



Hand Composite Employee Benefit Trust Retirement Right Stable Value 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, Retirement Right Stable Value 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
Statements of Assets and Liabilities – Selected Fund
December 31, 2024

	Retirement Right Stable Value Fund
ASSETS	
Investments, at cost	\$ 432,553,773
Investments, at fair value	\$ 422,752,712
Total Assets	\$ 422,752,712
LIABILITIES	
Payable for capital shares redeemed	\$ 91,792
Accounts payable and accrued liabilities	11,298
Total Liabilities	\$ 103,090
Net assets held for participants, at fair value	
Class I	\$ 201,559,322
Class II	221,090,300
Total net assets held for participants, at fair value	\$ 422,649,622
Adjustment for guaranteed investment contract	
Class I	\$ 13,339,684
Class II	14,632,292
Total adjustment from fair value to contract value	\$ 27,971,976
Net assets held for participants	
Class I	\$ 214,899,006
Class II	235,722,592
Total net assets held for participants	\$ 450,621,598
Units outstanding	
Class I	19,750,744
Class II	21,692,238
Total units outstanding	41,442,982
Net asset value per unit	
Class I	\$ 10.88
Class II	\$ 10.87

Hand Composite Employee Benefit Trust
Retirement Right Stable Value Fund
Schedule of Investments
December 31, 2024

<u>Number of Shares</u>			<u>Cost</u>	<u>Fair Value</u>
	<u>Short Term Investment</u>			
3,454,021	State Street INSTL US Government Money Market		<u>\$ 3,454,021</u>	<u>\$ 3,454,021</u>
	Total Short Term Investment	0.77%	<u>3,454,021</u>	<u>3,454,021</u>
	<u>Guaranteed Investment Contract</u>			
4,119,277	United of Omaha Group Annuity Contract #29974 (Average yield earned and credited to participants – 3.30%)		<u>429,099,752</u>	<u>419,298,691</u>
	Total Guaranteed Investment Contract	93.05%	<u>429,099,752</u>	<u>419,298,691</u>
	Total Investments	93.82%	<u><u>\$ 432,553,773</u></u>	<u><u>\$ 422,752,712</u></u>

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

	Retirement Right Stable Value Fund
Income	
Interest	\$ 1,080,455
Total Income	<u>1,080,455</u>
Expenses	
Class I expenses	<u>68,837</u>
Total Expenses	<u>68,837</u>
Net Investment Income	<u>1,011,618</u>
Net Unrealized Gains on Investments	
Change in unrealized appreciation/depreciation	<u>11,303,513</u>
Net Realized and Unrealized Gains on Investments	<u>11,303,513</u>
Net Increase in Net Assets Resulting From Operations	<u><u>\$ 12,315,131</u></u>

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

	Retirement Right Stable Value Fund
Operations	
Net investment income	\$ 1,011,618
Change in unrealized appreciation/depreciation	<u>11,303,513</u>
Net Increase in Net Assets From Operations	12,315,131
Net Increase in Net Assets From Participant Unit Transactions	<u>202,564,268</u>
Increase in Net Assets	214,879,399
Net Assets Held for Participants, Beginning of Year	<u>235,742,199</u>
Net Assets Held for Participants, End of Year	<u><u>\$ 450,621,598</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 (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, except fully benefit-responsive investment contracts (which are reported at contract value), 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.

Contract value is the relevant measure for the portion of net assets attributable to fully benefit-responsive guaranteed investment contracts (GIC). The contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan. Fully benefit-responsive GICs are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less participant withdrawals and administration expenses.

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 and includes accretion of discounts and amortization of premiums. Investment income is allocated ratably on the valuation dates among all participants.

Fixed annuity contracts have a guaranteed minimum interest rate of 0.25%.

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.

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

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and apportion all of its 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 HB&T.

Note 2. Fully Benefit-Responsive Investment Contracts

The Retirement Right Stable Value Fund GIC is deemed fully benefit-responsive as of December 31, 2024. The accompanying statement of assets and liabilities presents the GIC at fair value. Since the contract is fully benefit-responsive, a line item is presented in the accompanying statement of assets and liabilities, reporting an adjustment from fair value to contract value.

The United of Omaha contract simulates the performance of a traditional GIC through the guarantee of a specific interest rate. The participating plan's assets are the unit ownership interests in the contract. The contract provides that the Retirement Right Stable Value Fund executes transactions at contract value. United of Omaha guarantees the contract value, which represent contributions, plus interest, less fees, and less participant-initiated withdrawals or transfers. This is the contract's guaranteed value. The contract's fair value is estimated by discounting the cash flows of the guaranteed interest account using a discount rate that represents the interest rate that would be credited on accounts of similar duration as of the valuation date.

The contract provides fixed interest rates for fixed periods (every three months) that will apply to the entire guaranteed value. The interest rates are reset every quarter as determined by United of Omaha. Interest compounds and is credit to the deposit account daily. United of Omaha guarantees that the interest rate will be no less than 0.25%.

