



Hand Composite Employee Benefit Trust Ullico Funds

**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 funds, Ullico J for Jobs Collective Investment Fund and Ullico SFA Fixed Income CIF, 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 funds 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 Funds
December 31, 2023

	Ullico J for Jobs Collective Investment Fund	Ullico SFA Fixed Income CIF
Assets		
Investments, at cost	\$ 23,799,014	\$ 28,340,230
Investments, at fair value	\$ 26,343,613	\$ 28,386,393
Cash	275,000	-
Receivable for:		
Capital shares sold	444,502	-
Investment advisor	10,732	10,255
Dividends and interest	3,824	204,260
Other	10,426	21,569
	<u>\$ 27,088,097</u>	<u>\$ 28,622,477</u>
Liabilities		
Payable for investment securities purchased	\$ 770	\$ -
Accounts payable and accrued liabilities	85,312	66,508
	<u>\$ 86,082</u>	<u>\$ 66,508</u>
Net assets held for participants:		
Class R	\$ 1,128,944	\$ -
Class R1	25,873,071	28,555,969
	<u>\$ 27,002,015</u>	<u>\$ 28,555,969</u>
Units outstanding:		
Class R	102,463	-
Class R1	2,292,255	2,714,393
	<u>2,394,718</u>	<u>2,714,393</u>
Net asset value per unit:		
Class R	\$ 11.02	\$ -
Class R1	\$ 11.29	\$ 10.52

Hand Composite Employee Benefit Trust
Schedule of Investments
Ullico J for Jobs Collective Investment Fund
December 31, 2023

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
833,230	BlackRock Liquid Treasury Institutional	\$ 833,230	\$ 833,230
	Total Short Term Investment	3.08% <u>833,230</u>	<u>833,230</u>
<u>Guaranteed Annuity Contract</u>			
<u>Separate Account</u>			
1,058,174	Ullico J For Jobs Separate Account	16,397,069	18,855,271
	Total Guaranteed Annuity Contract	69.76% <u>16,397,069</u>	<u>18,855,271</u>
<u>Common Trust Fund</u>			
<u>Fixed Income</u>			
45,316	Bank of NY Mellon Aggregate Bond	6,568,715	6,655,112
	Total Fixed Income	24.62% <u>6,568,715</u>	<u>6,655,112</u>
	Total Common Trust Fund	24.62% <u>6,568,715</u>	<u>6,655,112</u>
	Total Investments	97.46% <u>\$ 23,799,014</u>	<u>\$ 26,343,613</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Ullico SFA Fixed Income CIF
December 31, 2023

