

**Hand Composite Employee Benefit Trust
River and Mercantile Long Credit 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, River and Mercantile Long Credit Fund, included in the Hand Composite Employee Benefit Trust (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 the 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 the 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 the 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 the 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.

FORVIS, LLP

Houston, Texas
June 7, 2022

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

	<u>River and Mercantile Long Credit Fund</u>
Assets	
Investments, at cost	\$ 364,685,212
Investments, at fair value	\$ 384,334,422
Cash denominated in foreign currencies (cost - \$76,988)	73,910
Unrealized gain on foreign currency forward exchange contracts	19,894
Deposits with brokers for open futures contracts	133,000
Deposits with brokers for OTC swap contracts	916,000
OTC swaps, at value (net premiums paid - \$4,653)	223,580
Receivable for investment securities sold	103,590
Receivable for dividends and interest	319,081
	<u>319,081</u>
Total assets	<u>\$ 386,123,477</u>
Liabilities	
Payable for investment securities purchased	\$ 8,831,338
Payable to broker- variation margin on open futures contracts	8,169
Payable to broker- variation margin on OTC swap contracts	221,466
Written options, at value (premiums received - \$88,527)	88,509
Unrealized loss on foreign currency forward exchange contracts	8,558
Accounts payable and accrued liabilities	138,316
	<u>138,316</u>
Total liabilities	<u>\$ 9,296,356</u>
Net assets held for participants - Class R	<u>\$ 376,827,121</u>
Units outstanding - Class R	<u>20,825,321</u>
Net asset value per unit - Class R	<u>\$ 18.09</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
River and Mercantile Long Credit Fund
December 31, 2021

Number of Shares or Principal Amount		Cost	Fair Value
<u>Short Term Investment</u>			
3,714,340	Blackrock Liq Treas Tr Instl	\$ 3,714,340	\$ 3,714,340
	Total Short Term Investment	0.97% 3,714,340	3,714,340
<u>US Government & Agency Obligations</u>			
<u>US Government Obligations</u>			
\$ 5,413,000	U S Treasury Bd Prin Strip 0.000% 02/15/2049 Dd 02/15/19	3,339,504	3,239,968
110,000	U S Treasury Bond 1.375% 11/15/2040 Dd 11/15/20	100,537	100,568
1,100,000	U S Treasury Bond 1.750% 08/15/2041 Dd 08/15/21	1,063,973	1,069,922
1,600,000	U S Treasury Bond 1.875% 02/15/2041 Dd 02/15/21	1,617,169	1,588,688
497,000	U S Treasury Bond 1.875% 11/15/2051 Dd 11/15/21	505,946	495,369
1,388,000	U S Treasury Bond 2.000% 08/15/2051 Dd 08/15/21	1,441,092	1,421,399
300,000	U S Treasury Bond 2.000% 11/15/2041 Dd 11/15/21	310,996	304,406
5,500,000	U S Treasury Bond 2.250% 05/15/2041 Dd 05/15/21	5,816,395	5,794,766
	Total US Government Obligations	3.65% 14,195,612	14,015,086
<u>US Government Agency Obligations</u>			
100,000	Federal National Mortgage Assn. 3.000% 02/01/52 To Be Announced	103,422	103,501
	Total US Government Agency Obligations	0.03% 103,422	103,501
	Total US Government & Agency Obligations	3.68% 14,299,034	14,118,587
<u>Non-US Government Bond</u>			
200,000	Chile Government International 3.500% 04/15/2053 Dd 04/15/21	200,000	206,410
	Total Non-US Government Bond	0.05% 200,000	206,410
<u>Municipals</u>			
100,000	Gainesville & Hall Cnty Ga Hos 3.000% 02/15/2054 Dd 09/09/21	100,000	102,086
	Total Municipals	0.03% 100,000	102,086
<u>Corporate Bonds</u>			
<u>Consumer Discretionary</u>			
100,000	Aptiv PLC 3.100% 12/01/2051 Dd 11/23/21	97,819	95,628
200,000	Home Depot Inc 2.750% 09/15/2051 Dd 09/21/21	197,874	199,427
100,000	MDC Holdings Inc 3.966% 08/06/2061 Dd 08/06/21	100,000	95,620
	Total Consumer Discretionary	0.10% 395,693	390,675

