

Hand Composite Employee Benefit Trust
QS U.S. Small Capitalization Equity CIF
Independent Auditor's Report and Financial Statements
December 31, 2019



Hand Composite Employee Benefit Trust
December 31, 2019

Contents

Independent Auditor's Report 1

Basic Financial Statements

Statement of Assets and Liabilities - Selected Fund..... 3

Schedule of Investments

 QS U.S. Small Capitalization Equity CIF 4

Statement of Operations - Selected Fund..... 16

Statement of Changes in Net Assets - Selected Fund 17

Notes to Financial Statements..... 18

Supplemental Information

Schedule of Investment Purchases and Sales - Selected Fund..... 24

Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of the selected fund, QS U.S. Small Capitalization Equity CIF, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2019, and the related statements of operation 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 the selected fund, QS U.S. Small Capitalization Equity CIF, as of December 31, 2019, 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 22, 2020

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2019

	QS U.S. Small Capitalization Equity CIF
Assets	
Investments, at cost	\$ 750,248,825
Investments, at fair value	\$ 773,209,301
Cash	73,710
Receivable for:	
Capital shares sold	839,032
Dividends and interest	883,518
Investment advisor waived fees	8
Total assets	\$ 775,005,569
Liabilities	
Payable for capital shares redeemed	\$ 824,216
Management fee payable	273,050
Accounts payable and accrued liabilities	57,000
Total liabilities	\$ 1,154,266
Net assets held for participants:	
Class R4	\$ 773,504,053
Class R-INT	347,250
Total net assets held for participants	\$ 773,851,303
Units outstanding:	
Class R4	73,940,590
Class R-INT	33,079
Total units outstanding	73,973,669
Net asset value per unit:	
Class R4	\$ 10.46
Class R-INT	\$ 10.50

Hand Composite Employee Benefit Trust
Schedule of Investments
QS U.S. Small Capitalization Equity CIF
December 31, 2019

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
2,014,690	State Street Institutional Investment Trust Treasury Money Market Fund, Premier Class 1.52%	\$ 2,014,690	\$ 2,014,690
	Total Short Term Investment	0.26% 2,014,690	2,014,690
<u>Common Stocks</u>			
<u>Consumer Discretionary</u>			
20,400	America's Car-Mart, Inc.	1,813,368	2,237,064
65,254	BJ's Restaurants, Inc.	2,033,632	2,477,042
170,000	Bloomin' Brands, Inc.	3,124,203	3,751,900
131,000	Boyd Gaming Corp.	3,357,498	3,922,140
62,000	Brinker International, Inc.	2,882,038	2,604,000
45,400	Cheesecake Factory, Inc.	1,727,111	1,764,244
115,499	Crocs, Inc.	2,365,917	4,838,253
310,100	Dana, Inc.	6,893,170	5,643,820
29,341	Deckers Outdoor Corp.	2,034,021	4,954,521
55,900	Dick's Sporting Goods, Inc.	1,883,927	2,766,491
42,000	Dine Brands Global, Inc.	3,560,800	3,507,840
95,000	Ethan Allen Interiors, Inc.	1,823,998	1,810,700
35,000	Frontdoor, Inc.	1,468,950	1,659,700
91,064	Genesco, Inc.	2,424,432	4,363,787
123,645	Hibbett Sports, Inc.	1,746,408	3,467,006
29,700	Jack in the Box, Inc.	2,743,806	2,317,491
75,000	K12, Inc.	2,532,384	1,526,250
117,785	KB Home	2,811,468	4,036,492
13,200	Lithia Motors, Inc. Class A	1,810,351	1,940,400
84,545	MDC Holdings, Inc.	2,417,262	3,226,237
37,000	Meritage Homes Corp.	1,699,462	2,261,070
50,000	Penn National Gaming, Inc.	1,154,457	1,278,000
82,000	Rent-A-Center, Inc.	2,117,883	2,364,880
76,100	SeaWorld Entertainment, Inc.	2,244,303	2,413,131
24,000	Shoe Carnival, Inc.	803,854	894,720
42,000	Signet Jewelers Ltd.	1,985,131	913,080
95,416	Sinclair Broadcast Group, Inc. Class A	2,910,112	3,181,170
35,000	Sleep Number Corp.	1,676,386	1,723,400

