

**Hand Composite Employee Benefit Trust  
ABG Funds**

Independent Auditor's Report and Financial Statements

December 31, 2019



# Hand Composite Employee Benefit Trust

## December 31, 2019

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## Independent Auditor's Report

Board of Directors  
Hand Composite Employee Benefit Trust  
Houston, Texas

We have audited the accompanying financial statements of selected funds (ABG Wealth Preservation CIF, ABG Balanced CIF, ABG Aggressive CIF, ABG Growth CIF, and ABG Income CIF,) [five funds] included in the Hand Composite Employee Benefit Trust ("Trust" or "Funds"), which statements comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2019, and the related statements of operations and changes in net assets for the period May 9, 2019 (inception) to December 31, 2019, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 these selected funds included in the Hand Composite Employee Benefit Trust, as of December 31, 2019, and the results of their operations and changes in their net assets for the period May 9, 2019 (inception) to December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules 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 audits 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.

***BKD, LLP***

Houston, Texas  
May 29, 2020

**Hand Composite Employee Benefit Trust**  
**Statements of Assets and Liabilities – Selected Funds**  
**December 31, 2019**

	<b>ABG Wealth Preservation CIF</b>	<b>ABG Balanced CIF</b>	<b>ABG Aggressive CIF</b>
<b>Assets</b>			
Investments, at cost	\$ 8,580,156	\$ 32,060,579	\$ 22,572,881
Investments, at fair value	\$ 8,654,850	\$ 32,702,216	\$ 23,108,812
Receivable for:			
Investment securities sold	433,349	-	40,031
Capital shares sold	<u>686</u>	<u>27,400</u>	<u>10,929</u>
Total assets	<u>\$ 9,088,885</u>	<u>\$ 32,729,616</u>	<u>\$ 23,159,772</u>
<b>Liabilities</b>			
Payable for investment securities purchased	\$ -	\$ 294,837	\$ 40,031
Payable for capital shares redeemed	-	25,543	367
Withdrawals in excess of cash balance	257,199	-	-
Accounts payable and accrued liabilities	3,450	4,423	4,082
Class R1 accruals	<u>1,250</u>	<u>4,398</u>	<u>3,309</u>
Total liabilities	<u>\$ 261,899</u>	<u>\$ 329,201</u>	<u>\$ 47,789</u>
Net assets held for participants:			
Class R	\$ 1,877,876	\$ 4,220,747	\$ 4,466,638
Class R1	6,949,099	28,179,657	18,645,334
Class R2	<u>11</u>	<u>11</u>	<u>11</u>
Total net assets held for participants	<u>\$ 8,826,986</u>	<u>\$ 32,400,415</u>	<u>\$ 23,111,983</u>
Units outstanding:			
Class R	178,549	389,512	408,759
Class R1	660,370	2,605,541	1,707,955
Class R2	<u>1</u>	<u>1</u>	<u>1</u>
Total units outstanding	<u>838,920</u>	<u>2,995,054</u>	<u>2,116,715</u>
Net asset value per unit:			
Class R	<u>\$ 10.52</u>	<u>\$ 10.84</u>	<u>\$ 10.93</u>
Class R1	<u>\$ 10.52</u>	<u>\$ 10.82</u>	<u>\$ 10.92</u>
Class R2	<u>\$ 10.52</u>	<u>\$ 10.83</u>	<u>\$ 10.93</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Assets and Liabilities – Selected Funds (Continued)**  
**December 31, 2019**