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Principal Amount		Cost	Fair Value
<i>Consumer Staples</i>			
\$ 100,000	BAT Capital Corp 2.726% 03/25/2031 Dd 09/25/20	\$ 100,000	\$ 97,150
	Total Consumer Staples	0.03% <u>100,000</u>	<u>97,150</u>
<i>Energy</i>			
100,000	Cenovus Energy Inc 3.750% 02/15/2052 Dd 09/13/21	99,288	100,611
100,000	Ecopetrol SA 5.875% 11/02/2051 Dd 11/02/21	100,000	93,694
100,000	Enbridge Inc 4.240% 27-aug-2042 Unseed Mtn	80,286	82,291
100,000	EQT Corp 5.000% 01/15/2029 Dd 11/16/20	100,000	110,750
100,000	Phillips 66 3.300% 03/15/2052 Dd 11/15/21	99,264	100,278
	Total Energy	0.13% <u>478,838</u>	<u>487,624</u>
<i>Financials</i>			
200,000	Aercap Ireland Capital Dac / A 3.300% 01/30/2032 Dd 10/29/21	199,255	204,161
100,000	Ally Financial Inc 8.000% 11/01/2031 Dd 12/31/08	141,205	141,701
100,000	Ares Capital Corp 3.200% 11/15/2031 Dd 11/04/21	97,553	98,432
200,000	Bank Hapoalim BM 144a Var Rt 01/21/2032	200,000	198,000
300,000	Bank Of America Corp Var Rt 04/22/2042 Dd 04/22/21	300,000	316,203
100,000	Bank Of America Corp Var Rt 10/20/2032 Dd 10/20/21	100,000	100,600
100,000	Berkshire Hathaway Finance Cor 2.500% 01/15/2051 Dd 01/15/21	98,878	93,218
400,000	Charles Schwab Corp Var Rt 12/31/2049 Dd 12/11/20	400,778	404,000
100,000	Franklin Resources Inc 2.950% 08/12/2051 Dd 08/12/21	99,375	96,663
200,000	Global Infrastructure Partners 0.000% 09/29/2028 Dd 09/13/21	197,107	199,250
200,000	Mizuho Financial Group Inc Var Rt 09/08/2031 Dd 09/08/20	200,000	192,621
200,000	Morgan Stanley Var Rt 02/13/2032 Dd 11/13/20	200,000	189,526
100,000	PNC Financial Services Group I Var Rt 12/31/2049 Dd 09/13/21	100,000	98,424
400,000	Royal Bank Of Canada Var Rt 11/24/2081	332,806	307,286
100,000	SLM Corp 3.125% 11/02/2026 Dd 11/01/21	99,445	99,000
	Total Financials	0.71% <u>2,766,402</u>	<u>2,739,085</u>
<i>Healthcare</i>			
100,000	Beth Israel Lahey Health Inc 3.080% 07/01/2051 Dd 11/16/21	100,000	98,973
100,000	Gilead Sciences Inc 1.650% 10/01/2030 Dd 09/30/20	99,789	95,950
100,000	Integrus Baptist Medical Center 3.875% 08/15/2050 Dd 10/13/20	100,000	114,603
200,000	Merck & Co Inc 2.900% 12/10/2061 Dd 12/10/21	199,436	199,472
	Total Healthcare	0.13% <u>499,225</u>	<u>508,998</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Principal Amount		Cost	Fair Value
<i>Industrials</i>			
\$ 200,000	Boeing Co 3.625% 02/01/2031 Dd 11/02/20	\$ 199,881	\$ 213,500
100,000	Canadian Pacific Railway Co 3.100% 12/02/2051 Dd 12/02/21	99,285	102,399
100,000	Delta Air Lines Inc 3.750% 10/28/2029 Dd 10/28/19	99,662	102,577
300,000	GE Capital International Funding Co 4.418% 11/15/2035 Dd 05/15/16	362,151	358,536
	Total Industrials	0.20% <u>760,979</u>	<u>777,012</u>
<i>Information Technology</i>			
200,000	Alibaba Group Holding Ltd 3.150% 02/09/2051 Dd 02/09/21	198,864	187,920
100,000	Amazon.com Inc 2.875% 05/12/2041 Dd 05/12/21	99,632	104,084
50,000	Amazon.com Inc 3.100% 05/12/2051 Dd 05/12/21	51,381	53,611
100,000	AMC Networks Inc 4.250% 02/15/2029 Dd 02/08/21	100,000	99,375
100,000	Fidelity National Information 2.250% 03/01/2031 Dd 03/02/21	99,426	97,904