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

The adjustment to contract values is calculated as follows:

	Major Credit Ratings	Investments at Fair Value
Mutual of Omaha Group Annuity Contract	A1/A+	\$ 419,298,691
Short Term Investment		<u>3,454,021</u>
Total		<u>\$ 422,752,712</u>
		<u>Adjustments to Contract Value</u>
Mutual of Omaha Group Annuity Contract		<u>\$ 27,971,976</u>

If a withdrawal is made from the contract as a result of an employer or plan sponsor-initiated event or if the withdrawal is requested due to a complete or partial termination of a participating plan in the contract before the contract's end, and the contract's fair value equals or exceeds the guaranteed value, payment is made from the fair value in an amount equal to the amount of the guaranteed value, which is attributable to the participating plan. If the contract's fair value is less than their guaranteed value, the amount paid is equal to the guaranteed value reduced by the amount of market value deficit allocable to the participating plan.

Sensitivity Analysis

The table below illustrates the effect on the weighted-average interest crediting rate, calculated as of the end of the next four quarterly periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter and one-half of the current yield, with no change to the duration of the underlying investment portfolio and no contributions or withdrawals.

Scenario	Actual December 31, 2024	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	3.35%	3.57%	3.78%	4.00%	4.21%
Increase of 25%	3.35%	3.48%	3.62%	3.75%	3.88%
Decrease of 50%	3.35%	3.24%	3.12%	3.01%	2.89%
Decrease of 25%	3.35%	3.32%	3.29%	3.26%	3.22%

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Notes to Financial Statements
December 31, 2024

The following table illustrates the effect on the weighted-average interest crediting rate, calculated as of the date of the next four quarterly reset periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter and one-half of the current yield, combined with an immediate, one-time, hypothetical 10 percent decrease in the net assets of the contracts due to participant transfers, with no change to the duration of the portfolio.

Scenario	Actual December 31, 2024	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	2.79%	3.11%	3.42%	3.74%	4.06%
Increase of 25%	2.79%	3.01%	3.24%	3.46%	3.69%
Decrease of 50%	2.79%	2.74%	2.69%	2.64%	2.59%
Decrease of 25%	2.79%	2.83%	2.87%	2.92%	2.96%

Note 3. 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 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	Service Fees	Other Fees	Total Fees
Retirement Right Stable Value Fund					
Class I	0.03%	0.00%	0.00%	0.00%	0.03%
Class II	0.00%	0.00%	0.00%	0.00%	0.00%

Note 4. Financial Highlights

	Class I
Net asset value, beginning of year	<u>\$ 10.53</u>
Net investment income	0.04
Net realized and unrealized gains	<u>0.31</u>
Net increase from operations	<u>0.35</u>
Net asset value, end of year	<u><u>\$ 10.88</u></u>
Total return	3.32%
Ratio to average net assets	
Net investment income	0.40%
Expenses	0.06%

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

	Class II
Net asset value, beginning of year	<u>\$ 10.50</u>
Net investment income	0.02
Net realized and unrealized gains	<u>0.35</u>
Net increase from operations	<u>0.37</u>
Net asset value, end of year	<u><u>\$ 10.87</u></u>
Total return	3.52%
Ratio to average net assets	
Net investment income	0.23%
Expenses	0.00%

Note 5. Participant Unit Transactions

	Retirement Right Stable Value Fund	
	Units	Dollars
Class I		
Proceeds from sales of units	25,835,684	\$ 276,493,600
Cost of units redeemed	<u>(6,084,944)</u>	<u>(65,455,982)</u>
Net change in Class I from participant transactions	<u>19,750,740</u>	<u>211,037,618</u>
Class II		
Proceeds from sales of units	5,569,314	59,504,557
Cost of units redeemed	<u>(6,325,886)</u>	<u>(67,977,907)</u>
Net change in Class II from participant transactions	<u>(756,572)</u>	<u>(8,473,350)</u>
Net change in net assets from participant transactions		<u><u>\$ 202,564,268</u></u>

Note 6. 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

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Notes to Financial Statements
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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 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.

Guaranteed Investment Contract – United of Omaha deposits participating plan contributions in a group fixed annuity contract (Contract No. 29974) in a deposit account (Guaranteed Account), which its deposits are held as part of the general asset account. The contract provides that the Retirement Right Stable Value Fund execute transactions at contract value. United of Omaha guarantees the contract values, which represent contributions, plus interest, less any fees due under the contract and participant-initiated withdrawals or transfers. This is the contract's guaranteed value.

The Guaranteed Account valuation is categorized as Level 3 within the valuation hierarchy as there is no observable market price for these types of contracts. United of Omaha calculates the fair value by projecting contract balances, at the valuation date, forward to expected lapse dates using the current contract interest rate net of management fees and then discounting this value back using the current new money declared interest rates for each appropriate maturity term. In cases where the remaining term does not fall on a declared rate term, United of Omaha will linearly interpolate the rate from the nearest two maturity term rates.

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			
Retirement Right Stable Value Fund				
Short Term Investment	\$ 3,454,021	\$ 3,454,021	\$ -	\$ -
Guaranteed Investment Contract	419,298,691	-	-	419,298,691
Total	<u>\$ 422,752,712</u>			

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

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2024:

	Fair Value at December 31, 2024	Valuation Technique	Unobservable Inputs
Retirement Right Stable Value Fund Guaranteed Investment Contract	\$ 419,298,691	Discounted	Discount rates

Note 7. 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
Retirement Right Stable Value Fund
Schedule of Investment Purchases and Sales
Year Ended December 31, 2024

Purchases	
Investment Class	Cost
Guaranteed Investment Contract	\$ 207,240,487
Total investment purchased	<u>\$ 207,240,487</u>