cost	Fair Value
<i>Information Technology</i>			
16,000	Adobe Systems Inc	\$ 4,796,180	\$ 9,545,600
93,275	Alphabet Inc	9,277,644	13,029,585
36,125	Arista Networks Inc	5,502,542	8,507,799
26,350	Autodesk Inc	5,657,322	6,415,698
12,550	Auto Data Processing Inc	2,758,192	2,923,774
22,500	Entegris Inc	1,888,127	2,695,950
14,550	EPAM Systems Inc	5,016,717	4,326,297
33,900	Fiserv Inc	3,670,534	4,503,276
62,825	Fortinet Inc	3,641,908	3,677,147
14,900	Intuit Inc	5,494,917	9,312,947
6,750	Mastercard Inc	2,350,558	2,878,943
53,975	Microsoft Corporation	7,854,704	20,296,759
25,850	Nvidia Corp	6,642,531	12,801,437
4,850	Paycom Software Inc	1,418,597	1,002,592
27,675	Visa Inc CL A	3,831,556	7,205,185
	Total Information Technology	68.25% <u>69,802,029</u>	<u>109,122,989</u>
<i>Materials</i>			
7,500	Linde PLC	2,344,204	3,080,325
	Total Materials	1.93% <u>2,344,204</u>	<u>3,080,325</u>
	Total Common Stock	91.43% <u>99,829,689</u>	<u>146,178,555</u>
<u><i>Foreign Stock</i></u>			
<i>Information Technology</i>			
20,800	Accenture PLC	6,058,024	7,298,928
7,875	ASML Holding NV NY Reg Shrs	4,466,415	5,960,744
	Total Information Technology	8.29% <u>10,524,439</u>	<u>13,259,672</u>
	Total Foreign Stock	8.29% <u>10,524,439</u>	<u>13,259,672</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
DSM US Large-Cap Growth Fund (Continued)
December 31, 2023

Number of Shares		Cost	Fair Value
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
460,460	HB&T Short Term Income Fund	\$ 460,460	\$ 460,460
	Total Fixed Income	0.29% <u>460,460</u>	<u>460,460</u>
	Total Common Trust Fund	0.29% <u>460,460</u>	<u>460,460</u>
	Total Investments	100.47% <u>\$ 111,553,809</u>	<u>\$ 160,637,908</u>

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

	DSM US Large-Cap Growth Fund
Income	
Interest	\$ 24,068
Dividends	685,142
Total income	709,210
Expenses	
Investment management and administrative	104,077
Audit	5,500
Custody	37,481
Other	704
Class R1 expenses	628,832
Total expenses before reimbursement of fees	776,594
Reimbursement of fees	(44,853)
Net expenses	731,741
Net Investment Loss	(22,531)
Net Realized and Unrealized Gains on Investments	
Net realized gains	1,731,378
Net change in unrealized appreciation/depreciation	37,919,354
Net realized and unrealized gains on investments	39,650,732
Net Increase in Net Assets Resulting From Operations	\$ 39,628,201

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

	DSM US Large-Cap Growth Fund
Operations	
Net investment loss	\$ (22,531)
Net realized gains	1,731,378
Change in unrealized appreciation/depreciation	<u>37,919,354</u>
Net increase in net assets from operations	39,628,201
Net Increase in Net Assets From Participant Transactions	<u>15,236,995</u>
Increase in Net Assets	54,865,196
Net Assets	
Beginning of year	<u>105,015,100</u>
End of year	<u><u>\$ 159,880,296</u></u>

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 are included in this report.

Each class 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.

The funds may have available share classes that are not presented on the financial statements, as these classes do not have any participants at the end of the year. Activity within these share classes during the year is presented within the respective footnote disclosures, as applicable. As of December 31, 2023, the following inactive classes have been excluded from the financial statement presentation: classes R2, and R3.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Investment Income and Distribution of Income

Dividend income less foreign taxes, 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 is reinvested, thereby increasing the respective unit value.

Valuation of Participants' Interest

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

Federal Income Taxes

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

Subsequent Events

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

Investment Management Advisor

The investment management advisor for the Fund is DSM Capital Partners, LLC.

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 various third-party advisors. These fees compensate the advisors for the services they provide and for expenses borne by the advisors under the various agreements.

During the year ended December 31, 2023, the investment advisor 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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Fund	Administrative Fees	Investment Advisory Fees	Custody Fees	Total Fees
DSM US Large-Cap Growth Fund: Class R1	0.08%	0.45%	0.03%	0.56%

Note 3: Financial Highlights

	DSM US Large-Cap Growth Fund Class R1
Net asset value, beginning of year	\$ 20.910
Net investment loss	(0.004)
Net realized and unrealized gains	6.954
Net increase from investment operations	6.950
Net asset value, end of year	27.860
Total return	33.238%
Ratio to average net assets:	
Net investment loss	-0.016%
Expenses without reimbursements	0.546%
Expenses with reimbursements	0.514%

Note 4: Participant Unit Transactions

	DSM US Large-Cap Growth Fund	
	Units	Dollars
Class R1:		
Proceeds from sales of units	1,250,364	\$ 27,924,318
Cost of units redeemed	(533,159)	(12,687,323)
Net change in Class R1 from participant transactions	717,205	15,236,995
Net increase in net assets from participant transactions		\$ 15,236,995

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Note 5: Disclosures About Fair Value of Financial Instruments

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

- 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, 2023.

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

Common 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 Depository Receipts and the movement of the 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.

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

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

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
DSM US Large-Cap Growth Fund				
Short Term Investment	\$ 739,221	\$ 739,221	\$ -	\$ -
Common Stock	146,178,555	146,178,555	-	-
Foreign Stock	13,259,672	13,259,672	-	-
Common Trust Fund - Fixed Income (A)	460,460			
Total	\$ 160,637,908			

(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 amount included above is intended to permit reconciliation of the fair value hierarchy to the amount presented in the 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.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
DSM US Large-Cap Growth Fund
Year Ended December 31, 2023

Purchases

Investment Class	Cost
Common Stock	\$ 60,954,710
Foreign Stock	4,674,371
Common Trust Fund - Fixed Income	<u>7,760,845</u>
Total Investments Purchased	<u><u>\$ 73,389,926</u></u>

Sales

Investment Class	Proceeds	Cost	Gains
Common Stock	\$ 45,145,898	\$ 43,680,084	\$ 1,465,814
Foreign Stock	4,477,093	4,211,529	265,564
Common Trust Fund - Fixed Income	<u>7,551,126</u>	<u>7,551,126</u>	<u>-</u>
Total Investments Sold	<u><u>\$ 57,174,117</u></u>	<u><u>\$ 55,442,739</u></u>	<u><u>\$ 1,731,378</u></u>