

Hand Composite Employee Benefit Trust
DSM US Large Cap Growth 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 a selected fund (DSM US Large Cap Growth 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 DSM US Large Cap Growth Fund, included in the Hand Composite Employee Benefit Trust, as of December 31, 2020, and the results of its operations and 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 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 27, 2021

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

	DSM US Large Cap Growth Fund
Assets	
Investments, at cost	\$ 58,770,110
Investments, at fair value	\$ 106,999,984
Receivable for:	
Capital shares sold	156,634
Dividends and interest	13,648
Investment advisor	3,568
Total assets	<u>\$ 107,173,834</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 14,712
Class R1 accrued expenses	40,466
Total liabilities	<u>\$ 55,178</u>
Net assets held for participants:	
Class R1	\$ 107,118,608
Class R2	24
Class R3	24
Total net assets held for participants	<u>\$ 107,118,656</u>
Units outstanding:	
Class R1	4,548,169
Class R2	1
Class R3	1
Total units outstanding	<u>4,548,171</u>
Net asset value per unit:	
Class R1	<u>\$ 23.55</u>
Class R2	<u>\$ 23.94</u>
Class R3	<u>\$ 23.94</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
DSM US Large Cap Growth Fund
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
5,188	First American Treasury Obligation Fund V	\$ 5,188	\$ 5,188
	Total Short Term Investment	0.00% 5,188	5,188
<u>Common Stocks</u>			
<i>Consumer Discretionary</i>			
2,385	Amazon.com Inc	4,151,315	7,767,773
10,150	Burlington Stores Inc	1,753,199	2,654,733
510,475	Sirius Xm Holdings Inc	3,150,917	3,251,726
	Total Consumer Discretionary	12.78% 9,055,431	13,674,232
<i>Consumer Staples</i>			
23,200	Monster Beverage Corp	1,536,921	2,145,536
	Total Consumer Staples	2.01% 1,536,921	2,145,536
<i>Financials</i>			
10,325	Aon Plc	1,947,068	2,181,363
	Total Financials	2.04% 1,947,068	2,181,363
<i>Healthcare</i>			
43,100	Boston Scientific Corp	1,574,131	1,549,445
15,390	Neurocrine Biosciences Inc	1,387,937	1,475,132
6,550	United Health Group Inc	1,917,645	2,296,954
13,575	Zoetis Inc	933,742	2,246,663
	Total Healthcare	7.07% 5,813,455	7,568,194
<i>Information Technology</i>			
15,900	Adobe Systems Inc	1,971,411	7,951,908
5,150	Alphabet Inc	5,202,616	9,026,096
14,675	Auto Data Processing Inc	2,214,676	2,585,735
9,800	Epam Systems Inc	1,851,826	3,511,830
29,475	Facebook Inc	4,703,318	8,051,391

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
DSM US Large Cap Growth Fund (Continued)
December 31, 2020

Number of Shares		Cost	Fair Value
<i>Information Technology (Continued)</i>			
10,350	Fortinet Inc	\$ 1,237,322	\$ 1,537,286
11,200	Global Payments Inc	1,828,128	2,412,704
24,475	Godaddy Inc	1,922,219	2,030,201
10,850	Intuit Inc	2,299,098	4,121,373
3,775	Mastercard Inc	1,257,310	1,347,449
47,900	Microsoft Corporation	4,004,253	10,653,918
33,550	Paypal Holdings Inc	2,832,566	7,857,410
24,450	Visa Inc CL A	2,300,331	5,347,949
	Total Information Technology	62.09% <u>33,625,074</u>	<u>66,435,250</u>
	Total Common Stocks	85.99% <u>51,977,949</u>	<u>92,004,575</u>
<u>Foreign Stocks</u>			
<i>Information Technology</i>			
31,700	Alibaba Group Holding Limited Spons ADR	3,542,664	7,377,541
101,225	Tencent Holdings Ltd Unsponsored ADR	2,908,694	7,277,065
	Total Information Technology	13.70% <u>6,451,358</u>	<u>14,654,606</u>
	Total Foreign Stocks	13.70% <u>6,451,358</u>	<u>14,654,606</u>
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
335,615	HB&T Short Term Income Fund	335,615	335,615
	Total Fixed Income	0.31% <u>335,615</u>	<u>335,615</u>
	Total Common Trust Fund	0.31% <u>335,615</u>	<u>335,615</u>
	Total Investments	100.00% <u>\$ 58,770,110</u>	<u>\$ 106,999,984</u>