Number of Shares/ Principal Amount		Cost	Fair Value
<u>Short Term Investment</u>			
434,069	BlackRock Liq Treas Tr Instl Var Rt 12/31/2049 DD 01/31/12	\$ 434,069	\$ 434,069
	Total Short Term Investments	1.52% <u>434,069</u>	<u>434,069</u>
<u>U.S. Government Obligations</u>			
\$ 200,000	U.S. Treasury Bond 2.000% 08/15/2051 DD 08/15/21	138,019	131,297
700,000	U.S. Treasury Bond 2.000% 11/15/2041 DD 11/15/21	527,650	508,402
3,000,000	U.S. Treasury Bond 1.625% 02/15/2026 DD 02/15/16	2,865,286	2,843,672
2,100,000	U.S. Treasury Note 0.125% 01/15/2024 DD 01/15/21	2,096,374	2,096,138
750,000	U.S. Treasury Note 0.250% 03/15/2024 DD 03/15/21	742,482	742,529
500,000	U.S. Treasury Note 1.250% 09/30/2028 DD 09/30/21	448,716	443,594
500,000	U.S. Treasury Note 4.000% 12/15/2025 DD 12/15/22	500,967	497,441
	Total US Government Obligations	25.42% <u>7,319,494</u>	<u>7,263,074</u>
<u>U.S. Government Agencies</u>			
<u>Federal National Mortgage Association (FNMA)</u>			
145,945	FNMA Pool #0735500 5.500% 05/01/2035 DD 04/01/05	149,857	150,417
377,094	FNMA Pool #0BM3075 3.500% 07/01/2032 DD 11/01/17	359,897	367,047
507,236	FNMA Pool #0BM4798 5.500% 07/01/2041 DD 10/01/18	526,315	522,776
119,598	FNMA Pool #0CA5225 3.000% 02/01/2050 DD 01/01/20	107,687	107,863
243,596	FNMA Pool #0CA6635 2.500% 08/01/2050 DD 07/01/20	212,633	211,268
116,465	FNMA Pool #0CB0671 2.500% 06/01/2051 DD 05/01/21	101,825	100,640
234,718	FNMA Pool #0FM3123 2.500% 05/01/2040 DD 04/01/20	213,508	213,418
531,765	FNMA Pool #0FS0549 2.500% 02/01/2052 DD 01/01/22	464,899	457,155
368,686	FNMA Pool #0FS3371 2.000% 01/01/2053 DD 12/01/22	309,398	306,887
523,245	FNMA Pool #0FS4003 5.500% 08/01/2037 DD 02/01/23	542,225	539,277
650,164	FNMA Pool #0FS4296 3.000% 01/01/2049 DD 03/01/23	602,166	598,554
458,201	FNMA Pool #0FS4355 3.500% 04/01/2048 DD 03/01/23	437,765	430,645
126,925	FNMA Pool #0MA4045 2.000% 05/01/2040 DD 05/01/20	108,963	109,476
327,276	FNMA Pool #0MA4152 2.000% 10/01/2040 DD 09/01/20	284,043	281,844
	Total FNMA Pools	15.39% <u>4,421,181</u>	<u>4,397,267</u>
<u>Federal Home Loan Mortgage Corporation (FHLMC)</u>			
759,438	FHLMC Pool #RA-2958 2.000% 07/01/2050 DD 06/01/20	643,810	631,789
524,297	FHLMC Pool #RA-5576 2.500% 07/01/2051 DD 06/01/21	459,367	450,997
215,117	FHLMC Pool #SD-0612 2.500% 11/01/2050 DD 05/01/21	187,985	187,542
110,514	FHLMC Pool #SD-7528 2.000% 11/01/2050 DD 10/01/20	92,716	92,016

Hand Composite Employee Benefit Trust
Schedule of Investments
Ullico J for Jobs Collective Investment Fund
December 31, 2023

Principal Amount		Cost	Fair Value
<i>Federal Home Loan Mortgage Corporation (Continued)</i>			
\$ 90,294	FHLMC Pool #ZA-1334 3.500% 07/01/2042 DD 09/01/18	\$ 85,366	\$ 85,434
347,944	FHLMC Pool #ZS-9386 3.000% 04/01/2043 DD 09/01/18	319,388	320,290
135,719	FHLMC Pool #ZS-9629 3.500% 01/01/2044 DD 09/01/18	128,285	128,386
	Total FHLMC Pools	6.64% <u>1,916,917</u>	<u>1,896,454</u>
<i>Government National Mortgage Association (GNMA)</i>			
586,563	GNMA Pool #0786469 5.000% 07/15/2040 DD 01/01/23	605,000	592,788
	Total GNMA Pools	2.07% <u>605,000</u>	<u>592,788</u>
	Total U.S. Government Agencies	24.10% <u>6,943,098</u>	<u>6,886,508</u>
<u><i>Collateralized Mortgage Obligations</i></u>			
<i>Asset Backed Securities</i>			
243,677	John Deere Owner Trust 20 A A2 5.280% 03/16/2026 DD 03/02/23	243,636	243,271
500,000	Northrop Grumman Corp 4.700% 03/15/2033 DD 02/08/23	495,753	505,217
	Total Asset-backed Securities	2.62% <u>739,389</u>	<u>748,488</u>
<i>Collateralized Mortgage Backed Securities (CMBS)</i>			
471,439	Bank 2017-Bnk8 Bnk8 A3 3.229% 11/15/2050 DD 11/01/17	433,567	440,549
387,042	UBS Commercial Mortgage C1 A3 3.196% 06/15/2050 DD 06/01/17	359,923	364,842
258,694	UBS Commercial Mortgage C2 A3 3.225% 08/15/2050 DD 08/01/17	241,468	243,715
	Total CMBS	3.67% <u>1,034,957</u>	<u>1,049,106</u>
	Total Collateralized Mortgage Obligations	6.29% <u>1,774,346</u>	<u>1,797,594</u>
<u><i>Corporate Bonds</i></u>			
<i>Consumer Discretionary</i>			
500,000	Dollar General Corp 5.200% 07/05/2028 DD 06/07/23	499,900	507,176
500,000	Tractor Supply Co 5.250% 05/15/2033 DD 05/05/23	497,917	512,636
	Total Consumer Discretionary	3.57% <u>997,816</u>	<u>1,019,812</u>
<i>Energy</i>			
500,000	BP Capital Markets America Inc 4.812% 02/13/2033 DD 02/13/23	502,117	505,104
500,000	Enterprise Products Operating 2.800% 01/31/2030 DD 01/15/20	451,666	452,834
500,000	Schlumberger Investment Sa 4.850% 05/15/2033 DD 05/15/23	499,591	508,889
	Total Energy	5.13% <u>1,453,374</u>	<u>1,466,827</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Ullico SFA Fixed Income CIF (Continued)
December 31, 2023

