

**Hand Composite Employee Benefit Trust
The DGI Growth Fund**

Independent Auditor's Report and Financial Statements

December 31, 2021



Hand Composite Employee Benefit Trust

December 31, 2021

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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, The DGI Growth Fund, 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, 2021, 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, 2021, 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 going concerns 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 going concerns 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.

BKD, LLP

Houston, Texas
May 25, 2022

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2021

	The DGI Growth Fund
Assets	
Investments, at cost	\$ 29,019,263
Investments, at fair value	\$ 46,261,099
Receivable for:	
Capital shares sold	1,255
Total assets	\$ 46,262,354
Liabilities	
Payable for capital shares redeemed	\$ 3,512
Accounts payable and accrued liabilities	37,951
Total liabilities	\$ 41,463
Net assets held for participants - Class R1	\$ 46,220,891
Units outstanding - Class R1	1,945,969
Net asset value per unit - Class R1	\$ 23.75

Hand Composite Employee Benefit Trust
Schedule of Investments
The DGI Growth Fund
December 31, 2021

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
94,660	First American Treasury Obligation Fund V	\$ 94,660	\$ 94,660
	Total Short Term Investment	0.20% <u>94,660</u>	<u>94,660</u>
<u>Common Stock</u>			
<i>Consumer Discretionary</i>			
53,777	Gentex Corp	1,426,274	1,874,128
6,878	Gentherm Inc	244,528	597,698
5,231	LGI Homes Inc	793,565	808,086
12,250	Nordstrom Inc	457,271	277,095
10,239	Royal Caribbean Cruises Ltd	812,850	787,379
15,109	Sleep Number Corp	409,746	1,157,350
18,537	Stitch Fix Inc Cl A	554,870	350,720
6,649	Strategic Education Inc	694,236	384,578
20,671	TJX Companies Inc	806,900	1,569,342
45,500	Under Armour Inc Class C Cl A	750,135	964,145
	Total Consumer Discretionary	18.96% <u>6,950,375</u>	<u>8,770,521</u>
<i>Energy</i>			
57,057	Coterra Energy Inc	956,003	1,084,083
167,999	Southwestern Energy Co	683,187	782,875
	Total Energy	4.04% <u>1,639,190</u>	<u>1,866,958</u>
<i>Healthcare</i>			
3,501	Align Technology Inc	643,179	2,300,787
4,203	Intuitive Surgical Inc	343,048	1,510,138
18,347	Myriad Genetics Inc	610,809	506,377
	Total Healthcare	9.34% <u>1,597,036</u>	<u>4,317,302</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
The DGI Growth Fund (Continued)
December 31, 2021

Number of Shares		Cost	Fair Value
<i>Industrials</i>			
7,747	Deluxe Corp	\$ 340,493	\$ 248,756
8,114	Graco Inc	222,541	654,151
33,688	Jetblue Airways Corp	386,038	479,717
5,913	Landstar Systems Inc	451,369	1,058,545
3,766	Msc Industrial Direct Co - A	313,104	316,570
15,052	Proto Labs Inc	1,115,352	772,920
4,747	Snap-on Inc	886,630	1,022,409
	Total Industrials	9.84% <u>3,715,527</u>	<u>4,553,068</u>
<i>Information Technology</i>			
17,752	Akamai Technologies Inc	1,395,946	2,077,694
11,978	Alarm.com Holdings Inc	679,988	1,015,854
9,320	Arista Networks Inc	601,116	1,339,750
5,443	Autodesk Inc	464,059	1,530,517
13,125	Cognex Corporation	634,737	1,020,600
17,404	Dolby Laboratories Inc	1,119,244	1,657,209
6,929	Interdigital Inc	448,649	496,324
3,113	Intuit Inc	388,779	2,002,344
2,351	IPG Photonics Inc	313,143	404,702
19,302	Microchip Technology Inc	871,337	1,680,432
7,886	Paychex Inc	577,729	1,076,439
21,315	Plantronics Inc	627,826	625,382
21,399	Plexus Corp	1,205,900	2,051,950
17,182	Power Integrations Inc	533,944	1,596,036
42,036	Pure Storage Inc-class A	684,720	1,368,272
39,502	Super Micro Computer Inc	1,111,811	1,736,113
1,520	Take-Two Interactive Software	246,787	270,134
24,059	Viasat Inc	1,039,724	1,071,588
	Total Information Technology	49.76% <u>12,945,439</u>	<u>23,021,340</u>
	Total Common Stock	91.94% <u>26,847,567</u>	<u>42,529,189</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
The DGI Growth Fund (Continued)
December 31, 2021