	<b>ABG Growth CIF</b>	<b>ABG Income CIF</b>
<b>Assets</b>		
Investments, at cost	\$ 37,887,604	\$ 19,424,446
Investments, at fair value	\$ 38,728,665	\$ 19,683,260
Receivable for:		
Investment securities sold	-	-
Capital shares sold	<u>19,795</u>	<u>2,577</u>
Total assets	<u>\$ 38,748,460</u>	<u>\$ 19,685,837</u>
<b>Liabilities</b>		
Payable for investment securities purchased	\$ -	\$ -
Payable for capital shares redeemed	17,427	-
Overdraft on cash account	-	-
Accounts payable and accrued liabilities	4,799	3,968
Class R1 accruals	<u>5,319</u>	<u>2,291</u>
Total liabilities	<u>\$ 27,545</u>	<u>\$ 6,259</u>
Net assets held for participants:		
Class R	\$ 4,873,166	\$ 4,939,614
Class R1	33,847,738	14,739,953
Class R2	<u>11</u>	<u>11</u>
Total net assets held for participants	<u>\$ 38,720,915</u>	<u>\$ 19,679,578</u>
Units outstanding:		
Class R	445,888	462,615
Class R1	3,102,637	1,382,337
Class R2	<u>1</u>	<u>1</u>
Total units outstanding	<u>3,548,526</u>	<u>1,844,953</u>
Net asset value per unit:		
Class R	<u>\$ 10.93</u>	<u>\$ 10.68</u>
Class R1	<u>\$ 10.91</u>	<u>\$ 10.66</u>
Class R2	<u>\$ 10.92</u>	<u>\$ 10.67</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments**  
**ABG Wealth Preservation CIF**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
705,442	JP Morgan US Government Money Mkt Instl	\$ 705,442	\$ 705,442
	Total Short Term Investment	8.15% 705,442	705,442
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
90,986	Blackrock High Yield Bond Portfolio	700,137	707,868
81,548	Dodge & Cox Income Fund	1,150,530	1,144,125
335,661	Lord Abbett Short Duration Income Fund R6	1,414,108	1,413,132
147,242	PIMCO Income Fund Instl	1,765,830	1,772,798
96,900	Vanguard Intermediate Term Bond Index Adm	1,146,772	1,144,390
	Total Fixed Income	71.43% 6,177,377	6,182,313
<b><i>Equity</i></b>			
7,095	Columbia Dividend Income Fund I3	168,740	176,598
1,577	Fidelity 500 Index Fund Instl	165,531	176,697
1,451	Fidelity Advisor Health Care Fund I	77,313	88,302
8,029	Fidelity Emerging Markets Index Instl	82,513	88,160
12,337	Fidelity International Index Fund Instl	510,067	530,008
3,204	Fidelity Small Cap Growth Fund Z	84,933	88,209
617	Janus Henderson Enterprise Fund	87,609	88,304
4,200	JPMorgan Large Cap Growth Fund R6	184,000	176,547
1,405	JPMorgan Undiscovered Managers Behavioral Value Fund R6	86,900	88,237
675	Vanguard Real Estate Index Fund Adm	87,751	88,778
705	Vanguard Information Technology Index Adm	79,481	88,424
	Total Equity	19.40% 1,614,838	1,678,264
	Total Exchange-traded Funds	90.83% 7,792,215	7,860,577

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Wealth Preservation CIF (Continued)**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Common Trust Funds</u></b>			
<b><i>Fixed Income</i></b>			
412	HB&T Short Term Income Fund	\$ 412	\$ 412
	Total Fixed Income	0.00% <u>412</u>	<u>412</u>
<b><i>Equity</i></b>			
3,643	Ceredex Mid Cap Value Equity Cit	<u>82,087</u>	<u>88,419</u>
	Total Equity	1.02% <u>82,087</u>	<u>88,419</u>
	Total Common Trust Funds	1.02% <u>82,499</u>	<u>88,831</u>
	Total Investments	100.00% <u>\$ 8,580,156</u>	<u>\$ 8,654,850</u>