Principal Amount		Cost	Fair Value
<i>Financials</i>			
\$ 250,000	Bank of America Corp Var Rt 09/15/2027 DD 09/15/23	\$ 250,000	\$ 255,188
250,000	Bank of New York Mellon Corp/t Var Rt 02/01/2029 DD 01/31/23	250,000	248,367
500,000	Citigroup Inc Var Rt 05/01/2025 DD 05/04/21	485,204	491,541
500,000	General Motors Financial Co In 5.800% 06/23/2028 DD 06/23/23	499,905	514,220
250,000	Goldman Sachs Group Inc/The Var Rt 05/01/2029 DD 04/23/18	235,898	242,088
250,000	Morgan Stanley Var Rt 02/01/2029 DD 01/19/23	250,001	251,350
300,000	Hartford Financial Services Gr 5.950% 10/15/2036 DD 10/03/06	325,242	320,165
250,000	Hartford Financial Services Gr 3.600% 08/19/2049 DD 08/19/19	191,794	194,318
250,000	Toyota Motor Credit Corp 4.625% 01/12/2028 DD 01/12/23	249,863	253,343
	Total Financials	9.70% <u>2,737,906</u>	<u>2,770,579</u>
<i>Healthcare</i>			
250,000	Amgen Inc 5.150% 03/02/2028 DD 03/02/23	249,630	255,766
250,000	AstraZeneca Finance LLC 4.875% 03/03/2028 DD 03/03/23	249,571	255,105
500,000	CVS Health Corp 5.250% 01/30/2031 DD 06/02/23	498,385	513,472
	Total Healthcare	3.59% <u>997,587</u>	<u>1,024,342</u>
<i>Industrials</i>			
500,000	Ryder System Inc 5.250% 06/01/2028 DD 05/19/23	499,435	506,863
250,000	Waste Management Inc 4.625% 02/15/2030 DD 02/15/23	249,683	253,152
	Total Industrials	2.66% <u>749,119</u>	<u>760,015</u>
<i>Real Estate</i>			
500,000	Crown Castle Inc 5.000% 01/11/2028 DD 01/11/23	503,025	498,554
	Total Real Estate	1.74% <u>503,025</u>	<u>498,554</u>
<i>Utilities</i>			
500,000.000	AT&T Inc 5.539% 02/20/2026 DD 02/22/23	500,034	500,121
500,000.000	Black Hills Corp 5.950% 03/15/2028 DD 03/07/23	508,315	518,381
500,000.000	Consumers Energy Co 4.650% 03/01/2028 DD 01/10/23	502,380	503,406
500,000.000	Nextera Energy Capital Holding 4.900% 02/28/2028 DD 02/09/23	501,670	504,711
	Total Utilities	7.09% <u>2,012,398</u>	<u>2,026,619</u>
	Total Corporate Bonds	33.48% <u>9,451,224</u>	<u>9,566,748</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Ullico SFA Fixed Income CIF (Continued)
December 31, 2023

