

**Hand Composite Employee
Benefit Trust**

**ClearBridge Large Cap
Growth CIF**

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

December 31, 2022



Hand Composite Employee Benefit Trust

December 31, 2022

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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 accompanying financial statements of the selected fund, ClearBridge Large Cap Growth 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, 2022, 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, 2022, 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's 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 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's 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's 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 financial statements as a whole.

FORVIS,LLP

Houston, Texas
May 31, 2023

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2022

	ClearBridge Large Cap Growth CIF
Assets	
Investments, at cost	\$ 46,397,702
Investments, at fair value	\$ 53,556,935
Cash	363
Receivable for:	
Investment securities sold	891,108
Capital shares sold	19,931
Dividends and interest	12,530
Investment advisor waived fees	4,950
Total assets	\$ 54,485,817
Liabilities	
Payable for capital shares redeemed	\$ 1,587
Management fee payable	21,888
Accounts payable and accrued liabilities	37,227
Total liabilities	\$ 60,702
Net assets held for participants:	
Class R2	\$ 53,830,881
Class R3	594,234
Total net assets held for participants	\$ 54,425,115
Units outstanding:	
Class R2	2,818,392
Class R3	31,061
Total units outstanding	2,849,453
Net asset value per unit:	
Class R2	\$ 19.10
Class R3	\$ 19.13

Hand Composite Employee Benefit Trust
Schedule of Investments
ClearBridge Large Cap Growth CIF
December 31, 2022

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
446,524	State Street Institutional Investment Trust Treasury Money Market Fund, Premier Class 3.79%	\$ 446,524	\$ 446,524
Total Short Term Investment		0.83%	446,524
<u>Common Stocks</u>			
<u>Consumer Discretionary</u>			
4,720	Advance Auto Parts, Inc.	722,732	693,982
38,670	Amazon.com, Inc.	3,101,889	3,248,280
7,461	Aptiv PLC	574,397	694,843
5,390	Netflix, Inc.	2,217,733	1,589,403
13,310	NIKE, Inc. Class B	1,851,131	1,557,403
1,740	Tesla, Inc.	279,144	214,333
1,400	Tractor Supply Co.	227,059	314,958
Total Consumer Discretionary		15.52%	8,974,085
<u>Consumer Staples</u>			
4,370	Estee Lauder Cos., Inc. Class A	926,121	1,084,241
15,880	Monster Beverage Corp.	1,102,341	1,612,296
Total Consumer Staples		5.04%	2,028,462
<u>Financials</u>			
4,920	Marsh & McLennan Cos., Inc.	767,340	814,162
5,146	S&P Global, Inc.	1,262,129	1,723,601
Total Financials		4.74%	2,029,469
<u>Health Care</u>			
17,150	Alcon, Inc.	987,146	1,175,633
11,380	DexCom, Inc.	1,257,333	1,288,671
4,550	Intuitive Surgical, Inc.	1,272,057	1,207,342
4,400	Stryker Corp.	985,684	1,075,756
3,230	Thermo Fisher Scientific, Inc.	732,673	1,778,729
5,480	UnitedHealth Group, Inc.	1,275,558	2,905,386
9,760	Zoetis, Inc.	884,844	1,430,328
Total Health Care		20.28%	7,395,295
<u>Industrials</u>			
9,830	Eaton Corp. PLC	1,530,830	1,542,819
14,260	Raytheon Technologies Corp.	1,017,258	1,439,119
27,740	Uber Technologies, Inc.	1,089,968	686,010
7,770	United Parcel Service, Inc. Class B	864,545	1,350,737
2,580	WW Grainger, Inc.	702,726	1,435,125
Total Industrials		12.05%	5,205,327
<u>Information Technology</u>			
2,570	Adobe, Inc.	542,960	864,882
18,090	Apple, Inc.	959,328	2,350,434
2,040	ASML Holding N.V.	793,899	1,114,656
4,320	Atlassian Corp. Class A	906,856	555,898
16,100	Intel Corp.	791,341	425,523

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
ClearBridge Large Cap Growth CIF (Continued)
December 31, 2022

Number of Shares		Cost	Fair Value
<i>Information Technology (Continued)</i>			
8,510	Meta Platforms, Inc. Class A	\$ 1,462,121	\$ 1,024,093
16,900	Microsoft Corp.	2,305,351	4,052,958
11,550	NVIDIA Corp.	529,917	1,687,917
8,610	Palo Alto Networks, Inc.	572,645	1,201,439
14,074	PayPal Holdings, Inc.	2,125,655	1,002,350
7,460	salesforce.com, Inc.	1,437,811	989,121
8,105	Splunk, Inc.	914,779	697,760
5,740	Unity Software, Inc.	663,704	164,107
15,010	Visa, Inc. Class A	2,199,891	3,118,478
4,630	Workday, Inc. Class A	1,132,480	774,738
	Total Information Technology	37.39% 17,338,738	20,024,354
<i>Materials</i>			
3,800	Sherwin-Williams Co.	1,024,338	901,854
	Total Materials	1.68% 1,024,338	901,854
<i>Real Estate</i>			
1,510	Equinix, Inc. REIT	678,777	989,095
	Total Real Estate	1.85% 678,777	989,095
<i>Telecommunication Services</i>			
6,380	Sea Ltd. ADR	1,276,687	331,951
	Total Telecommunication Services	0.62% 1,276,687	331,951
	Total Common Stocks	99.17% 45,951,178	53,110,411
	Total Investments	100.00% \$ 46,397,702	\$ 53,556,935