**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Balanced CIF**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
970,612	JP Morgan US Government Money Mkt Instl	\$ 970,612	\$ 970,612
	Total Short Term Investment	2.97% <u>970,612</u>	<u>970,612</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
166,817	Blackrock High Yield Bond Portfolio	1,283,380	1,297,837
115,105	Dodge & Cox Income Fund	1,623,034	1,614,926
692,579	Lord Abbett Short Duration Income Fund R6	2,917,026	2,915,757
323,830	PIMCO Income Fund Instl	3,884,311	3,898,913
136,743	Vanguard Intermediate Term Bond Index Adm	1,618,585	1,614,929
	Total Fixed Income	34.68% <u>11,326,336</u>	<u>11,342,362</u>
<b><i>Equity</i></b>			
78,101	Columbia Dividend Income Fund I3	1,868,048	1,943,927
17,363	Fidelity 500 Index Fund Instl	1,837,945	1,944,959
10,651	Fidelity Advisor Health Care Fund I	583,503	648,000
54,896	Fidelity Mid Cap Index Fund - Instl	1,259,954	1,297,199
58,927	Fidelity Emerging Markets Index Instl	608,421	647,015
98,078	Fidelity International Index Fund Instl	4,070,837	4,213,446
35,272	Fidelity Small Cap Growth Fund Z	938,337	971,031
11,324	Janus Henderson Enterprise Fund	1,608,886	1,619,988
46,238	JP Morgan Large Cap Growth Fund R6	2,014,096	1,943,392
15,464	JP Morgan Undiscovered Managers Behavioral Value Fund R6	958,658	971,324
5,172	Vanguard Information Technology Index Adm	593,516	648,838
4,950	Vanguard Real Estate Index Fund Adm	641,834	651,328
8,166	Vanguard Small Cap Index Fund - Adm	620,529	648,121
	Total Equity	55.50% <u>17,604,564</u>	<u>18,148,568</u>
	Total Exchange-traded Funds	90.18% <u>28,930,900</u>	<u>29,490,930</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Balanced CIF (Continued)**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
943,056	HB&T Short Term Income Fund	\$ 943,056	\$ 943,056
	Total Fixed Income	2.88% <u>943,056</u>	<u>943,056</u>
<i>Equity</i>			
53,466	Ceredex Mid Cap Value Equity Cit	1,216,011	1,297,618
	Total Equity	3.97% <u>1,216,011</u>	<u>1,297,618</u>
	Total Common Trust Funds	6.85% <u>2,159,067</u>	<u>2,240,674</u>
	Total Investments	100.00% <u>\$ 32,060,579</u>	<u>\$ 32,702,216</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Aggressive CIF**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
137,293	JP Morgan US Government Money Mkt Instl	\$ 137,293	\$ 137,293
	Total Short Term Investment	0.59% 137,293	137,293
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
29,810	Blackrock High Yield Bond Portfolio	232,220	231,925
16,409	Dodge & Cox Income Fund	232,588	230,223
55,036	Lord Abbett Short Duration Income Fund R6	231,702	231,702
77,191	PIMCO Income Fund Instl	928,591	929,383
19,506	Vanguard Intermediate Term Bond Index Adm	230,188	230,370
	Total Fixed Income	8.02% 1,855,289	1,853,603
<b><i>Equity</i></b>			
74,229	Columbia Dividend Income Fund I3	1,786,067	1,847,566
102,180	Fidelity International Index Fund Instl	4,283,543	4,389,665
16,502	Fidelity 500 Index Fund Instl	1,758,540	1,848,560
15,110	Fidelity Advisor Health Care Fund I	839,455	919,302
105,009	Fidelity Emerging Markets Index Instl	1,101,958	1,153,000
48,901	Fidelity Mid Cap Index Fund - Instl	1,129,740	1,155,526
41,710	Fidelity Small Cap Growth Fund Z	1,107,209	1,148,281
9,684	Janus Henderson Enterprise Fund	1,377,759	1,385,453
49,344	JP Morgan Large Cap Growth Fund R6	2,147,342	2,073,945
14,698	JP Morgan Undiscovered Managers Behavioral Value Fund R6	920,653	923,170
7,374	Vanguard Information Technology Index Adm	860,190	925,024
7,057	Vanguard Real Estate Index Fund Adm	925,428	928,613
13,305	Vanguard Small Cap Index Fund - Adm	1,030,805	1,056,038
	Total Equity	85.49% 19,268,689	19,754,143
	Total Exchange-traded Funds	93.51% 21,123,978	21,607,746