Number of Shares		Cost	Fair Value
<i><u>Exchange-Traded Funds</u></i>			
<i>Fixed Income</i>			
30,000	Vanguard Int-Term Corporate	\$ 2,418,000	\$ 2,438,400
	Total Exchange-Traded Funds	8.53% <u>2,418,000</u>	<u>2,438,400</u>
	Total Investments	99.35% <u>\$ 28,340,230</u>	<u>\$ 28,386,393</u>

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

	Ullico J for Jobs Collective Investment Fund	Ullico SFA Fixed Income CIF
Income		
Interest	\$ 88,728	\$ 967,634
Dividends	-	84,530
	88,728	1,052,164
Expenses		
Investment management and administrative	20,855	14,397
Custody fees	79,385	74,259
Audit	19,801	10,000
Class level expenses	96,283	25,177
	216,324	123,833
Total expenses before reimbursement of fees	216,324	123,833
Reimbursement of fees	(67,653)	(63,172)
	148,671	60,661
Net expenses	148,671	60,661
Net Investment Income (Loss)	(59,943)	991,503
Net Realized and Unrealized Gains on Investments		
Net realized gains	9,133	43,017
Change in unrealized appreciation/depreciation	1,076,663	130,990
	1,085,796	174,007
Net realized and unrealized gains on investments	1,085,796	174,007
Net Increase in Net Assets Resulting From Operations	\$ 1,025,853	\$ 1,165,510

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

	Ullico J for Jobs Collective Investment Fund	Ullico SFA Fixed Income CIF
Operations		
Net investment gain (loss)	\$ (59,943)	\$ 991,503
Net realized gains	9,133	43,017
Change in unrealized appreciation/depreciation	1,076,663	130,990
Net increase in net assets from operations	1,025,853	1,165,510
Net Increase in Net Assets From Participant Transactions	<u>766,619</u>	<u>14,980,000</u>
Increase in Net Assets Held for Participants	1,792,472	16,145,510
Net Assets Held for Participants		
Beginning of year	<u>25,209,543</u>	<u>12,410,459</u>
End of year	<u>\$ 27,002,015</u>	<u>\$ 28,555,969</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 two of those funds 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 accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of 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 Funds 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 Funds are reinvested, thereby increasing the respective unit values.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

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 Funds are valued daily.

Federal Income Taxes

The Funds 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.

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 these Funds is Ullico Investment Advisors, Inc.

Note 2: Investment Advisory Fees and Other Transactions with Affiliates

The Funds are charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Funds 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, 2023, the investment advisor voluntarily reimbursed the Funds for a portion of their expenses.

The following table indicates the fees charged to the Funds and the various classes of units within the Funds (as a percentage of net assets). These charges are calculated using the Funds' average daily net assets:

Fund	Trustee/ Administrative Fees	Investment Advisory Fees	Fund Accounting Fees	Audit	Total Fees
Ullico J for Jobs Collective Investment Fund:					
Class R	0.080%	0.000%	0.375%	0.070%	0.525%
Class R1	0.080%	0.385%	0.375%	0.070%	0.910%
Ullico SFA Fixed Income CIF:					
Class R1	0.06%	0.15%	0.25%	0.04%	0.50%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

Note 3: Financial Highlights

	Ullico J for Jobs Collective Investment Fund		Ullico SFA Fixed Income CIF
	Class R	Class R1	Class R1
Net asset value, beginning of year	\$ 10.59	\$ 10.85	\$ 9.93
Net investment income (loss)	0.01	-	0.37
Net realized and unrealized gains	0.42	0.44	0.22
Net increase from investment operations	0.43	0.44	0.59
Net asset value, end of year	\$ 11.02	\$ 11.29	\$ 10.52
Total return	4.06%	4.06%	5.94%
Ratio to average net assets:			
Net investment gain (loss)	0.13%	0.01%	3.66%
Expenses without reimbursements	0.49%	0.84%	0.49%
Expenses with reimbursements	0.49%	0.57%	0.24%