Abbreviations used in this table:

ADR American Depository Receipt
REIT Real Estate Investment Trust

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2022

	ClearBridge Large Cap Growth CIF
Income	
Interest	\$ 22,761
Dividends (net of foreign withholding taxes of \$22,591)	811,995
	834,756
Expenses	
Trustee and administrative	125,685
Class R1 expenses	142,929
Class R2 expenses	435,656
Class R3 expenses	11,866
	716,136
Net Investment Income	118,620
Net Realized Gains on Investments	25,446,806
Change in Net Unrealized Appreciation/Depreciation on Investments	(87,080,523)
Net Realized and Unrealized Losses on Investments	(61,633,717)
Net Decrease in Net Assets Resulting From Operations	\$ (61,515,097)

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2022

	ClearBridge Large Cap Growth CIF
Operations	
Net investment income	\$ 118,620
Net realized gains	25,446,806
Change in net unrealized appreciation/depreciation	(87,080,523)
Net decrease in net assets from operations	(61,515,097)
Net Decrease in Net Assets From Participant Unit Transactions	(106,351,256)
Decrease in Net Assets	(167,866,353)
Net Assets	
Beginning of year	222,291,468
End of year	\$ 54,425,115

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2022

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 71 portfolios (the Funds); the financial statements of one of those funds, the ClearBridge Large Cap Growth CIF (the Fund), are included in this report.

Each class of the Fund 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 and foreign currency are allocated to each class of units based on its relative net assets.

Class R1 was outstanding during the period January 1, 2022 through November 21, 2022.

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 Fund until

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2022

units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Fund 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 Fund is valued daily.

Federal Income Taxes

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

Subsequent Events

Subsequent events have been evaluated through May 31, 2023, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is ClearBridge Investments, LLC.

Note 2: Investment Advisory Fees and Other Transactions with Affiliates

The Fund is charged a fee by HB&T for trustee/administrative services and other fees which include fund accounting services, transfer agency services, custody services, etc. The Fund has 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 Fund and the various classes of units within the Fund (as a percentage of net assets). These charges are calculated using the Fund's prior day total net assets.

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
ClearBridge Large Cap Growth				
CIF:				
Class R2	0.04%	0.45%	0.06%	0.55%
Class R3	0.04%	0.40%	0.06%	0.50%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2022

Note 3: Financial Highlights

	ClearBridge Large Cap Growth CIF	
	Class R2	Class R3
Net asset value, beginning of year	\$ 28.28	\$ 28.35
Net investment income	0.02	0.03
Net realized and unrealized losses	(9.20)	(9.25)
Net decrease from investment operations	(9.18)	(9.22)
Net asset value, end of year	\$ 19.10	\$ 19.13
Total return	(32.46%)	(32.52%)
Ratio to average net assets:		
Net investment income	0.10%	0.12%
Expenses	0.55%	0.49%

Note 4: Participant Unit Transactions

	ClearBridge Large Cap Growth CIF	
	Units	Dollars
Class R1:		
Proceeds from sales of units	96,157	\$ 2,125,343
Cost of units redeemed	(1,666,764)	(33,134,416)
Net change in Class R1 from participant transactions	(1,570,607)	(31,009,073)
Class R2:		
Proceeds from sales of units	651,794	14,365,825
Cost of units redeemed	(3,888,445)	(85,462,136)
Net change in Class R2 from participant transactions	(3,236,651)	(71,096,311)
Class R3:		
Proceeds from sales of units	30,763	641,536
Cost of units redeemed	(242,158)	(4,887,408)
Net change in Class R3 from participant transactions	(211,395)	(4,245,872)
Net decrease in net assets from participant unit transactions		\$ (106,351,256)

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Notes to Financial Statements

December 31, 2022

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:

- 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 that the Fund can access at the measurement date; 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, 2022.

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

Common Stocks. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depositary Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy.

The following table presents the fair value measurements of assets recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2022

	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)
ClearBridge Large Cap Growth CIF				
Short Term Investment	\$ 446,524	\$ 446,524	\$ -	\$ -
Common Stocks	53,110,411	53,110,411	-	-
Total	\$ 53,556,935	\$ 53,556,935	\$ 0	\$ 0

Note 6: Risk Factors

Investment Securities Risk

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Supplemental Information

Hand Composite Employee Benefit Trust

Schedule of Investment Purchases and Sales

ClearBridge Large Cap Growth CIF

Year Ended December 31, 2022

Purchases	
Investment Class	Cost
Common Stocks	<u>\$ 27,678,343</u>
Total Investments Purchased	<u><u>\$ 27,678,343</u></u>

Sales			
Investment Class	Proceeds	Cost	Gains
Common Stocks	<u>\$ 128,605,116</u>	<u>\$ 103,158,310</u>	<u>\$ 25,446,806</u>
Total Investments Sold	<u><u>\$ 128,605,116</u></u>	<u><u>\$ 103,158,310</u></u>	<u><u>\$ 25,446,806</u></u>