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Aggressive CIF (Continued)**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<i><u>Common Trust Funds</u></i>			
<i>Fixed Income</i>			
438,785	HB&T Short Term Income Fund	\$ 438,785	\$ 438,785
	Total Fixed Income	1.90% <u>438,785</u>	<u>438,785</u>
<i>Equity</i>			
38,112	Ceredex Mid Cap Value Equity Cit	872,825	924,988
	Total Equity	4.00% <u>872,825</u>	<u>924,988</u>
	Total Common Trust Funds	5.90% <u>1,311,610</u>	<u>1,363,773</u>
	Total Investments	100.00% <u>\$ 22,572,881</u>	<u>\$ 23,108,812</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Growth CIF**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
386,417	JP Morgan US Government Money Mkt Instl	\$ 386,417	\$ 386,417
	Total Short Term Investment	1.00% <u>386,417</u>	<u>386,417</u>
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
149,459	Blackrock High Yield Bond Portfolio	1,149,976	1,162,790
82,592	Dodge & Cox Income Fund	1,164,627	1,158,767
551,503	Lord Abbett Short Duration Income Fund R6	2,323,114	2,321,826
257,584	PIMCO Income Fund Instl	3,094,738	3,101,310
65,490	Vanguard Intermediate Term Bond Index Adm	772,315	773,438
	Total Fixed Income	21.99% <u>8,504,770</u>	<u>8,518,131</u>
<b><i>Equity</i></b>			
108,702	Columbia Dividend Income Fund I3	2,608,682	2,705,600
24,170	Fidelity 500 Index Fund Instl	2,566,762	2,707,559
18,932	Fidelity Advisor Health Care Fund I	1,037,181	1,151,821
141,602	Fidelity Emerging Markets Index Instl	1,471,833	1,554,787
144,104	Fidelity International Index Fund Instl	6,007,512	6,190,693
65,385	Fidelity Mid Cap Index Fund - Instl	1,510,517	1,545,047
55,771	Fidelity Small Cap Growth Fund Z	1,498,515	1,535,377
13,485	Janus Henderson Enterprise Fund	1,925,583	1,929,215
73,327	JPMorgan Large Cap Growth Fund R6	3,221,220	3,081,939
18,420	JPMorgan Undiscovered Managers Behavioral Value Fund R6	1,158,167	1,156,955
9,268	Vanguard Information Technology Index Adm	1,063,568	1,162,640
8,946	Vanguard Real Estate Index Fund Adm	1,157,200	1,177,137
14,566	Vanguard Small Cap Index Fund - Adm	1,114,657	1,156,132
	Total Equity	69.86% <u>26,341,397</u>	<u>27,054,902</u>
	Total Exchange-traded Funds	91.85% <u>34,846,167</u>	<u>35,573,033</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Growth CIF (Continued)**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Common Trust Funds</u></b>			
<b><i>Fixed Income</i></b>			
835,553	HB&T Short Term Income Fund	\$ 835,553	\$ 835,553
	Total Fixed Income	2.16% <u>835,553</u>	<u>835,553</u>
<b><i>Equity</i></b>			
79,673	Ceredex Mid Cap Value Equity Cit	<u>1,819,467</u>	<u>1,933,662</u>
	Total Equity	4.99% <u>1,819,467</u>	<u>1,933,662</u>
	Total Common Trust Funds	7.15% <u>2,655,020</u>	<u>2,769,215</u>
	Total Investments	100.00% <u>\$ 37,887,604</u>	<u>\$ 38,728,665</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Income CIF**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
1,180,144	JP Morgan US Government Money Mkt Instl	\$ 1,180,144	\$ 1,180,144
	Total Short Term Investment	6.00% 1,180,144	1,180,144
<b><u>Exchange-traded Funds</u></b>			
<b><i>Fixed Income</i></b>			
152,184	Blackrock High Yield Bond Portfolio	1,170,200	1,183,994
140,131	Dodge & Cox Income Fund	1,976,586	1,966,038
561,488	Lord Abbett Short Duration Income Fund R6	2,364,863	2,363,866
245,880	PIMCO Income Fund Instl	2,948,687	2,960,394
150,024	Vanguard Intermediate Term Bond Index Adm	1,775,509	1,771,780
	Total Fixed Income	52.05% 10,235,845	10,246,072
<b><i>Equity</i></b>			
39,527	Columbia Dividend Income Fund I3	945,260	983,827
7,032	Fidelity 500 Index Fund Instl	742,531	787,727
6,424	Fidelity Advisor Health Care Fund I	345,000	390,822
17,699	Fidelity Emerging Markets Index Instl	182,912	194,335
41,262	Fidelity International Index Fund Instl	1,717,550	1,772,619
16,642	Fidelity Mid Cap Index Fund - Instl	382,374	393,248
14,195	Fidelity Small Cap Growth Fund Z	375,289	390,788
4,166	Janus Henderson Enterprise Fund	592,231	596,031
23,336	JPMorgan Large Cap Growth Fund R6	1,021,168	980,798
6,250	JPMorgan Undiscovered Managers Behavioral Value Fund R6	390,532	392,567
3,146	Vanguard Information Technology Index Adm	358,051	394,696
1,493	Vanguard Real Estate Index Fund Adm	193,886	196,449
2,472	Vanguard Small Cap Index Fund - Adm	187,379	196,165
	Total Equity	38.97% 7,434,163	7,670,072
	Total Exchange-traded Funds	91.02% 17,670,008	17,916,144

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**ABG Income CIF (Continued)**  
**December 31, 2019**

Number of Shares		Cost	Fair Value
<b><u>Common Trust Funds</u></b>			
<i>Fixed Income</i>			
390,109	HB&T Short Term Income Fund	\$ 390,109	\$ 390,109
	Total Fixed Income	1.98% <u>390,109</u>	<u>390,109</u>
<i>Equity</i>			
8,111	Ceredex Mid Cap Value Equity Cit	184,185	196,863
	Total Equity	1.00% <u>184,185</u>	<u>196,863</u>
	Total Common Trust Funds	2.98% <u>574,294</u>	<u>586,972</u>
	Total Investments	100.00% <u>\$ 19,424,446</u>	<u>\$ 19,683,260</u>