Number of Shares		Cost	Fair Value
<i>Foreign Stock</i>			
<i>Consumer Discretionary</i>			
13,560	Garmin Ltd	\$ 903,203	\$ 1,846,465
	Total Consumer Discretionary	3.99% <u>903,203</u>	<u>1,846,465</u>
<i>Energy</i>			
4,947	Core Laboratories NV	240,890	110,368
	Total Energy	0.24% <u>240,890</u>	<u>110,368</u>
<i>Industrials</i>			
5,263	IHS Markit LTD	191,407	699,558
	Total Industrials	1.51% <u>191,407</u>	<u>699,558</u>
<i>Information Technology</i>			
17,273	Open Text Corp	580,799	820,122
	Total Information Technology	1.77% <u>580,799</u>	<u>820,122</u>
	Total Foreign Stock	7.51% <u>1,916,299</u>	<u>3,476,513</u>
<i>Common Trust Fund</i>			
<i>Fixed Income</i>			
160,737	HB&T Short Term Income Fund	160,737	160,737
	Total Fixed Income	0.35% <u>160,737</u>	<u>160,737</u>
	Total Common Trust Fund	0.35% <u>160,737</u>	<u>160,737</u>
	Total Investments	100.00% <u>\$ 29,019,263</u>	<u>\$ 46,261,099</u>

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2021

	The DGI Growth Fund
Income	
Interest	\$ 21
Dividends (net of \$1,176 in foreign taxes paid)	327,924
Total income	327,945
Expenses	
Investment management and administrative	23,787
Custody	13,982
Audit fees	7,500
Other	867
Class R1 expenses	337,730
Total expenses	383,866
Net Investment Loss	(55,921)
Net Realized and Unrealized Gains (Losses) on Investments	
Net realized gains on investments	8,834,728
Net change in unrealized appreciation/depreciation on investments	(1,451,579)
Net realized and unrealized gains	7,383,149
Net Increase in Net Assets Resulting From Operations	\$ 7,327,228

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2021

	The DGI Growth Fund
Operations	
Net investment income	\$ (55,921)
Net realized gains	8,834,728
Change in unrealized appreciation/depreciation	(1,451,579)
Net increase in net assets from operations	7,327,228
Net Decrease in Net Assets From Participant Transactions	(9,613,083)
Decrease in Net Assets	(2,285,855)
Net Assets	
Beginning of year	48,506,746
End of year	\$ 46,220,891

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2021

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 63 portfolios (the Funds); the financial statements of one of these funds are included in this report.

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 on 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 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 is reinvested, thereby increasing the respective unit values.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2021

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 their taxable income to their participants. Therefore, no federal income tax provision is required.

Subsequent Events

Subsequent events have been evaluated through May 25, 2022, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is Disciplined Growth Investors.

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 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 average daily net assets.

Fund	Administrative Fees	Investment Advisory Fees	Custody Fees	Total Fees
The DGI Growth Fund: Class R1	0.05%	0.71%	0.03%	0.79%

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2021

Note 3: Financial Highlights

	The DGI Growth Fund
Net asset value, beginning of year	\$ 20.50
Net investment loss	(0.03)
Net realized and unrealized gains	3.28
Net increase from investment operations	3.25
Net asset value, end of year	\$ 23.75
Total return	15.85%
Ratio to average net assets:	
Net investment loss	(0.12)%
Expenses	0.82%

Note 4: Participant Unit Transactions

	The DGI Growth Fund	
	Units	Dollars
Class R1:		
Proceeds from sales of units	47,545	\$ 1,082,825
Cost of units redeemed	(467,529)	(10,695,908)
Net decrease in total net assets from participant transactions	(419,984)	\$ (9,613,083)

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2021

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, 2021.

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 and Foreign Stock. 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 Depository 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, 2021:

	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)
The DGI Growth Fund				
Short Term Investment	\$ 94,660	\$ 94,660	\$ -	\$ -
Common Stock	42,529,189	42,529,189	-	-
Foreign Stock	3,476,513	3,476,513	-	-
Common Trust Fund - Fixed Income (A)	160,737			
Total	<u>\$ 46,261,099</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, 2021

Note 6: Risk Factors

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 – Selected Fund
The DGI Growth Fund
Year Ended December 31, 2021

Purchases	
Investment Class	Cost
Common Stock	\$ 6,365,630
Common Trust Fund - Fixed Income	<u>1,691,007</u>
Total Investments Purchased	<u><u>\$ 8,056,637</u></u>

Sales			
Investment Class	Proceeds	Cost	Gains
Common Stock	\$ 15,372,053	\$ 6,738,049	\$ 8,634,004
Foreign Stock	492,454	291,730	200,724
Common Trust Fund - Fixed Income	<u>1,703,069</u>	<u>1,703,069</u>	<u>-</u>
Total Investments Sold	<u><u>\$ 17,567,576</u></u>	<u><u>\$ 8,732,848</u></u>	<u><u>\$ 8,834,728</u></u>