300,000	Oracle Corp 4.100% 03/25/2061 Dd 03/24/21	299,422	313,980
100,000	Seagate Hdd Cayman 3.375% 07/15/2031 Dd 12/08/20	100,000	97,312
	Total Information Technology	0.25% <u>948,725</u>	<u>954,186</u>
<i>Materials</i>			
300,000	Teck Resources Ltd 6.250% 07/15/2041 Dd 07/05/11	348,092	398,851
	Total Materials	0.10% <u>348,092</u>	<u>398,851</u>
<i>Real Estate</i>			
100,000	Alexandria Real Estate Equitie 3.000% 05/18/2051 Dd 02/18/21	99,592	99,158
100,000	Duke Realty LP 2.250% 01/15/2032 Dd 11/10/21	98,837	98,191
100,000	Host Hotels & Resorts LP 3.500% 09/15/2030 Dd 08/20/20	99,643	102,757
100,000	LXP Industrial Trust 2.375% 10/01/2031 Dd 08/30/21	99,766	96,033
200,000	Mpt Operating Partnership LP / 3.500% 03/15/2031 Dd 12/04/20	200,000	202,250
100,000	National Health Investors Inc 3.000% 02/01/2031 Dd 01/26/21	99,262	96,519
100,000	National Retail Properties Inc 3.000% 04/15/2052 Dd 09/24/21	97,698	94,887
100,000	Piedmont Operating Partnership 3.150% 08/15/2030 Dd 08/12/20	98,743	102,516
100,000	Rexford Industrial Realty LP 2.125% 12/01/2030 Dd 11/16/20	99,293	95,092
150,000	Sabra Health Care LP 3.200% 12/01/2031 Dd 09/30/21	148,708	146,756
	Total Real Estate	0.30% <u>1,141,542</u>	<u>1,134,159</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Principal Amount		Cost	Fair Value
<i>Utilities</i>			
\$ 100,000	Atmos Energy Corp 2.850% 02/15/2052 Dd 10/01/21	\$ 99,360	\$ 97,574
200,000	Consolidated Edison Co Of New 3.200% 12/01/2051 Dd 12/02/21	200,000	200,664
100,000	Dominion Energy Inc Var Rt 12/31/2049 Dd 12/09/21	100,000	103,250
200,000	Edison International Var Rt 12/31/2049 Dd 03/09/21	200,000	209,520
100,000	Edison International Var Rt 12/31/2049 Dd 11/12/21	100,000	102,180
100,000	Entergy Arkansas LLC 2.650% 06/15/2051 Dd 09/11/20	99,614	93,309
100,000	Entergy Louisiana LLC 2.900% 03/15/2051 Dd 03/06/20	104,303	98,340
200,000	Georgia Power Co 3.250% 03/15/2051 Dd 02/26/21	199,815	201,357
100,000	Midamerican Energy Co 2.700% 08/01/2052 Dd 07/22/21	99,299	97,482
100,000	Pacific Gas and Electric Co 3.250% 06/01/2031 Dd 03/11/21	99,800	100,439
100,000	Pacific Gas and Electric Co 4.300% 03/15/2045 Dd 11/06/14	93,291	101,401
400,000	Pacificorp 2.900% 06/15/2052 Dd 07/09/21	396,961	394,138
200,000	Southwestern Electric Power Co 3.250% 11/01/2051 Dd 11/03/21	199,281	199,106
100,000	T-Mobile USA Inc 3.300% 02/15/2051 Dd 02/15/21	99,800	98,036
100,000	T-Mobile USA Inc 3.600% 11/15/2060 Dd 05/15/21	99,751	99,927
150,000	Verizon Communications Inc 2.850% 09/03/2041 Dd 09/03/21	150,143	148,418
100,000	Verizon Communications Inc 3.550% 03/22/2051 Dd 03/22/21	99,120	108,093
300,000	Verizon Communications Inc 3.700% 03/22/2061 Dd 03/22/21	329,055	326,686
200,000	Virginia Electric and Power Co 2.450% 12/15/2050 Dd 12/15/20	196,896	183,029
100,000	Vodafone Group PLC 4.250% 09/17/2050 Dd 09/17/19	118,845	115,830
100,000	Washington Gas Light Co 3.650% 09/15/2049 Dd 09/13/19	116,191	112,190
	Total Utilities	0.83% <u>3,201,525</u>	<u>3,190,969</u>
	Total Corporate Bonds	2.78% <u>10,641,021</u>	<u>10,678,709</u>
<u><i>Exchange-traded Funds</i></u>			