**Hand Composite Employee Benefit Trust**  
**Statements of Operations – Selected Funds**  
**For the Period May 9, 2019 (Inception) to December 31, 2019**

	<b>ABG Wealth Preservation CIF</b>	<b>ABG Balanced CIF</b>	<b>ABG Aggressive CIF</b>
<b>Income</b>			
Dividends	\$ 104,964	\$ 327,678	\$ 245,350
Total income	<u>104,964</u>	<u>327,678</u>	<u>245,350</u>
<b>Expenses</b>			
Investment management and administrative	1,488	5,082	3,618
Class R1 expenses	3,920	15,697	11,390
Audit	3,000	3,000	3,000
Other fees	<u>18</u>	<u>-</u>	<u>24</u>
Total expenses	<u>8,426</u>	<u>23,779</u>	<u>18,032</u>
<b>Net Investment Income</b>	<u>96,538</u>	<u>303,899</u>	<u>227,318</u>
<b>Net Realized and Unrealized Gains on Investments</b>			
Net realized gains	44,338	388,911	339,110
Net change in unrealized appreciation	<u>74,694</u>	<u>641,637</u>	<u>535,931</u>
Net realized and unrealized gains on investments	<u>119,032</u>	<u>1,030,548</u>	<u>875,041</u>
<b>Net Increase in Net Assets Resulting From Operations</b>	<u>\$ 215,570</u>	<u>\$ 1,334,447</u>	<u>\$ 1,102,359</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Operations – Selected Funds (Continued)**  
**For the Period May 9, 2019 (Inception) to December 31, 2019**

	<b>ABG Growth CIF</b>	<b>ABG Income CIF</b>
	<b>ABG Growth CIF</b>	<b>ABG Income CIF</b>
<b>Income</b>		
Dividends	\$ 401,204	\$ 197,941
Total income	401,204	197,941
<b>Expenses</b>		
Investment management and administrative	5,666	2,817
Class R1 expenses	15,412	6,829
Audit	3,000	3,000
Other fees	-	-
Total expenses	24,078	12,646
<b>Net Investment Income</b>	377,126	185,295
<b>Net Realized and Unrealized Gains on Investments</b>		
Net realized gains	517,468	181,275
Net change in unrealized appreciation	841,061	258,814
Net realized and unrealized gains on investments	1,358,529	440,089
<b>Net Increase in Net Assets Resulting</b>		
<b>From Operations</b>	\$ 1,735,655	\$ 625,384

**Hand Composite Employee Benefit Trust**  
**Statements of Changes in Net Assets – Selected Funds**  
**For the Period May 9, 2019 (Inception) to December 31, 2019**

	<b>ABG Wealth Preservation CIF</b>	<b>ABG Balanced CIF</b>	<b>ABG Aggressive CIF</b>
<b>Operations</b>			
Net investment income	\$ 96,538	\$ 303,899	\$ 227,318
Net realized gains	44,338	388,911	339,110
Change in unrealized appreciation	<u>74,694</u>	<u>641,637</u>	<u>535,931</u>
Net increase in net assets from operations	215,570	1,334,447	1,102,359
<b>Net Increase in Net Assets From Participant Transactions</b>	<u>8,611,416</u>	<u>31,065,968</u>	<u>22,009,624</u>
<b>Increase in Net Assets</b>	8,826,986	32,400,415	23,111,983
<b>Net Assets</b>			
Beginning of period	<u>-</u>	<u>-</u>	<u>-</u>
End of period	<u>\$ 8,826,986</u>	<u>\$ 32,400,415</u>	<u>\$ 23,111,983</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Changes in Net Assets – Selected Funds (Continued)**  
**For the Period May 9, 2019 (Inception) to December 31, 2019**

	<b>ABG Growth CIF</b>	<b>ABG Income CIF</b>
<b>Operations</b>		
Net investment income	\$ 377,126	\$ 185,295
Net realized gains	517,468	181,275
Change in unrealized appreciation	841,061	258,814
Net increase in net assets from operations	1,735,655	625,384
<b>Net Increase in Net Assets From Participant Transactions</b>	<b>36,985,260</b>	<b>19,054,194</b>
<b>Increase in Net Assets</b>	<b>38,720,915</b>	<b>19,679,578</b>
<b>Net Assets</b>		
Beginning of period	-	-
End of period	\$ 38,720,915	\$ 19,679,578

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2019

### 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 funds (the Funds); the financial statements of five of those funds are included in this report.

The Funds' inception date was May 9, 2019.

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 year ending date.