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Consumer Discretionary (Continued)</i>			
142,700	Sonos, Inc.	\$ 1,916,858	\$ 2,228,974
67,000	Tenneco, Inc. Class A	3,841,770	877,700
18,800	Universal Electronics, Inc.	941,374	982,488
48,000	Winnebago Industries, Inc.	2,285,615	2,543,040
90,000	WW International, Inc.	4,239,555	3,438,900
	Total Consumer Discretionary	11.37% 79,271,504	87,915,931
<i>Consumer Staples</i>			
88,000	Andersons, Inc.	1,911,961	2,224,640
8,300	Boston Beer Co., Inc. Class A	2,269,014	3,136,155
12,200	John B Sanfilippo & Son, Inc.	1,187,909	1,113,616
35,000	Sanderson Farms, Inc.	5,407,569	6,167,700
154,923	SpartanNash Co.	2,395,764	2,206,104
28,100	Spectrum Brands Holdings, Inc.	1,587,029	1,806,549
75,000	United Natural Foods, Inc.	1,772,078	657,000
20,000	USANA Health Sciences, Inc.	2,178,640	1,571,000
	Total Consumer Staples	2.44% 18,709,964	18,882,764
<i>Energy</i>			
34,000	Arch Coal, Inc. Class A	3,046,281	2,439,160
110,000	Delek US Holdings, Inc.	2,972,666	3,688,300
315,900	DHT Holdings, Inc.	1,788,836	2,615,652
72,600	GasLog Ltd.	1,066,655	710,754
38,400	International Seaways, Inc.	1,067,793	1,142,784
500,000	Nordic American Tankers Ltd.	1,122,861	2,460,000
89,100	PDC Energy, Inc.	2,482,289	2,331,747
25,463	REX American Resources Corp.	2,140,965	2,086,947
102,000	SM Energy Co.	2,208,042	1,146,480
498,600	Southwestern Energy Co.	2,111,809	1,206,612
65,000	Talos Energy, Inc.	1,657,327	1,959,750
124,000	World Fuel Services Corp.	3,528,166	5,384,080
	Total Energy	3.51% 25,193,690	27,172,266

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Financials</i>			
36,800	Affiliated Managers Group, Inc.	\$ 3,208,557	\$ 3,118,432
4,500	Alexander's, Inc. REIT	1,466,892	1,486,575
97,141	American Equity Investment Life Holding Co.	2,812,355	2,907,430
74,504	Artisan Partners Asset Management, Inc. Class A	1,986,960	2,407,969
38,000	Assured Guaranty Ltd.	1,581,647	1,862,760
100,000	Axos Financial, Inc.	2,732,741	3,028,000
176,300	Bancorp, Inc.	1,615,952	2,286,611
78,000	Bank of NT Butterfield & Son Ltd.	2,977,977	2,887,560
42,100	Banner Corp.	2,293,345	2,382,439
69,429	Berkshire Hills Bancorp, Inc.	2,505,204	2,282,826
263,500	Boston Private Financial Holdings, Inc.	3,036,722	3,169,905
220,000	Brightsphere Investment Group, Inc.	3,102,267	2,248,400
20,000	Byline Bancorp, Inc.	365,959	391,400
180,000	Cadence BanCorp	3,987,548	3,263,400
109,000	CareTrust REIT, Inc. REIT	2,251,875	2,248,670
19,509	Community Trust Bancorp, Inc.	875,331	909,900
225,000	CoreCivic, Inc. REIT	4,512,977	3,910,500
55,400	Cowen, Inc.	826,033	872,550
85,267	Customers Bancorp, Inc.	2,528,955	2,030,207
56,600	Encore Capital Group, Inc.	2,003,573	2,001,376
191,762	Enova International, Inc.	3,501,761	4,613,794
135,539	Essent Group Ltd.	5,229,369	7,046,673
40,471	Evercore, Inc. Class A	3,179,342	3,025,612
312,906	EZCORP, Inc. Class A	2,879,201	2,134,019
78,000	Federated Investors, Inc. Class B	1,933,495	2,542,020
259,000	FGL Holdings	2,138,197	2,758,350
370,684	First Bancorp	1,906,130	3,925,544
50,000	First Busey Corp.	1,299,656	1,375,000
121,601	First Commonwealth Financial Corp.	1,722,342	1,764,430
41,600	First Financial Corp.	1,783,447	1,901,952
134,114	First Midwest Bancorp, Inc.	3,103,860	3,092,669
104,000	Flagstar Bancorp, Inc.	3,343,823	3,978,000
150,000	Global Medical REIT, Inc.	1,679,559	1,984,500
72,000	Hancock Holding Co.	3,291,777	3,159,360
135,718	Hanmi Financial Corp.	4,043,836	2,713,681