<i>Fixed Income</i>			
112,136	Ishares 10+ Year Inv Gr Corp	7,815,250	7,799,059
73,618	Vanguard Long-term Corp Bond	7,808,504	7,791,729
	Total Fixed Income	4.06% <u>15,623,754</u>	<u>15,590,788</u>
	Total Exchange-traded Funds	4.06% <u>15,623,754</u>	<u>15,590,788</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Number of Shares or Principal Amount		Cost	Fair Value
<u><i>Mutual Funds</i></u>			
<i>Fixed Income</i>			
6,479,804	Paps Long Duration Credit Bond Portfolio	\$ 88,302,645	\$ 82,811,893
11,043	PIMCO Funds Short Term Fltg NAV Port II	110,547	110,547
3,958,015	Vanguard Long-Term Investment Grade ADM	43,179,683	43,142,361
	Total Fixed Income	32.80% <u>131,592,875</u>	<u>126,064,801</u>
	Total Mutual Funds	32.80% <u>131,592,875</u>	<u>126,064,801</u>
<u><i>Private Placements</i></u>			
\$	100,000 Abu Dhabi Government Inte 144a 2.700% 09/02/2070 Dd 09/02/20	100,000	90,971
	100,000 Amfam Holdings Inc 144a 2.805% 03/11/2031 Dd 03/11/21	100,000	102,218
	200,000 Anglo American Capital Pl 144a 2.875% 03/17/2031 Dd 03/17/21	199,536	199,277
	100,000 Arches Buyer Inc 144a 4.250% 06/01/2028 Dd 12/04/20	100,000	99,910
	100,000 Ares Finance Co Iii LLC 144a Var Rt 06/30/2051 Dd 06/30/21	100,000	100,421
	100,000 Bellis Acquisition Co PLC 144a 3.250% 02/16/2026	138,450	130,213
	100,000 Blackstone Holdings Financial 144a 2.850% 08/05/2051 Dd 08/05/21	99,743	97,728
	200,000 BNP Paribas Sa 144a Var Rt 12/31/2049 Dd 02/25/21	200,000	200,600
	100,000 Cheniere Corpus Christi Holdings 144a 2.742% 12/31/2039 Dd 08/24/21	100,000	97,754
	200,000 CK Hutchison International 144a 2.500% 04/15/2031 Dd 04/15/21	197,954	202,432
	200,000 CSN Resources Sa 144a 4.625% 06/10/2031 Dd 06/10/21	200,000	190,252
	100,000 EQM Midstream Partners LP 144a 4.750% 01/15/2031 Dd 01/08/21	100,000	105,750
	200,000 Export-import Bank Of India 144a 2.250% 01/13/2031 Dd 01/13/21	183,788	187,995
	100,000 Flex Intermediate Holdco 144a 3.363% 06/30/2031 Dd 05/28/21	100,002	100,486
	100,000 Freedom Mortgage Corp 144a 6.625% 01/15/2027 Dd 07/07/21	100,000	97,750
	300,000 Glencore Funding LLC 144a 3.875% 04/27/2051 Dd 04/27/21	299,899	314,516
	100,000 Global Atlantic Fin Co 144a Var Rt 10/15/2051 Dd 07/06/21	100,000	101,480
	200,000 Intesa Sanpaolo SPA 144a Var Rt 06/01/2042 Dd 06/01/21	210,031	205,989
	200,000 Klabin Austria GmbH 144a 3.200% 01/12/2031 Dd 01/12/21	200,000	185,252
	100,000 Macquarie Group Ltd 144a Var Rt 01/14/2033 Dd 10/14/21	100,000	99,816
	200,000 Melco Resorts Finance Ltd 144a 5.375% 12/04/2029 Dd 12/04/19	206,396	194,000
	100,000 MPH Acquisition Holdings 144a 5.500% 09/01/2028 Dd 08/24/21	100,000	101,375
	100,000 New York State Electric & Gas Co 144a 2.150% 10/01/2031 Dd 09/24/21	99,790	97,891
	400,000 Nordea Bank ABP 144a Var Rt 12/31/2049 Dd 09/01/21	400,606	379,200
	200,000 Prosus NV 144a 3.832% 02/08/2051 Dd 12/08/20	200,010	187,184
	110,000 Santos Finance Ltd 144a 3.649% 04/29/2031 Dd 04/29/21	110,029	112,075
	200,000 Saudi Arabian Oil Co 144a 3.250% 11/24/2050 Dd 11/24/20	198,149	194,556
	200,000 Societe Generale Sa 144a 3.625% 03/01/2041 Dd 03/01/21	199,889	204,018