#### *Investment Transactions*

Investment transactions are recorded on 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. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Funds

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2019

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.

#### ***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 comply with the requirements under Section 501(a) of the IRC and apportion all of their taxable income to their participants. Therefore, no federal income tax provision is required.

#### ***Subsequent Events***

As a result of the spread of the COVID-19 coronavirus in 2020, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Funds. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events have been evaluated through May 29, 2020, which is the date the financial statements were available to be issued.

#### ***Investment Management Advisors***

The investment management advisor for the Fund is ABG Consultants, LLC.

#### **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 have 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 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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2019

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Other Fees	Total Fees
ABG Wealth Preservation CIF:					
Class R	0.06%	0.00%	0.00%	0.03%	0.09%
Class R1	0.06%	0.00%	0.25%	0.03%	0.34%
Class R2	0.06%	0.25%	0.00%	0.03%	0.34%
ABG Balanced CIF:					
Class R	0.06%	0.00%	0.00%	0.01%	0.07%
Class R1	0.06%	0.00%	0.25%	0.01%	0.32%
Class R2	0.06%	0.25%	0.00%	0.01%	0.32%
ABG Aggressive CIF:					
Class R	0.06%	0.00%	0.00%	0.01%	0.07%
Class R1	0.06%	0.00%	0.25%	0.01%	0.32%
Class R2	0.06%	0.25%	0.00%	0.01%	0.32%
ABG Growth CIF:					
Class R	0.06%	0.00%	0.00%	0.01%	0.07%
Class R1	0.06%	0.00%	0.25%	0.01%	0.32%
Class R2	0.06%	0.25%	0.00%	0.01%	0.32%
ABG Income CIF:					
Class R	0.06%	0.00%	0.00%	0.03%	0.09%
Class R1	0.06%	0.00%	0.25%	0.03%	0.34%
Class R2	0.06%	0.25%	0.00%	0.03%	0.34%

### Note 3: Financial Highlights

	Class R*				
	ABG Wealth Preservation CIF	ABG Balanced CIF	ABG Aggressive CIF	ABG Growth CIF	ABG Income CIF
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.20	0.19	0.24	0.20	0.26
Net realized and unrealized gains	0.32	0.65	0.69	0.73	0.42
Net increase from investment operations	0.52	0.84	0.93	0.93	0.68
Net asset value, end of period	<u>\$ 10.52</u>	<u>\$ 10.84</u>	<u>\$ 10.93</u>	<u>\$ 10.93</u>	<u>\$ 10.68</u>
Total return	5.20%	8.40%	9.30%	9.30%	6.80%
Ratio to average net assets:					
Net investment income**	1.28 %	1.14 %	1.42 %	1.19 %	1.56 %
Expenses**	0.06 %	0.03 %	0.04 %	0.03 %	0.05 %

\* For the period May 9, 2019 (inception) to December 31, 2019

\*\*Annualized

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2019

	Class R1*				
	ABG Wealth Preservation CIF	ABG Balanced CIF	ABG Aggressive CIF	ABG Growth CIF	ABG Income CIF
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.18	0.17	0.17	0.19	0.17
Net realized and unrealized gains	0.34	0.65	0.75	0.72	0.49
Net increase from investment operations	0.52	0.82	0.92	0.91	0.66
Net asset value, end of period	<u>\$ 10.52</u>	<u>\$ 10.82</u>	<u>\$ 10.92</u>	<u>\$ 10.91</u>	<u>\$ 10.66</u>
Total return	5.20%	8.20%	9.20%	9.10%	6.60%
Ratio to average net assets:					
Net investment income**	1.14 %	1.02 %	1.04 %	1.15 %	1.07 %
Expenses**	0.11 %	0.09 %	0.10 %	0.08 %	0.09 %

\* For the period May 9, 2019 (inception) to December 31, 2019

\*\*Annualized

	Class R2*				
	ABG Wealth Preservation CIF	ABG Balanced CIF	ABG Aggressive CIF	ABG Growth CIF	ABG Income CIF
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Net investment income	0.12	0.11	0.11	0.11	0.10
Net realized and unrealized gains	0.40	0.72	0.82	0.81	0.57
Net increase from investment operations	0.52	0.83	0.93	0.92	0.67
Net asset value, end of period	<u>\$ 10.52</u>	<u>\$ 10.83</u>	<u>\$ 10.93</u>	<u>\$ 10.92</u>	<u>\$ 10.67</u>
Total return	5.20%	8.30%	9.30%	9.20%	6.70%
Ratio to average net assets:					
Net investment income**	0.76 %	0.67 %	0.71 %	0.69 %	0.65 %
Expenses**	0.03 %	0.02 %	0.02 %	0.02 %	0.02 %

