

**Hand Composite Employee Benefit Trust**  
**ClariVest Emerging Markets Equity Collective Fund**  
Independent Auditor's Report and Financial Statements  
December 31, 2020



**Hand Composite Employee Benefit Trust**  
**December 31, 2020**

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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 ClariVest Emerging Markets Equity Collective Fund, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which statements comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2020, and the related statements of operations and changes in net assets for the year then ended, 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 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 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 ClariVest Emerging Markets Equity Collective Fund, included in the Hand Composite Employee Benefit Trust, as of December 31, 2020, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investment purchases and sales listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***BKD, LLP***

Houston, Texas  
May 27, 2021

**Hand Composite Employee Benefit Trust**  
**Statement of Assets and Liabilities – Selected Fund**  
**December 31, 2020**

	<b>ClariVest Emerging Markets Equity Collective Fund</b>
<b>Assets</b>	
Investments, at cost	\$ 125,237,308
Investments, at fair value	\$ 158,780,022
Cash denominated in foreign currencies (cost - \$45,610)	45,697
Receivable for:	
Investment securities sold	2,480,894
Dividends and interest	442,106
Total assets	\$ 161,748,719
<b>Liabilities</b>	
Investment securities purchased	\$ -
Accounts payable and accrued liabilities	94,528
Foreign taxes payable - dividends and interest	73,556
Total liabilities	\$ 168,084
Net assets held for participants:	
Class R1	\$ 16
Class R2	16
Class R3	161,580,603
Total net assets held for participants	\$ 161,580,635
Units outstanding:	
Class R1	1
Class R2	1
Class R3	10,123,052
Total units outstanding	10,123,054
Net asset value per unit:	
Class R1	\$ 15.95
Class R2	\$ 15.95
Class R3	\$ 15.96

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments**  
**ClariVest Emerging Markets Equity Collective Fund**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
2,437,991	Blackrock Federal Fund	\$ 1,197,250	\$ 1,197,250
	Total Short Term Investment	0.75% <u>1,197,250</u>	<u>1,197,250</u>
<b><u>Foreign Stock</u></b>			
<b><i>Brazil</i></b>			
46,100	B3 SA - Brasil Bolsa Balcao	508,520	550,090
25,500	Banco Btg Pactual Sa	373,328	461,476
70,500	Banco Santander Brasil Sa	871,234	608,470
159,900	Cia Siderurgica Nacional Sa	449,214	980,481
139,100	Itau Unibanco Holding Sa ADR	746,380	847,119
36,900	Localiza Rent A Car Sa	451,395	489,826
344,100	Marfrig Global Foods Sa	948,560	961,244
54,800	Suzano Sa	515,654	617,610
125,800	Vale Sa ADR	1,580,716	2,108,408
	Total Brazil	4.80% <u>6,445,001</u>	<u>7,624,724</u>
<b><i>Cayman Islands</i></b>			
39,900	Alibaba Group Holding Ltd ADR	7,973,061	9,285,929
5,500	Baidu Inc ADR	640,978	1,189,320
43,500	JD.com Inc ADR	1,354,577	3,823,650
10,000	NIO Inc ADR	484,142	487,400
4,100	Pinduoduo Inc ADR	605,913	728,447
	Total Cayman Islands	9.77% <u>11,058,671</u>	<u>15,514,746</u>
<b><i>China</i></b>			
1,618,000	Agricultural Bank Of China Ltd Hk/01288	743,607	592,624
283,000	Anhui Conch Cement Co Ltd Hk/00914	1,752,354	1,771,978
76,000	Anta Sports Products Ltd Hk/02020	525,462	1,204,614
4,091,000	Bank Of China Ltd Hk/03988	1,655,444	1,398,163
20,000	Byd Co Ltd Hk/01211	451,651	524,127
358,500	China Conch Venture Holdings L Hk/00586	1,324,331	1,743,063
2,544,000	China Construction Bank Corp Hk/00939	2,246,264	1,932,480
680,500	China Hongqiao Group Ltd Hk/01378	630,085	623,116
443,000	China Life Insurance Co Ltd Hk/02628	991,582	976,973