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Number of Shares or Principal Amount		Cost	Fair Value
<i>Private Placements (Continued)</i>			
\$ 200,000	Standard Chartered PLC 144a Var Rt 12/31/2049 Dd 01/14/21	\$ 200,000	\$ 197,000
100,000	Targa Resources Partners 144a 4.000% 01/15/2032 Dd 02/02/21	100,000	104,500
200,000	TSMC Global Ltd 144a 1.375% 09/28/2030 Dd 09/28/20	198,384	185,716
400,000	Unicredit Spa 144a Var Rt 04/02/2034 Dd 04/02/19	482,477	479,834
200,000	Xiaomi Best Time International 144a 4.100% 07/14/2051 Dd 07/14/21	207,435	203,712
200,000	XP Inc 144a 3.250% 07/01/2026 Dd 07/01/21	197,938	192,600
	Total Private Placements	1.49% <u>5,830,506</u>	<u>5,744,471</u>

Common Trust Funds

Fixed Income

6,741,237	Western Asset Long Duration R2	89,700,908	104,017,293
9,077,984	Wilmington Tr Collective Invt SLC Mgmt US Long Cr Fd Fee Cl	92,920,016	104,033,700
	Total Fixed Income	54.13% <u>182,620,924</u>	<u>208,050,993</u>
	Total Common Trust Funds	54.13% <u>182,620,924</u>	<u>208,050,993</u>

Principal Amount		Cost	Fair Value
<i>Put Option Purchased</i>			
\$ 1,100,000	United States Treasury 30-Year Notes for 2.00% quarterly payments, Put @ \$2.06 Bank of America 2.06% 10/25/23	\$ 62,758	\$ 63,237
	Total Put Option Purchased	0.01% <u>62,758</u>	<u>63,237</u>
	Total Investments	100.00% <u>\$ 364,685,212</u>	<u>\$ 384,334,422</u>

Schedule of Written Options

Security	Maturity Date	Strike Price	Contracts	Value
United States Treasury 30-Year Notes Futures, Call	1/7/2022	\$ 0.0437	100,000	\$ (33)
United States Treasury 30-Year Notes Futures, Put	1/7/2022	0.3273	100,000	(244)
United States Treasury 30-Year Notes Futures, Call	1/10/2022	0.0994	200,000	(201)
United States Treasury 30-Year Notes Futures, Put	1/10/2022	0.2958	200,000	(646)
United States Treasury 30-Year Notes Futures, Call	1/14/2022	0.2111	100,000	(179)
United States Treasury 30-Year Notes Futures, Put	1/14/2022	0.6398	100,000	(516)
United States Treasury 30-Year Notes Futures, Call	1/18/2022	0.2121	200,000	(479)
United States Treasury 30-Year Notes Futures, Put	1/18/2022	0.7844	200,000	(1,506)
United States Treasury 30-Year Notes Futures, Call	1/20/2022	0.2576	100,000	(270)