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

	DSM US Large Cap Growth Fund
Income	
Interest	\$ 445
Dividends	345,208
Total income	345,653
Expenses	
Investment management and administrative	73,622
Audit	5,000
Custody	27,579
Other	126
Class R1 expenses	415,813
Total expenses before reimbursement of fees	522,140
Reimbursement of fees	(38,861)
Net expenses	483,279
Net Investment Loss	(137,626)
Net Realized and Unrealized Gains on Investments	
Net realized gains	7,585,330
Change in unrealized appreciation	17,548,174
Net realized and unrealized gains on investments	25,133,504
Net Increase in Net Assets Resulting From Operations	\$ 24,995,878

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

	DSM US Large Cap Growth Fund
Operations	
Net investment loss	\$ (137,626)
Net realized gains	7,585,330
Change in unrealized appreciation	17,548,174
Net increase in net assets from operations	24,995,878
Net Decrease in Net Assets From Participant Transactions	(2,684,832)
Increase in Net Assets	22,311,046
Net Assets	
Beginning of year	84,807,610
End of year	\$ 107,118,656

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 funds (the Funds); the financial statements of one of those funds is included in this report.

Each class 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 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, 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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

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 value.

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 27, 2021, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is DSM Capital Partners, 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 and service agreements with various third-party advisors. These fees compensate the advisors for the services they provide and for expenses borne by the advisors under the various agreements.

During the year ended December 31, 2020, the investment advisor reimbursed the Fund for a portion of its expenses.

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.

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

Fund	Administrative Fees	Investment Advisory Fees	Custody Fees	Total Fees
DSM US Large Cap Growth Fund:				
Class R1	0.08%	0.45%	0.03%	0.56%
Class R2	0.08%	0.55%	0.03%	0.66%
Class R3	0.08%	0.45%	0.03%	0.56%

Note 3: Financial Highlights

	DSM US Large Cap Growth Fund		
	Class R1	Class R2	Class R3
Net asset value, beginning of year	\$ 18.01	\$ 18.23	\$ 18.23
Net investment income (loss)	(0.04)	0.05	0.05
Net realized and unrealized gains	5.58	5.66	5.66
Net increase from investment operations	5.54	5.71	5.71
Net asset value, end of year	\$ 23.55	\$ 23.94	\$ 23.94
Total return	30.76%	31.32%	31.32%
Ratio to average net assets:			
Net investment income (loss)	-0.19 %	0.26 %	0.26 %
Expenses	0.56 %	0.11 %	0.11 %
Expenses with reimbursements	0.52 %	0.11 %	0.11 %

Note 4: Participant Unit Transactions

	DSM US Large Cap Growth Fund	
	Units	Dollars
Class R1:		
Proceeds from sales of units	407,720	\$ 8,243,132
Cost of units redeemed	(569,318)	(10,927,964)
Net decrease in Class R1 from participant transactions	(161,598)	(2,684,832)
Net decrease in total net assets from participant transactions		\$ (2,684,832)

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

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, as shown below:

- 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 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.

Common and Foreign 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 Depository Receipts and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as Level 1 in the hierarchy. For those foreign securities where additional foreign market activities are taken into consideration by the pricing service, those securities are categorized as Level 2 in 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, 2020.

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Notes to Financial Statements
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)
DSM US Large Cap Growth Fund				
Short Term Investment	\$ 5,188	\$ 5,188	\$ -	\$ -
Common Stocks	92,004,575	92,004,575	-	-
Foreign Stocks	14,654,606	14,654,606	-	-
Common Trust Fund - Fixed Income (A)	335,615			
Total	<u>\$ 106,999,984</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.

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.

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 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.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
DSM US Large Cap Growth Fund
Year Ended December 31, 2020

Purchases	
Investment Class	Cost
Common Stocks	\$ 23,460,239
Foreign Stocks	2,367,721
Common Trust Funds	8,745,400
Total Investments Purchased	\$ 34,573,360

Sales			
Investment Class	Proceeds	Cost	Gain
Common Stocks	\$ 28,213,320	\$ 20,997,916	\$ 7,215,404
Foreign Stocks	633,678	263,752	369,926
Common Trust Funds	8,565,370	8,565,370	-
Total Investments Sold	\$ 37,412,368	\$ 29,827,038	\$ 7,585,330