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**ClariVest Emerging Markets Equity Collective Fund (Continued)**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<i>China (Continued)</i>			
1,294,000	China National Building Materi Hk/03323	\$ 1,198,354	\$ 1,555,367
1,983,300	China Railway Group Ltd Hk/00390	1,416,786	874,777
491,500	China Shenhua Energy Co Ltd Hk/01088	1,102,140	925,463
830,900	Cosco Shipping Holdings Co Ltd Cn/601919	707,851	1,551,315
495,440	Cspc Pharmaceutical Group Ltd Hk/01093	568,241	506,695
612,600	Huatai Securities Co Ltd Hk/06886	1,012,601	963,872
1,325,000	Industrial & Commercial Bank O Hk/01398	985,303	859,541
56,000	Innovent Biologics Inc Hk/01801	428,442	592,583
427,500	Kwg Group Holdings Ltd Hk/01813	489,524	583,317
75,800	Longi Green Energy Technology Cn/601012	760,944	1,068,650
74,900	Meituan Hk/03690	2,283,400	2,845,753
62,000	Muyuan Foods Co Ltd Cn/002714	657,352	730,940
888,000	Petrochina Co Ltd Hk/00857	547,064	274,857
200,200	Sany Heavy Industry Co Ltd Cn/600031	730,710	1,070,827
352,000	Shandong Weigao Group Medical Hk/01066	338,577	795,352
15,000	Shenzhen Mindray Bio-medical E Cn/300760	665,865	977,094
220,400	Sinopharm Group Co Ltd Hk/01099	819,781	536,088
125,000	Sunac China Holdings Ltd Hk/01918	608,737	461,867
146,100	Tencent Holdings Ltd Hk/00700	7,011,864	10,627,030
368,000	Tingyi Cayman Islands Holding Hk/00322	651,865	628,374
126,000	Weichai Power Co Ltd Hk/02338	222,888	252,850
108,000	Wuxi Biologics Cayman Inc Hk/02269	1,102,485	1,431,856
558,000	Xinyi Solar Holdings Ltd Hk/00968	482,959	1,457,276
98,000	Zhongsheng Group Holdings Ltd Hk/00881	606,680	698,298
650,500	Zoomlion Heavy Industry Scienc Cn/000157	767,068	984,732
	Total China	27.73% <u>36,488,261</u>	<u>44,021,912</u>
<i>Columbia</i>			
34,700	Ecopetrol SA ADR	632,674	447,977
	Total Columbia	0.28% <u>632,674</u>	<u>447,977</u>
<i>Hong Kong</i>			
784,000	Brilliance China Automotive Ho Hk/01114	706,571	713,844
141,000	China Mengniu Dairy Co Ltd Hk/02319	462,517	851,035
	Total Hong Kong	0.99% <u>1,169,088</u>	<u>1,564,879</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**ClariVest Emerging Markets Equity Collective Fund (Continued)**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<i><b>Hungary</b></i>			
54,151	Mol Hungarian Oil & Gas Plc	\$ 581,533	\$ 400,076
37,338	OTP Bank Nyrt	1,666,535	1,682,867
	Total Hungary	<u>1.31%</u> <u>2,248,068</u>	<u>2,082,943</u>
<i><b>India</b></i>			
18,542	Balkrishna Industries Ltd	341,756	417,774
110,367	Cipla Ltd/india	1,151,525	1,238,518
12,894	Divi's Laboratories Ltd	602,477	677,968
17,200	Dr Reddy's Laboratories Ltd Adr	656,994	1,226,188
163,990	Hcl Technologies Ltd	1,487,870	2,123,504
17,600	Hdfc Bank Ltd Adr	910,337	1,271,776
355,616	Hindalco Industries Ltd	884,425	1,170,745
203,880	Hindustan Petroleum Corp Ltd	642,065	608,006
112,350	Icici Bank Ltd Adr	1,313,573	1,669,521
126,300	Infosys Ltd Adr	1,625,106	2,140,785
156,242	Jindal Steel & Power Ltd	480,617	569,756
94,600	Mahindra & Mahindra Ltd	907,654	932,956
221,780	Power Finance Corp Ltd	403,476	346,932
214,788	State Bank Of India	1,094,572	808,238
45,593	Tata Consultancy Services Ltd	1,754,169	1,786,312
96,283	Tata Steel Ltd	840,486	848,155
7,199	Ultratech Cement Ltd	401,179	521,017
145,379	Zee Entertainment Enterprises	413,673	444,688
	Total India	<u>11.84%</u> <u>15,911,954</u>	<u>18,802,839</u>
<i><b>Malaysia</b></i>			
645,900	Malayan Banking BHD	1,426,108	1,358,437
	Total Malaysia	<u>0.86%</u> <u>1,426,108</u>	<u>1,358,437</u>
<i><b>Mexico</b></i>			
102,900	America Movil SAB De Cv ADR	1,382,051	1,496,166
115,900	Cemex Sab DE CV ADR	400,322	599,203
334,100	Grupo Mexico Sab DE CV	967,070	1,415,006
	Total Mexico	<u>2.21%</u> <u>2,749,443</u>	<u>3,510,375</u>