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
River and Mercantile Long Credit Fund (Continued)
Year Ended December 31, 2021

Schedule of Written Options

Security	Maturity Date	Strike Price	Contracts	Value
United States Treasury 30-Year Notes Futures, Put	1/20/2022	\$ 0.9399	100,000	\$ (869)
United States Treasury 30-Year Notes Futures, Call	1/31/2022	1.3653	100,000	(1,392)
United States Treasury 30-Year Notes Futures, Put	1/31/2022	0.4826	100,000	(460)
United States Treasury 10-Year Notes Futures, Call	1/10/2022	0.0915	200,000	(240)
United States Treasury 10-Year Notes Futures, Put	1/10/2022	0.0620	200,000	(104)
United States Treasury 10-Year Notes Futures, Call	1/18/2022	0.3853	200,000	(896)
United States Treasury 10-Year Notes Futures, Put	1/18/2022	0.0365	200,000	(45)
United States Treasury 10-Year Notes Futures, Call	1/20/2022	0.0737	100,000	(85)
United States Treasury 10-Year Notes Futures, Put	1/20/2022	0.4490	100,000	(422)
United States Treasury 7-Year Notes Futures, Call	1/14/2022	0.0696	100,000	(59)
United States Treasury 7-Year Notes Futures, Put	1/14/2022	0.1540	100,000	(135)
United States Treasury 7-Year Notes Futures, Call	1/18/2022	0.0275	100,000	(27)
United States Treasury 7-Year Notes Futures, Put	1/18/2022	0.3511	100,000	(356)
United States Treasury 5-Year Notes Futures, Put	10/25/2023	1.3951	5,500,000	(77,121)
Euro ITRAXX 5-Year, Put	1/19/2022	0.0072	200,000	(16)
Euro ITRAXX 5-Year, Put	1/19/2022	0.0064	100,000	(7)
Euro ITRAXX 5-Year, Put	1/19/2022	0.0064	100,000	(7)
Euro ITRAXX 5-Year, Put	3/16/2022	0.0408	100,000	(46)
Euro ITRAXX 5-Year, Put	3/16/2022	0.0300	200,000	(68)
Euro ITRAXX 5-Year, Put	1/19/2022	0.0261	100,000	(30)
Euro ITRAXX 5-Year, Put	1/19/2022	0.0276	100,000	(31)
Euro ITRAXX 5-Year, Put	2/16/2022	0.0928	100,000	(106)
FNMA 2.00%, Call	1/6/2022	0.0047	100,000	(10)
FNMA 2.00%, Call	2/7/2022	0.2753	100,000	(338)
FNMA 2.00%, Call	2/7/2022	0.2664	100,000	(327)
FNMA 2.00%, Call	2/7/2022	0.2040	100,000	(224)
FNMA 2.00%, Call	2/7/2022	0.1156	100,000	(121)
FNMA 2.00%, Call	2/7/2022	0.1096	100,000	(171)
FNMA 2.00%, Put	2/7/2022	0.2539	100,000	(381)
FNMA 2.50%, Call	1/6/2022	0.0002	100,000	(1)
FNMA 2.50%, Put	1/6/2022	0.2829	100,000	(338)
Credit Default Swap 5 -Year	1/19/2022	0.0025	100,000	(2)
Total Written Options (Premiums received - \$88,083)				<u>\$ (88,509)</u>

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

	River and Mercantile Long Credit Fund
Income	
Interest	\$ 615,267
Dividends	7,435,583
Total income	8,050,850
Expenses	
Investment management and administrative	575,742
Custody fees	96,382
Audit	8,000
Other	1,834
Total expenses	681,958
Net Investment Income	7,368,892
Net Realized and Unrealized Gains (Losses) on Investments, Written Options, Futures Contracts, Swap Contracts and Foreign Currency	
Net realized losses on investments	(1,447,034)
Net realized gains on written options	87,304
Net realized gains on futures contracts	274,550
Net realized losses on swap contracts	(12,339)
Net realized losses on foreign currencies	(4,186)
Net realized gains on foreign currency forward exchange contracts	33,474
Net realized losses	(1,068,231)
Change in Net Unrealized Appreciation/Depreciation	
Investments	(11,226,542)
Futures contracts	30,906
Swap contracts	(8,566)
Foreign currencies	(7,958)
Foreign currency forward exchange contracts	(4,852)
Net change in unrealized appreciation/depreciation	(11,217,012)
Net realized and unrealized losses on investments	(12,285,243)
Net Decrease in Net Assets Resulting From Operations	\$ (4,916,351)