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Financials (Continued)</i>			
49,300	HCI Group, Inc.	\$ 2,267,320	\$ 2,250,545
46,000	Health Insurance Innovations, Inc. Class A	1,340,076	887,340
47,823	Heartland Financial USA, Inc.	2,238,725	2,378,716
108,550	Hilltop Holdings, Inc.	2,790,114	2,706,151
137,000	Hope Bancorp, Inc.	2,280,596	2,035,820
65,344	IBERIABANK Corp.	5,375,433	4,889,691
108,000	Industrial Logistics Properties Trust REIT	2,186,773	2,421,360
12,341	Jones Lang LaSalle, Inc.	1,752,237	2,148,445
280,000	MGIC Investment Corp.	3,408,657	3,967,600
64,700	Midland States Bancorp, Inc.	1,692,205	1,873,712
155,000	Monmouth Real Estate Investment Corp. REIT	2,039,771	2,244,400
173,800	Mr Cooper Group, Inc.	1,816,023	2,174,238
65,000	National General Holdings Corp.	1,572,188	1,436,500
168,600	Newmark Group, Inc. Class A	2,261,780	2,268,513
142,000	OFG Bancorp	1,766,108	3,352,620
50,868	Park Hotels & Resorts, Inc. REIT	1,317,990	1,315,955
46,243	PennyMac Financial Services, Inc.	828,689	1,574,112
43,000	Peoples Bancorp, Inc.	1,414,080	1,490,380
15,929	Primerica, Inc.	1,252,328	2,079,690
196,169	Radian Group, Inc.	3,627,071	4,935,612
13,000	Regional Management Corp.	350,299	390,390
12,000	Safety Insurance Group, Inc.	1,161,480	1,110,360
62,000	Sandy Spring Bancorp, Inc.	2,278,102	2,348,560
101,700	Simmons First National Corp. Class A	2,402,728	2,724,543
55,000	Stifel Financial Corp.	2,886,659	3,335,750
99,300	Umpqua Holdings Corp.	1,627,874	1,757,610
96,537	Universal Insurance Holdings, Inc.	2,324,441	2,702,071
50,000	Wintrust Financial Corp.	3,818,951	3,545,000
	Total Financials	20.44% <u>147,787,363</u>	<u>158,058,198</u>
<i>Healthcare</i>			
48,000	ACADIA Pharmaceuticals, Inc.	712,560	2,053,440
336,218	Achillion Pharmaceuticals, Inc.	1,604,586	2,027,394
76,725	Acorda Therapeutics, Inc.	2,057,194	156,519

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Healthcare (Continued)</i>			
313,500	Akorn, Inc.	\$ 1,464,376	\$ 470,250
5,500	Allakos, Inc.	686,321	524,480
74,052	AMAG Pharmaceuticals, Inc.	1,450,712	901,213
22,000	Amedisys, Inc.	2,646,116	3,672,240
100,742	Amicus Therapeutics, Inc.	1,456,193	981,227
55,037	Amphastar Pharmaceuticals, Inc.	1,018,915	1,061,664
28,000	ANI Pharmaceuticals, Inc.	1,630,247	1,726,760
506,300	Antares Pharma, Inc.	1,734,827	2,379,610
174,900	Apyx Medical Corp.	1,229,550	1,479,654
48,444	Arena Pharmaceuticals, Inc.	2,224,778	2,200,326
73,000	Arrowhead Pharmaceuticals, Inc.	1,334,061	4,630,390
47,831	Avid Bioservices, Inc.	191,146	366,864
15,000	Biohaven Pharmaceutical Holding Co., Ltd.	657,508	816,600
29,000	Blueprint Medicines Corp.	2,174,620	2,323,190
64,991	Cardiovascular Systems, Inc.	1,852,532	3,157,913
51,000	CareDx, Inc.	1,354,440	1,100,070
357,600	Catalyst Pharmaceuticals, Inc.	1,863,457	1,341,000
95,000	Catasys, Inc.	1,867,035	1,549,450
19,138	Celldex Therapeutics, Inc.	863,139	42,678
148,940	Chimerix, Inc.	800,336	302,348
155,000	Concert Pharmaceuticals, Inc.	1,915,692	1,429,875
325,000	Conformis, Inc.	1,138,618	487,500
129,708	Corcept Therapeutics, Inc.	2,540,013	1,569,467
16,000	Deciphera Pharmaceuticals, Inc.	411,411	995,840
30,985	Eagle Pharmaceuticals, Inc.	1,929,913	1,861,579
72,000	Editas Medicine, Inc.	1,612,555	2,131,920
57,000	Emergent BioSolutions, Inc.	2,330,032	3,075,150
35,000	Enanta Pharmaceuticals, Inc.	1,618,499	2,162,300
210,759	Endo International PLC	2,979,312	988,460
73,000	Ensign Group, Inc.	2,062,422	3,312,010
50,000	Esperion Therapeutics, Inc.	2,031,500	2,981,500
27,100	FibroGen, Inc.	1,675,405	1,162,319
129,700	Fluidigm Corp.	1,795,221	451,356
52,003	Fulgent Genetics, Inc.	633,628	670,839
220,000	GenMark Diagnostics, Inc.	1,422,300	1,058,200