**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**ClariVest Emerging Markets Equity Collective Fund (Continued)**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<i>Poland</i>			
14,559	Kghm Polska Miedz Sa	\$ 529,274	\$ 715,056
72,611	Powszechna Kasa Oszczednosci B	814,100	559,685
	Total Poland	0.80% <u>1,343,374</u>	<u>1,274,741</u>
<i>Russia</i>			
177,214	Gazprom Pjsc ADR	866,139	991,335
63,022	Gazprom Pjsc ADR	300,280	352,923
15,498	Lukoil Pjsc ADR	1,260,010	1,056,964
	Total Russia	1.51% <u>2,426,429</u>	<u>2,401,222</u>
<i>South Africa</i>			
73,830	Absa Group Ltd	879,423	602,452
39,700	Anglogold Ashanti Ltd Adr	721,925	898,014
35,344	Bid Corp Ltd	539,036	632,902
40,332	Impala Platinum Holdings Ltd	309,230	554,372
5,639	Naspers Ltd	901,717	1,159,126
284,104	Old Mutual Ltd	453,479	229,972
88,692	Sanlam Ltd	510,548	354,738
201,784	Sibanye Stillwater Ltd	555,660	824,239
61,429	Standard Bank Group Ltd	515,073	531,454
	Total South Africa	3.64% <u>5,386,091</u>	<u>5,787,269</u>
<i>South Korea</i>			
7,414	Celltrion Healthcare Co Ltd	569,467	1,112,475
54,981	Hana Financial Group Inc	1,787,511	1,746,152
6,923	Hyundai Mobis Co Ltd	1,473,853	1,628,304
7,562	Hyundai Motor Co	776,729	1,336,559
38,818	KB Financial Group Inc	1,829,775	1,550,862
35,140	Kia Motors Corp	1,291,611	2,018,536
4,760	Kumho Petrochemical Co Ltd	418,246	635,368
690	Lg Chem Ltd	395,576	523,391
6,589	Lg Electronics Inc	522,253	818,848
2,761	Naver Corp	623,501	743,434

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**ClariVest Emerging Markets Equity Collective Fund (Continued)**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<i>South Korea (Continued)</i>			
113,558	Samsung Electronics Co Ltd	\$ 4,744,205	\$ 8,467,456
6,745	SK Hynix Inc	599,952	735,784
3,359	SK Telecom Co Ltd	755,509	735,931
	Total South Korea	<u>13.89% 15,788,188</u>	<u>22,053,100</u>
<i>Taiwan</i>			
469,000	Ase Technology Holding Co Ltd	1,204,688	1,357,025
53,000	Asustek Computer Inc	449,420	472,507
1,947,000	Au Optronics Corp	749,783	970,105
1,359,000	Ctbc Financial Holding Co Ltd	927,287	952,819
699,000	Fubon Financial Holding Co Ltd	936,092	1,163,010
368,000	Gigabyte Technology Co Ltd	1,070,474	1,018,948
887,000	Grand Pacific Petrochemical	749,884	749,742
510,000	Hon Hai Precision Industry Co	1,353,422	1,669,870
168,000	Nan Ya Printed Circuit Board C	710,758	1,088,191
101,000	Novatek Microelectronics Corp	1,055,514	1,326,393
258,000	Quanta Computer Inc	668,822	742,836
164,000	Radiant Opto-electronics Corp	468,597	665,385
86,000	Realtek Semiconductor Corp	643,835	1,195,210
90,300	Taiwan Semiconductor Manufactu Adr	3,813,956	9,846,312
957,000	United Microelectronics Corp	507,842	1,605,899
1,240,160	Yuanta Financial Holding Co Lt	638,404	907,014
	Total Taiwan	<u>16.21% 15,948,778</u>	<u>25,731,266</u>
<i>Thailand</i>			
265,300	Kasikornbank PCL	875,780	1,009,486
113,400	PTT Exploration & Production P	475,753	371,881
	Total Thailand	<u>0.87% 1,351,533</u>	<u>1,381,367</u>
<i>Turkey</i>			
57,105	Bim Birlesik Magazalar AS	526,436	580,078
	Total Turkey	<u>0.37% 526,436</u>	<u>580,078</u>
	Total Foreign Stock	<u>97.08% 120,900,097</u>	<u>154,137,875</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**ClariVest Emerging Markets Equity Collective Fund (Continued)**  
**December 31, 2020**