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

	River and Mercantile Long Credit Fund
Operations	
Net investment income	\$ 7,368,892
Net realized losses	(1,068,231)
Change in unrealized appreciation/depreciation	(11,217,012)
Net decrease in net assets from operations	(4,916,351)
Net Increase in Net Assets From Participant Transactions	17,878,491
Increase in Net Assets Held for Participants	12,962,140
Net Assets Held for Participants	
Beginning of year	363,864,981
End of year	\$ 376,827,121

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 those funds is 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 recorded on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are determined using 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.

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

Hand Composite Employee Benefit Trust

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December 31, 2021

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, 2021, resulting from changes in the exchange rates.

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.

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.

Written Options

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus

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Notes to Financial Statements

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the option exercise price and the Fund's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Fund from the exercise of the written put option to form the Fund's basis in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Fund.

The risk in writing a covered call option is that the Fund may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Fund is exposed to the risk of loss if the market price of the underlying security increases. 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.

Purchased Options

When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Fund realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

Swap Agreements

The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with other portfolio transactions. Swap agreements are privately negotiated in the over-the-counter market (OTC Swaps) or may be executed on a registered exchange (Centrally Cleared Swaps). Unlike Centrally Cleared Swaps, the Fund has credit exposure to the counterparties of OTC Swaps.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, is recorded as a receivable or payable for variation margin on the statement of assets and liabilities. Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the schedule of investments and restricted cash, if any, is

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identified on the statement of assets and liabilities. Risks may exceed amounts recorded in the statement of assets and liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, and the possible lack of liquidity with respect to the swap agreements.

OTC swap payments received or made at the beginning of the measurement period are reflected as a premium or deposit, respectively, on the statement of assets and liabilities. These upfront payments are amortized over the life of the swap and are recognized as realized gain or loss in the statement of operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the statement of operations.

For average notional amounts of swaps held during the year ended December 31, 2021, see Note 11.

Credit Default Swaps

The Fund enters into credit default swap (CDS) contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (*i.e.*, to reduce risk where the Fund has exposure to an issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the notes to financial statements and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk

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December 31, 2021

of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized on the statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of December 31, 2021, the total notional value of all credit default swaps to sell protection was \$1,800,000. This amount would be offset by the value of the swap's reference entity, upfront premiums received on the swap and any amounts received from the settlement of a credit default swap where the Fund bought protection for the same referenced security/entity for a notional value, if any.

Interest Rate Swaps

The Fund enters into interest rate swap contracts to manage its exposure to interest rate risk. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate, or receive a fixed rate and pay a floating rate, on a notional principal amount. Interest rate swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss in the statement of operations. When a swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the original cost and the settlement amount of the closing transaction.

The risks of interest rate swaps include changes in market conditions that will affect the value of the contract or changes in the present value of the future cash flow streams and the possible inability of the counterparty to fulfill its obligations under the agreement. The Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that that amount is positive. This risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

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Swaptions

The Fund purchases and writes swaption contracts to manage exposure to an underlying instrument. The Fund may also purchase or write swaptions to manage exposure to fluctuations in interest rates or to enhance yield. Swaption contracts written by the Fund represent an option that gives the purchaser the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date. Swaption contracts purchased by the Fund represent an option that gives the Fund the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date.

When the Fund writes a swaption, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the swaption written. If the swaption expires, the Fund realizes a gain equal to the amount of the premium received.

When the Fund purchases a swaption, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market daily to reflect the current market value of the swaption purchased. If the swaption expires, the Fund realizes a loss equal to the amount of the premium paid.

Swaptions are marked-to-market daily based upon quotations from market makers. Changes in the value of the swaption are reported as unrealized gains or losses in the statement of operations.