Note 4: Participant Unit Transactions

	Ullico J for Jobs Collective Investment Fund		Ullico SFA Fixed Income CIF	
	Units	Dollars	Units	Dollars
Class R:				
Proceeds from sales of units	10,478	\$ 112,449		
Cost of units redeemed	(3,081)	(32,977)		
Net change in Class R from participant transactions	7,397	79,472		
Class R1:				
Proceeds from sales of units	216,251	2,387,926	1,761,252	\$ 18,000,000
Cost of units redeemed	(154,951)	(1,700,779)	(296,859)	(3,020,000)
Net change in Class R1 from participant transactions	61,300	687,147	1,464,393	14,980,000
Net increase in net assets from participant transactions		\$ 766,619		\$ 14,980,000

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

- 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.

U.S. Government Obligations and Agencies. U.S. Government and agency obligations are valued using a model that incorporates market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. U.S. Government and agency obligations are categorized as Level 2 in the hierarchy.

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

Mortgage-backed and Asset-backed Securities. These securities are valued using models that incorporate observable data, such as prepayments, delinquencies, yields, bids, offers, collateral seasoning and other factors. Deal specific scenarios are derived from historical performance information and loan level details. These securities are categorized as Level 2 in the hierarchy.

Exchange-traded Funds. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2023

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:

	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)
Ullico J for Jobs Collective Investment Fund				
Short Term Investment	\$ 833,230	\$ 833,230	\$ -	\$ -
Guaranteed Annuity Contract (A)	18,855,271	-	-	-
Common Trust Fund – Fixed Income (A)	6,655,112	-	-	-
Total	<u>\$ 26,343,613</u>	<u>\$ 833,230</u>	<u>\$ -</u>	<u>\$ -</u>
Ullico SFA Fixed Income CIF				
Short Term Investment	\$ 434,069	\$ 434,069	\$ -	\$ -
U.S. Government Obligations	7,263,074	7,263,074	-	-
U.S. Government Agencies	6,886,508	-	6,886,508	-
Mortgage-backed Securities	1,049,106	-	1,049,106	-
Asset-backed Securities	748,488	-	748,488	-
Corporate Bonds	9,566,748	-	9,566,748	-
Exchange-traded Fund - Fixed Income	2,438,400	-	2,438,400	-
Total	<u>\$ 28,386,393</u>	<u>\$ 7,697,143</u>	<u>\$ 20,689,250</u>	<u>\$ -</u>

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

Note 6: Risk Factors

Investment Securities Risk

The Funds 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 changes 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 Funds
Ullico J for Jobs Collective Investment Fund
Year Ended December 31, 2023

Purchases	
Investment Class	Cost
Common Trust Fund – Fixed Income	\$ 215,000
Guaranteed Annuity Contracts	950,136
Total Investments Purchased	\$ 1,165,136

Sales			
Investment Class	Proceeds	Cost	Gains
Common Trust Fund – Fixed Income	\$ 267,077	\$ 257,944	\$ 9,133
Total Investments Sold	\$ 267,077	\$ 257,944	\$ 9,133

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Funds
Ullico SFA Fixed Income CIF
Year Ended December 31, 2023

Purchases	
Investment Class	Cost
US Government Agencies	\$ 6,780,951
US Government Obligations	18,590,262
Corporate Bonds	10,162,593
Exchange-traded Funds	5,642,000
Total Investments Purchased	\$ 41,175,806

Sales			
Investment Class	Proceeds	Cost	Gains (Losses)
US Government Obligations	\$ 17,669,594	\$ 17,638,538	\$ 31,056
Corporate Bonds	760,174	723,604	36,570
Exchange-traded Funds	5,936,391	5,961,000	(24,609)
Total Investments Sold	\$ 24,366,159	\$ 24,323,142	\$ 43,017