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Healthcare (Continued)</i>			
32,300	Globus Medical, Inc. Class A	\$ 1,691,834	\$ 1,901,824
46,000	Haemonetics Corp.	4,540,419	5,285,400
63,901	Halozyme Therapeutics, Inc.	1,123,235	1,132,965
100,000	Horizon Therapeutics PLC	1,395,221	3,620,000
116,649	Infinity Pharmaceuticals, Inc.	304,898	111,983
100,425	Innoviva, Inc.	1,420,133	1,422,018
19,000	Inogen, Inc.	3,901,522	1,298,270
49,645	Insmmed, Inc.	1,504,997	1,185,523
24,300	Integer Holdings Corp.	1,716,120	1,954,449
10,000	Intercept Pharmaceuticals, Inc.	832,853	1,239,200
46,498	Intersect ENT, Inc.	1,393,241	1,157,800
32,500	iRhythm Technologies, Inc.	3,067,916	2,212,925
100,000	Joint Corp.	1,741,615	1,614,000
80,000	Jounce Therapeutics, Inc.	378,639	698,400
115,500	Karyopharm Therapeutics, Inc.	1,848,708	2,214,135
129,544	Lantheus Holdings, Inc.	2,598,267	2,656,947
10,000	Ligand Pharmaceuticals, Inc.	1,433,859	1,042,900
11,000	LivaNova PLC	1,383,743	829,730
29,941	Luminex Corp.	620,395	693,433
90,793	Mallinckrodt PLC	1,854,015	316,867
17,000	Masimo Corp.	1,487,853	2,687,020
36,000	Medpace Holdings, Inc.	2,170,676	3,026,160
128,633	Momenta Pharmaceuticals, Inc.	2,297,141	2,537,929
61,806	Natus Medical, Inc.	2,259,917	2,038,980
20,100	Neogen Corp.	1,690,693	1,311,726
21,600	Newro Corp.	1,301,876	2,538,864
92,114	NewLink Genetics Corp.	960,996	233,048
43,000	Novocure Ltd.	2,029,424	3,623,610
31,979	Orthofix Medical, Inc.	1,628,261	1,476,790
54,762	Pacira BioSciences, Inc.	2,136,584	2,480,719
36,500	The Pennant Group, Inc.	-	1,207,055
53,500	Phibro Animal Health Corp. Class A	1,763,131	1,328,405
44,000	PTC Therapeutics, Inc.	888,747	2,113,320
44,500	Puma Biotechnology, Inc.	2,140,222	389,375
3,746	Reata Pharmaceuticals, Inc. Class A	698,347	765,795
32,000	REGENXBIO, Inc.	2,194,706	1,311,040