\* For the period May 9, 2019 (inception) to December 31, 2019

\*\*Annualized



# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2019

#### Note 4: Participant Unit Transactions

	ABG Wealth Preservation CIF		ABG Balanced CIF		ABG Aggressive CIF	
	Units	Dollars	Units	Dollars	Units	Dollars
<b>Class R:</b>						
Proceeds from sales of units	192,913	\$ 1,977,112	514,578	\$ 5,333,402	513,344	\$ 5,319,976
Cost of units redeemed	(14,364)	(148,498)	(125,066)	(1,327,169)	(104,585)	(1,070,696)
Net change in Class R from participant transactions	<u>178,549</u>	<u>1,828,614</u>	<u>389,512</u>	<u>4,006,233</u>	<u>408,759</u>	<u>4,249,280</u>
<b>Class R1:</b>						
Proceeds from sales of units	715,641	7,362,646	3,181,667	33,086,039	1,830,122	19,029,522
Cost of units redeemed	(55,272)	(579,844)	(576,128)	(6,026,304)	(122,168)	(1,269,178)
Net change in Class R1 from participant transactions	<u>660,369</u>	<u>6,782,802</u>	<u>2,605,539</u>	<u>27,059,735</u>	<u>1,707,954</u>	<u>17,760,344</u>
Net change in total net assets from participant transactions		<u>\$ 8,611,416</u>		<u>\$ 31,065,968</u>		<u>\$ 22,009,624</u>

	ABG Growth CIF		ABG Income CIF	
	Units	Dollars	Units	Dollars
<b>Class R:</b>				
Proceeds from sales of units	494,060	\$ 5,102,815	485,996	\$ 5,011,546
Cost of units redeemed	(48,173)	(509,372)	(23,381)	(242,311)
Net change in Class R from participant transactions	<u>445,887</u>	<u>4,593,443</u>	<u>462,615</u>	<u>4,769,235</u>
<b>Class R1:</b>				
Proceeds from sales of units	3,292,838	34,353,123	1,437,406	14,855,008
Cost of units redeemed	(190,202)	(1,961,306)	(55,070)	(570,049)
Net change in Class R1 from participant transactions	<u>3,102,636</u>	<u>32,391,817</u>	<u>1,382,336</u>	<u>14,284,959</u>
Net change in total net assets from participant transactions		<u>\$ 36,985,260</u>		<u>\$ 19,054,194</u>

#### 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, 2019

- 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 statements 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 period ended December 31, 2019.

**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.

**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.

The following tables present the fair value measurements of assets recognized in the accompanying statements 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, 2019:

	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)
<b>ABG Wealth Preservation</b>			
Short Term Investment	\$ 705,442	\$ 705,442	\$ -
Exchange-traded Funds - Fixed Income	6,182,313	6,182,313	-
Exchange-traded Funds - Equity	1,678,264	1,678,264	-
Common Trust Funds - Fixed Income (A)	412		
Common Trust Funds - Equity (A)	88,419		
Total	<u>\$ 8,654,850</u>		

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2019

	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)
<b>ABG Balanced Fund</b>				
Short Term Investment	\$ 970,612	\$ 970,612	\$ -	\$ -
Exchange-traded Funds - Fixed Income	11,342,362	11,342,362	-	-
Exchange-traded Funds - Equity	18,148,568	18,148,568	-	-
Common Trust Funds - Fixed Income (A)	943,056			
Common Trust Funds - Equity (A)	<u>1,297,618</u>			
Total	<u>\$ 32,702,216</u>			
<b>ABG Aggressive Fund</b>				
Short Term Investment	\$ 137,293	\$ 137,293	\$ -	\$ -
Exchange-traded Funds - Fixed Income	1,853,603	1,853,603	-	-
Exchange-traded Funds - Equity	19,754,143	19,754,143	-	-
Common Trust Funds - Fixed Income (A)	438,785			
Common Trust Funds - Equity (A)	<u>924,988</u>			
Total	<u>\$ 23,108,812</u>			
<b>ABG Growth Fund</b>				
Short Term Investment	\$ 386,417	\$ 386,417	\$ -	\$ -
Exchange-traded Funds - Fixed Income	8,518,131	8,518,131	-	-
Exchange-traded Funds - Equity	27,054,902	27,054,902	-	-
Common Trust Funds - Fixed Income (A)	835,553			
Common Trust Funds - Equity (A)	<u>1,933,662</u>			
Total	<u>\$ 38,728,665</u>			
<b>ABG Income Fund</b>				
Short Term Investment	\$ 1,180,144	\$ 1,180,144	\$ -	\$ -
Exchange-traded Funds - Fixed Income	10,246,072	10,246,072	-	-
Exchange-traded Funds - Equity	7,670,072	7,670,072	-	-
Common Trust Funds - Fixed Income (A)	390,109			
Common Trust Funds - Equity (A)	<u>196,863</u>			
Total	<u>\$ 19,683,260</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.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2019

### **Note 6: Risk Factors**

The Funds invest 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 statements of assets and liabilities.

## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds**  
**ABG Wealth Preservation CIF**  
**For the Period May 9, 2019 to December 31, 2019**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 6,465,188
Exchange-traded Funds - Equity	1,694,343
Common Trust Funds - Fixed Income	9,615,782
Common Trust Funds - Equity	<u>86,072</u>
 Total Investments Purchased	 <u><u>\$ 17,861,385</u></u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain</b>
Common Trust Funds - Fixed Income	\$ 9,660,120	\$ 9,615,782	\$ 44,338
Common Trust Funds - Equity	<u>66</u>	<u>66</u>	<u>-</u>
 Total Investments Sold	 <u><u>\$ 9,660,186</u></u>	 <u><u>\$ 9,615,848</u></u>	 <u><u>\$ 44,338</u></u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**ABG Balanced CIF**  
**For the Period May 9, 2019 to December 31, 2019**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 12,662,514
Exchange-traded Funds - Equity	19,838,188
Common Trust Funds - Fixed Income	34,225,692
Common Trust Funds - Equity	1,367,383
Common Trust Funds - Other	159
 Total Investments Purchased	 <u>\$ 68,093,936</u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Exchange-traded Funds - Fixed Income	\$ 1,801,920	\$ 1,466,299	\$ 335,621
Exchange-traded Funds - Equity	2,460,465	2,415,481	44,984
Common Trust Funds - Fixed Income	33,287,876	33,284,427	3,449
Common Trust Funds - Equity	169,398	164,537	4,861
Common Trust Funds - Other	155	159	(4)
 Total Investments Sold	 <u>\$ 37,719,814</u>	 <u>\$ 37,330,903</u>	 <u>\$ 388,911</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**ABG Aggressive CIF**  
**For the Period May 9, 2019 to December 31, 2019**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 6,549,730
Exchange-traded Funds - Equity	23,868,908
Common Trust Funds - Fixed Income	20,965,769
Common Trust Funds - Equity	<u>1,167,644</u>
 Total Investments Purchased	 <u><u>\$ 52,552,051</u></u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Exchange-traded Funds - Fixed Income	\$ 5,052,517	\$ 4,703,309	\$ 349,208
Exchange-traded Funds - Equity	4,582,517	4,607,343	(24,826)
Common Trust Funds - Fixed Income	20,528,448	20,526,304	2,144
Common Trust Funds - Equity	<u>306,212</u>	<u>293,628</u>	<u>12,584</u>
 Total Investments Sold	 <u><u>\$ 30,469,694</u></u>	 <u><u>\$ 30,130,584</u></u>	 <u><u>\$ 339,110</u></u>



**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**ABG Growth CIF**  
**For the Period May 9, 2019 to December 31, 2019**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 8,472,544
Exchange-traded Funds - Equity	26,341,398
Common Trust Funds - Fixed Income	31,318,962
Common Trust Funds - Equity	1,820,105
Common Trust Funds - Other	703
	<u>703</u>
Total Investments Purchased	<u>\$ 67,953,712</u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Common Trust Funds - Fixed Income	\$ 31,002,977	\$ 30,485,493	\$ 517,484
Common Trust Funds - Equity	639	638	1
Common Trust Funds - Other	686	703	(17)
	<u>686</u>	<u>703</u>	<u>(17)</u>
Total Investments Sold	<u>\$ 31,004,302</u>	<u>\$ 30,486,834</u>	<u>\$ 517,468</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investment Purchases and Sales – Selected Funds (Continued)**  
**ABG Income CIF**  
**For the Period May 9, 2019 to December 31, 2019**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Exchange-traded Funds - Fixed Income	\$ 10,200,382
Exchange-traded Funds - Equity	7,434,163
Common Trust Funds - Fixed Income	17,615,548
Common Trust Funds - Equity	184,185
Total Investments Purchased	\$ 35,434,278

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain</b>
Common Trust Funds - Fixed Income	\$ 17,407,829	\$ 17,226,554	\$ 181,275