Number of Shares		Cost	Fair Value
<b><u>Preferred Securities</u></b>			
<b><i>Brazil</i></b>			
113,600	Gerdau Sa	\$ 453,194	\$ 534,735
88,400	Petroleo Brasileiro Sa ADR	898,015	977,704
	Total Brazil	<u>0.95%</u> <u>1,351,209</u>	<u>1,512,439</u>
	Total Preferred Securities	<u>0.95%</u> <u>1,351,209</u>	<u>1,512,439</u>
<b><u>Exchange-traded Fund</u></b>			
<b><i>Equity</i></b>			
37,400	Ishares MSCI Emerging Market	1,788,752	1,932,458
	Total Equity	<u>1.22%</u> <u>1,788,752</u>	<u>1,932,458</u>
	Total Exchange-traded Fund	<u>1.22%</u> <u>1,788,752</u>	<u>1,932,458</u>
	Total Investments	<u>100.00%</u> <u>\$ 125,237,308</u>	<u>\$ 158,780,022</u>

ADR American Depository Receipt

**Hand Composite Employee Benefit Trust**  
**Statement of Operations – Selected Fund**  
**Year Ended December 31, 2020**

	<b>ClariVest Emerging Markets Equity Collective Fund</b>
<b>Income</b>	
Interest	\$ 10,950
Dividends (net of foreign tax expense \$509,749)	3,440,375
Total income	3,451,325
<b>Expenses</b>	
Investment management and administrative	755,903
Custody fees	100,000
Audit	10,000
Other	10,917
Total expenses	876,820
<b>Net Investment Income</b>	2,574,505
<b>Net Realized Gains (Losses) on Investments and Foreign Currency</b>	
Net realized gain on investments	1,814,747
Net realized loss on foreign currency transactions	(2,199,781)
Net realized loss on foreign currency forward exchange contracts	(144,961)
Net realized losses on investments and foreign currency	(529,995)
<b>Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency</b>	
Investments	21,604,126
Translation of assets and liabilities in foreign currencies	1,899,651
Change in unrealized appreciation on investments and foreign currency	23,503,777
Net realized and unrealized gains on investments and foreign currency	22,973,782
<b>Net Increase in Net Assets Resulting From Operations</b>	\$ 25,548,287

**Hand Composite Employee Benefit Trust**  
**Statement of Changes in Net Assets – Selected Fund**  
**Year Ended December 31, 2020**

	<b>ClariVest Emerging Markets Equity Collective Fund</b>
<b>Operations</b>	
Net investment income	\$ 2,574,505
Net realized losses	(529,995)
Change in unrealized appreciation	<u>23,503,777</u>
Net increase in net assets from operations	25,548,287
<b>Net Decrease in Net Assets From Participant Transactions</b>	<u>(29,932,790)</u>
<b>Decrease in Net Assets Held For Participants</b>	(4,384,503)
<b>Net Assets Held For Participants</b>	
Beginning of year	<u>165,965,138</u>
End of year	<u><u>\$ 161,580,635</u></u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2020

### 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 80 portfolios (the Funds); the financial statements of one of those funds, the ClariVest Emerging Markets Equity Collective Fund (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.

#### ***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.

#### ***Foreign Currency***

Investment securities and other assets and liabilities denominated in, or expected to settle in, foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2020

The Fund isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held.

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short term securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at December 31, 2020, resulting from changes in the exchange rates.

### ***Foreign Currency Forward Exchange Contracts***

The Fund may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Fund's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses are included in the statement of operations. These instruments involve market risk, credit risk or both kinds of risks in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates.

### ***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 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 apportions all of its taxable income to its participants. Therefore, no federal income tax provision is required.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2020

#### **Subsequent Events**

Subsequent events have been evaluated through May 27, 2021, which is the date the financial statements were available to be issued.