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Healthcare (Continued)</i>			
46,922	Revance Therapeutics, Inc.	\$ 1,313,422	\$ 761,544
97,381	Sangamo Therapeutics, Inc.	1,572,024	815,079
28,000	Silk Road Medical, Inc.	1,276,770	1,130,640
200,000	Spectrum Pharmaceuticals, Inc.	3,074,161	728,000
65,800	STAAR Surgical Co.	2,621,319	2,314,186
17,958	Supernus Pharmaceuticals, Inc.	734,482	425,964
40,500	Surmodics, Inc.	2,350,835	1,677,915
34,000	Syneos Health, Inc.	1,772,939	2,022,150
18,000	Tactile Systems Technology, Inc.	988,924	1,215,180
116,476	Trevena, Inc.	383,012	97,945
84,088	Triple-S Management Corp. Class B	1,870,992	1,554,787
10,000	Turning Point Therapeutics, Inc.	435,030	622,900
12,000	Ultragenyx Pharmaceutical, Inc.	745,597	512,520
118,000	Vanda Pharmaceuticals, Inc.	2,061,896	1,936,380
89,300	Veracyte, Inc.	2,156,520	2,493,256
56,400	Voyager Therapeutics, Inc.	1,245,423	786,780
	Total Healthcare	18.15% <u>143,974,720</u>	<u>140,357,426</u>
<i>Industrials</i>			
32,800	AAR Corp.	1,197,575	1,479,280
110,500	Advanced Drainage Systems, Inc.	2,840,319	4,291,820
190,000	American Superconductor Corp.	1,622,950	1,491,500
89,000	Apogee Enterprises, Inc.	3,542,876	2,892,500
47,187	Argan, Inc.	3,216,125	1,894,086
31,000	Astec Industries, Inc.	1,104,411	1,302,000
67,000	Atlas Air Worldwide Holdings, Inc.	3,355,021	1,847,190
17,000	AZZ, Inc.	761,090	781,150
27,972	Barrett Business Services, Inc.	1,701,358	2,530,347
77,900	Beacon Roofing Supply, Inc.	2,365,044	2,491,242
126,000	BMC Stock Holdings, Inc.	2,054,908	3,614,940
235,226	Briggs & Stratton Corp.	3,072,271	1,566,605
153,067	Builders FirstSource, Inc.	2,774,168	3,889,433
88,000	Caesarstone Ltd.	1,297,120	1,326,160
27,000	CRA International, Inc.	1,464,773	1,470,690
85,000	Dycom Industries, Inc.	5,429,254	4,007,750

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Industrials (Continued)</i>			
9,700	EMCOR Group, Inc.	\$ 663,737	\$ 837,110
22,000	Exponent, Inc.	1,535,204	1,518,220
81,700	Fluor Corp.	1,538,386	1,542,496
27,600	FTI Consulting, Inc.	3,071,863	3,054,216
49,800	Granite Construction, Inc.	2,186,321	1,377,966
91,500	Great Lakes Dredge & Dock Corp.	882,507	1,036,695
67,300	Greenbrier Cos., Inc.	1,972,863	2,182,539
31,000	H&E Equipment Services, Inc.	1,224,541	1,036,330
95,000	Hawaiian Holdings, Inc.	3,200,961	2,782,550
58,600	Heidrick & Struggles International, Inc.	1,831,463	1,904,500
70,000	Herc Holdings, Inc.	3,249,632	3,425,800
85,007	Herman Miller, Inc.	2,976,423	3,540,542
97,236	Hillenbrand, Inc.	3,035,289	3,238,931
110,000	HNI Corp.	4,052,736	4,120,600
36,800	Hyster-Yale Materials Handling, Inc.	1,694,170	2,169,728
52,500	Insperity, Inc.	2,289,540	4,517,100
60,200	Insteel Industries, Inc.	1,210,152	1,293,698
72,900	Kforce, Inc.	2,672,173	2,894,130
34,000	Korn Ferry	1,497,025	1,441,600
150,000	Manitowoc Co., Inc.	5,024,298	2,625,000
52,000	Masonite International Corp.	3,219,378	3,754,920
20,600	McGrath RentCorp	1,556,551	1,576,724
100,000	Meritor, Inc.	2,307,050	2,619,000
140,400	MRC Global, Inc.	2,067,640	1,915,056
34,833	MYR Group, Inc.	1,029,960	1,135,207
50,000	NN, Inc.	403,458	462,500
161,000	NOW, Inc.	1,976,524	1,809,640
28,919	Orion Group Holdings, Inc.	195,782	150,090
100,000	Patrick Industries, Inc.	4,497,380	5,243,000
119,800	Primoris Services Corp.	2,986,328	2,664,352
13,600	SkyWest, Inc.	793,875	878,968
247,570	Steelcase, Inc. Class A	3,858,327	5,065,282
50,000	Systemax, Inc.	1,044,886	1,258,000
72,500	Terex Corp.	2,057,231	2,159,050
55,600	Titan Machinery, Inc.	952,958	821,768

