

**Hand Composite Employee Benefit Trust  
Vulcan Value Partners Large Cap Fund**

Independent Auditor's Report and  
Seed Money Audit Financial Statement

January 3, 2017



**Hand Composite Employee Benefit Trust**  
**January 3, 2017**

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## Independent Auditor's Report

Board of Directors  
Hand Composite Employee Benefit Trust  
Houston, Texas

We have audited the accompanying statement of assets and liabilities of a selected fund (Vulcan Value Partners Large Cap Fund) included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund") as of January 3, 2017, and the related notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this statement of assets and liabilities in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the statement of assets and liabilities that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on this statement of assets and liabilities based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of assets and liabilities is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of assets and liabilities. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of assets and liabilities, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement of assets and liabilities 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of assets and liabilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the selected fund included in the Hand Composite Employee Benefit Trust as of January 3, 2017, in accordance with accounting principles generally accepted in the United States of America.

*BKD, LLP*

Houston, Texas  
May 26, 2017

**Hand Composite Employee Benefit Trust**  
**Statement of Assets and Liabilities – Selected Fund**  
**Seed Money Audit**  
**January 3, 2017**

	<b>Vulcan Value Partners Large Cap Fund</b>
<b>Assets</b>	
Cash	\$ 56,107,374
Total assets	\$ 56,107,374
<b>Net assets held for participants - Class R1</b>	\$ 56,107,374
<b>Units outstanding - Class R1</b>	5,610,738
<b>Net asset value per unit - Class R1</b>	\$ 10.00

**Hand Composite Employee Benefit Trust**  
**Notes to Statement of Assets and Liabilities**  
**Seed Money Audit**  
**January 3, 2017**

**Note 1: Nature of Operations**

***Nature of Operations***

Hand Composite Employee Benefit Trust (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, are exempt from taxation under the provisions of the Internal Revenue Code. The Trust is comprised of 103 portfolios; the statement of assets and liabilities of one of these funds is included in this report.

The Vulcan Value Partners Large Cap Fund received a participant purchase with a trade date of December 30, 2016, and settling in cash on January 3, 2017 (inception date or seed date). This seed money audit financial statement reflects the balance of cash and net assets as of the settlement of that participant purchase transaction on January 3, 2017.

***Investment Management Advisor***

The investment management advisor for the Fund is Vulcan Value Partners, LLC.