#### **Investment Management Advisors**

The investment management advisor for the Fund is ClariVest Asset Management LLC.

#### **Note 2: Investment Advisory Fees and Other Transactions With Affiliates**

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund has also entered into investment advisory 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 average daily net assets:

Fund	Trustee/ Administrative Fees	Investment Management Fees	Custody Fees	Other Fees	Total Fees
ClariVest Emerging Markets					
Equity Collective Fund:					
Class R1	0.06%	0.65%	0.09%	0.02%	0.82%
Class R2	0.06%	0.60%	0.09%	0.02%	0.77%
Class R3	0.06%	0.45%	0.09%	0.02%	0.62%

#### **Note 3: Financial Highlights**

	ClariVest Emerging Markets Equity Collective Fund		
	Class R1	Class R2	Class R3
Net asset value, beginning of year	\$ 13.46	\$ 13.46	\$ 13.47
Net investment income	0.25	0.25	0.23
Net realized and unrealized gains	2.24	2.24	2.26
Net increase from investment operations	2.49	2.49	2.49
Net asset value, end of year	\$ 15.95	\$ 15.95	\$ 15.96
Total return	18.50%	18.57%	18.49%
Ratio to average net assets:			
Net investment income	1.96%	1.96%	1.76%
Expenses without reimbursements	0.67%	0.67%	0.60%



**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 4: Participant Unit Transactions**

	<b>ClariVest Emerging Markets Equity Collective Fund</b>	
	<b>Units</b>	<b>Dollars</b>
<b>Class R3:</b>		
Proceeds from sales of units	188,470	\$ 2,472,721
Cost of units redeemed	(2,390,129)	(32,405,511)
Net decrease in Class R3 from participant transactions	(2,201,659)	\$ (29,932,790)

**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; 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 and liabilities 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, 2020.

**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.

**Foreign Stock, Preferred Securities and 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

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2020

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 and liabilities 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, 2020.

	Fair Value	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>ClariVest Emerging Markets Equity Collective Fund</b>				
Short Term Investment	\$ 1,197,250	\$ 1,197,250	\$ -	\$ -
Foreign Stock	154,137,875	154,137,875	-	-
Preferred Securities	1,512,439	1,512,439	-	-
Exchange-traded Fund - Equity	1,932,458	1,932,458	-	-
Total	<u>\$ 158,780,022</u>	<u>\$ 158,780,022</u>	<u>\$ 0</u>	<u>\$ 0</u>

## 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 changes could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Since January 2020, the COVID-19 pandemic created outbreaks of infectious illnesses, and countries throughout the globe were subject to other public health threats, infectious illnesses, diseases, or similar issues. Any spread of an infectious illness, public health threat or similar

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issue could alter consumer demand or economic output, result in market closures, travel restrictions or quarantines, and have a significant impact on the global economy, which in turn could adversely affect the Fund's investments and could result in increases or decreases in the Fund's net asset value.

### ***Foreign Securities Risk***

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. In particular, the Fund is subject to the risk that because there may be fewer investors on foreign exchanges and a smaller number of securities traded each day, it may be more difficult for the Fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may go up and down more than prices of securities traded in the United States.

### ***Currency Risk***

Securities and other instruments in which the Fund invests may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates may affect the value of the Fund's portfolio. Because the Fund's assets are primarily invested in securities of foreign countries, the U.S. dollar equivalent of the Fund's net assets would be adversely affected by reductions in the value of the foreign currencies relative to the U.S. dollar. For this reason, changes in foreign currency exchange rates can affect the value of the Fund's portfolio. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars. This risk, generally known as "currency risk," means that a strong U.S. dollar may reduce returns for U.S. investors in foreign stocks while a weak U.S. dollar may increase those returns.

## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedule of Investment Purchases and Sales – Selected Fund**  
**ClariVest Emerging Markets Equity Collective Fund**  
**Year Ended December 31, 2020**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Common Stock	\$ 9,100,530
Exchange-traded Funds - Equity	81,842,189
Foreign Stock	188,392,199
Total Investments Purchased	\$ 279,334,918

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gain (Loss)</b>
Exchange-traded Funds - Equity	\$ 7,225,841	\$ 7,311,778	\$ (85,937)
Foreign Stock	110,334,110	108,433,426	1,900,684
Total Investments Sold	\$ 117,559,951	\$ 115,745,204	\$ 1,814,747