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Industrials (Continued)</i>			
46,700	Triton International Ltd.	\$ 1,468,907	\$ 1,877,340
74,399	TrueBlue, Inc.	1,721,518	1,790,040
97,100	Veritiv Corp.	2,687,817	1,909,957
114,403	Werner Enterprises, Inc.	4,086,531	4,163,125
33,500	WESCO International, Inc.	1,645,385	1,989,565
	Total Industrials	16.38% 124,166,033	126,660,028
<i>Information Technology</i>			
122,000	ADTRAN, Inc.	2,631,543	1,206,580
31,000	Alarm.com Holdings, Inc.	2,015,483	1,332,070
216,524	Amkor Technology, Inc.	2,242,248	2,814,812
152,631	Benchmark Electronics, Inc.	5,143,657	5,244,401
27,000	Benefitfocus, Inc.	1,129,991	592,380
231,840	Box, Inc. Class A	4,348,018	3,890,275
82,992	Ciena Corp.	1,872,300	3,542,928
78,000	Cirrus Logic, Inc.	4,051,592	6,427,980
69,100	CommVault Systems, Inc.	4,153,666	3,084,624
48,000	Cornerstone OnDemand, Inc.	2,677,368	2,810,400
25,000	Diodes, Inc.	778,828	1,409,250
55,000	Domo, Inc. Class B	2,212,744	1,194,600
35,000	DSP Group, Inc.	489,976	550,900
84,483	Etsy, Inc.	1,387,530	3,742,597
69,192	EVERTEC, Inc.	1,140,682	2,355,296
47,400	Fabrinet	2,521,709	3,073,416
6,000	Fair Isaac Corp.	834,731	2,248,080
25,000	Five9, Inc.	1,326,457	1,639,500
14,000	HubSpot, Inc.	2,136,422	2,219,000
47,627	Intevac, Inc.	430,841	336,247
201,261	Lattice Semiconductor Corp.	1,327,943	3,852,135
44,605	Manhattan Associates, Inc.	1,827,849	3,557,249
81,436	Methode Electronics, Inc.	3,451,751	3,204,506
275,000	MobileIron, Inc.	1,608,682	1,336,500
48,765	NETGEAR, Inc.	2,375,461	1,195,230
63,000	NetScout Systems, Inc.	1,728,333	1,516,410

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Information Technology (Continued)</i>			
135,205	NIC, Inc.	\$ 2,332,256	\$ 3,021,832
53,116	Onto Innovation, Inc.	1,700,063	1,940,859
29,341	Paylocity Holding Corp.	2,479,384	3,544,980
30,000	Plexus Corp.	1,641,454	2,308,200
45,000	Progress Software Corp.	1,645,252	1,869,750
31,300	Qualys, Inc.	2,594,521	2,609,481
96,391	Rubicon Project, Inc.	389,495	786,550
65,000	SailPoint Technologies Holding, Inc.	2,075,387	1,534,000
110,000	Sanmina Corp.	4,002,138	3,766,400
26,966	ScanSource, Inc.	1,194,119	996,394
66,000	SPS Commerce, Inc.	2,968,684	3,657,720
14,617	Tech Data Corp.	1,285,945	2,099,001
76,000	Tenable Holdings, Inc.	2,431,631	1,820,960
10,737	Trade Desk, Inc. Class A	1,686,931	2,789,258
40,000	Verint Systems, Inc.	1,664,358	2,214,400
54,000	Workiva, Inc.	2,921,884	2,270,700
159,200	Xperi Corp.	3,801,622	2,945,200
103,000	Yelp, Inc.	4,316,552	3,587,490
	Total Information Technology	13.99% <u>96,977,481</u>	<u>108,140,541</u>
<i>Materials</i>			
103,000	Boise Cascade Co.	3,303,632	3,762,590
212,169	Coeur Mining, Inc.	2,048,772	1,714,326
57,037	Greif, Inc. Class A	3,389,333	2,521,035
120,000	Louisiana-Pacific Corp.	3,525,050	3,560,400
111,700	O-I Glass, Inc.	1,178,256	1,332,581
64,000	PolyOne Corp.	1,814,816	2,354,560
180,000	Rayonier Advanced Materials, Inc.	2,341,522	691,200
50,000	Schnitzer Steel Industries, Inc. Class A	1,190,722	1,084,000
71,815	Schulman A, Inc.	31,096	-
275,200	SunCoke Energy, Inc.	2,287,774	1,714,496
73,000	Trinseo S.A.	4,488,623	2,716,330
200,000	Tronox Holdings PLC Class A	3,293,252	2,284,000
185,000	Verso Corp. Class A	4,796,906	3,335,550
107,000	Warrior Met Coal, Inc.	2,575,219	2,260,910
	Total Materials	3.80% <u>36,264,973</u>	<u>29,331,978</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Real Estate</i>			
365,759	DiamondRock Hospitality Co. REIT	\$ 3,939,920	\$ 4,052,610
642	Forestar Group, Inc.	8,382	13,386
137,000	GEO Group, Inc. REIT	3,496,867	2,275,570
138,529	Hersha Hospitality Trust REIT	2,679,060	2,015,597
53,208	Marcus & Millichap, Inc.	1,468,866	1,981,998
107,702	Pebblebrook Hotel Trust REIT	3,754,959	2,887,491
52,900	RE/MAX Holdings, Inc. Class A	2,369,219	2,036,121
221,300	Realogy Holdings Corp.	2,069,387	2,142,184
235,000	RLJ Lodging Trust REIT	5,154,498	4,164,200
99,351	RPT Realty REIT	1,332,023	1,494,239
37,618	Ryman Hospitality Properties, Inc. REIT	2,314,113	3,259,976
136,000	Sabra Health Care REIT, Inc. REIT	2,594,518	2,902,240
184,131	Summit Hotel Properties, Inc. REIT	2,880,995	2,272,176
292,861	Sunstone Hotel Investors, Inc. REIT	4,575,905	4,076,625
	Total Real Estate	4.60% <u>38,638,712</u>	<u>35,574,413</u>
<i>Telecommunication Services</i>			
70,000	Cogent Communications Holdings, Inc.	3,384,776	4,606,700
389,598	Glu Mobile, Inc.	3,373,556	2,357,068
33,000	Intelsat S.A.	1,067,966	231,990
52,300	Marcus Corp.	2,052,208	1,661,571
49,300	Telephone & Data Systems, Inc.	1,607,668	1,253,699
	Total Telecommunication Services	1.31% <u>11,486,174</u>	<u>10,111,028</u>
<i>Utilities</i>			
80,000	Avista Corp.	3,261,800	3,847,200
36,445	IDACORP, Inc.	3,455,836	3,892,326
30,500	National Fuel Gas Co.	1,654,222	1,419,470
60,000	New Jersey Resources Corp.	2,950,145	2,674,200
45,156	ONE Gas, Inc.	3,293,089	4,225,247
64,000	Otter Tail Corp.	3,195,081	3,282,560
80,000	PNM Resources, Inc.	3,173,663	4,056,800

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
QS U.S. Small Capitalization Equity CIF (Continued)
December 31, 2019

Number of Shares		Cost	Fair Value
<i>Utilities (Continued)</i>			
61,412	Portland General Electric Co.	\$ 2,833,749	\$ 3,426,175
26,000	Spire, Inc.	1,945,936	2,166,060
	Total Utilities	3.75% <u>25,763,521</u>	<u>28,990,038</u>
	Total Common Stocks	99.74% <u>748,234,135</u>	<u>771,194,611</u>
	Total Investments	100.00% <u>\$ 750,248,825</u>	<u>\$ 773,209,301</u>

Abbreviations used in this table:

CVR - Contingent Value Rights

REIT - Real Estate Investment Trust

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2019

	QS U.S. Small Capitalization Equity CIF
Income	
Interest	\$ 177,979
Dividends (net of foreign withholding taxes of \$11,806)	12,776,058
	12,954,037
Expenses	
Trustee and administrative	411,082
Class R2 expenses	318,352
Class R4 expenses	3,235,153
	3,964,587
Net Investment Income	8,989,450
Net Realized Losses on Investments and Futures Contracts	
Net realized losses on investments	(13,491,718)
Net realized losses on futures contracts	(117,747)
	(13,609,465)
Change in Net Unrealized Appreciation	
Investments	140,146,804
	140,146,804
Change in net unrealized appreciation	140,146,804
	126,537,339
Net Increase in Net Assets Resulting From Operations	\$ 135,526,789

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2019

	QS U.S. Small Capitalization Equity CIF
Operations	
Net investment income	\$ 8,989,450
Net realized losses	(13,609,465)
Change in net unrealized appreciation	140,146,804
Net increase in net assets from operations	135,526,789
Net Decrease in Net Assets From Participant Unit Transactions	(28,209,242)
Increase in Net Assets	107,317,547
Net Assets	
Beginning of year	666,533,756
End of year	\$ 773,851,303

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hand Composite Employee Benefit Trust ("HB&T" or "the Trust") was created in order to provide broad and uniform diversification programs for pension and profit sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 76 portfolios (the Funds); the financial statements of one of those funds, the QS U.S. Small Capitalization Equity 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 R-INT had an inception date of February 28, 2019.

Class R2 liquidated during 2019.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

Futures Contracts

The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This is known as the "initial margin" and subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. The daily changes in contract value are recorded as unrealized gains or losses in the statement of operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

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 apportion 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, 2019

Subsequent Events

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

Subsequent events have been evaluated through May 22, 2020, which is the date the financial statements were available to be issued.

Investment Management Advisors

The investment management advisor for the Fund is QS Investors, 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's total net assets:

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
QS U.S. Small Capitalization Equity CIF:				
Class R4	0.03%	0.43%	0.02%	0.48%
Class R - INT	0.04%	0.00%	0.02%	0.06%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

Note 3: Financial Highlights

	QS U.S. Small Capitalization Equity CIF	
	Class R4	Class R-INT⁽¹⁾
Net asset value, beginning of period	\$ 8.68	\$ 10.16
Net investment income	0.11	0.13
Net realized and unrealized gains	1.67	0.21
Net increase from investment operations	1.78	0.34
Net asset value, end of period	\$ 10.46	\$ 10.50
Total return	20.51%	3.35%
Ratio to average net assets:		
Net investment income	1.14%	1.63% ⁽²⁾
Expenses	0.48%	0.05% ⁽²⁾
Expenses with reimbursement	0.75% ⁽²⁾	0.48%

⁽¹⁾ For the period February 28, 2019 (inception date) to December 31, 2019

⁽²⁾ Annualized

Note 4: Participant Unit Transactions

	QS U.S. Small Capitalization Equity CIF	
	Units	Dollars
Class R2⁽¹⁾:		
Cost of units redeemed	(5,079,856)	\$ (51,052,555)
Net change in Class R2 from participant transactions	(5,079,856)	(51,052,555)
Class R4:		
Proceeds from sales of units	18,160,052	178,125,954
Cost of units redeemed	(15,908,860)	(155,613,888)
Net change in Class R4 from participant transactions	2,251,192	22,512,066
Class R-INT⁽²⁾:		
Proceeds from sales of units	36,317	363,535
Cost of units redeemed	(3,238)	(32,288)
Net change in Class R-INT from participant transactions	33,079	331,247
Net decrease in net assets from participant unit transactions		\$ (28,209,242)

⁽¹⁾ Liquidated during 2019

⁽²⁾ For the period February 28, 2019 (inception date) to December 31, 2019

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2019

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 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 period ended December 31, 2019.

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

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 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, 2019.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2019

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
QS U.S. Small Capitalization Equity CIF				
Financial Instruments - Assets:				
Short Term Investment	\$ 2,014,690	\$ 2,014,690	\$ -	\$ -
Common Stocks	771,194,611	771,194,611	-	-
	<u>773,209,301</u>	<u>773,209,301</u>	<u>0</u>	<u>0</u>
Total Financial Instruments - Assets	<u>\$ 773,209,301</u>	<u>\$ 773,209,301</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 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
QS U.S. Small Capitalization Equity CIF
Year Ended December 31, 2019

Purchases	
Investment Class	Cost
Common Stocks	<u>\$ 468,798,004</u>

Sales			
Investment Class	Proceeds	Cost	Loss
Common Stocks	<u>\$ 470,341,338</u>	<u>\$ 483,833,056</u>	<u>\$ (13,491,718)</u>