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 and includes accretion of discounts and amortization of premiums. 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 these other funds 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 their taxable income to their participants. Therefore, no federal income tax provision is required.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2021

Subsequent Events

Subsequent events have been evaluated through June 7, 2022, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is River and Mercantile Group PLC.

Note 2: Futures Contracts

At December 31, 2021, the Fund has the following open futures contract:

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation
Contracts to Sell:					
U.S. Treasury 5-Year Notes	114	03/22	\$ 1,441,172	\$ 1,449,187	\$ 8,015
U.S. Treasury 10-Year Notes	11	03/22	13,799,344	13,805,360	6,016
					<u>\$ 14,031</u>

Note 3: Foreign Currency Forward Exchange Contracts

At December 31, 2021, the Fund had the following open forward foreign currency contracts:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD	\$ 238,682	BRL	\$ 1,331,967	Morgan Stanley	01/4/2022	\$ 450
BRL	1,331,967	USD	233,269	Morgan Stanley	01/4/2022	(5,863)
USD	236,977	BRL	1,331,967	State Street Corp	01/4/2022	2,155
BRL	1,331,967	USD	238,682	State Street Corp	01/4/2022	(450)
RUB	1,737,916	USD	23,367	Citigroup Inc	01/24/2022	261
RUB	752,000	USD	10,240	Goldman Sachs Group Inc	01/24/2022	242
USD	231,699	BRL	1,331,967	Morgan Stanley	02/2/2022	5,765
USD	165,490	INR	12,580,579	Bank of America Corp	02/10/2022	2,743
USD	109,580	INR	8,288,248	BNP Paribas SA	02/10/2022	1,254
USD	104,548	INR	7,940,525	JPMorgan Chase & Co	02/10/2022	1,636
USD	104,163	INR	7,871,077	JPMorgan Chase & Co	02/10/2022	1,092
USD	85,217	EUR	75,000	Bank of America Corp	02/17/2022	148
CAD	503,009	USD	401,661	Bank of America Corp	02/17/2022	3,474
GBP	193,000	USD	259,647	Bank of America Corp	02/17/2022	(1,720)
CHF	67,000	USD	73,091	Goldman Sachs Group Inc	02/17/2022	(525)
RUB	768,914	USD	10,378	Goldman Sachs Group Inc	02/18/2022	196
RUB	1,749,952	USD	23,369	Goldman Sachs Group Inc	02/18/2022	196

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Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
RUB \$ 2,156,427	USD \$ 28,619	Citigroup Inc	03/18/2022	\$ 251
RUB 75,356	USD 997	Goldman Sachs Group Inc	03/18/2022	6
RUB 80,870	USD 1,074	HSBC Holdings PLC	03/18/2022	10
RUB 56,851	USD 751	UBS Group AG	03/18/2022	3
RUB 86,106	USD 1,141	UBS Group AG	03/18/2022	8
RUB 86,333	USD 1,140	UBS Group AG	03/18/2022	4
Total				\$ 11,336

Abbreviations used in the above table:

BRL Brazilian Real	GBP British Pound
CAD Canadian Dollar	INR Indian Rupee
CHF Swiss Franc	RUB Russian Ruble
EUR Euro	USD United States Dollar

Note 4: Swap Contracts

At December 31, 2021, the Fund had the following open swap contracts:

OTC Credit Default Swaps on Credit Indices - Sell Protection¹						
Central Counterparty (Reference Entity)	Notional Amount²	Termination Date	Periodic Payments Made by the Fund¹	Market Value³	Upfront Premiums Paid	Unrealized Appreciation (Depreciation)
Morgan Stanley & Co.	\$ 200,000	12/20/2025	5.00% quarterly	\$ 33,601	\$ (39,696)	\$ (6,095)
Morgan Stanley & Co.	100,000	EUR 12/20/2026	5.00% quarterly	20,217	(20,508)	(291)
Morgan Stanley & Co.	100,000	12/20/2026	1.00% quarterly	994	(148)	846
Morgan Stanley & Co.	700,000	06/20/2026	1.00% quarterly	11,950	(4,556)	7,394
Morgan Stanley & Co.	600,000	EUR 06/20/2026	5.00% quarterly	119,244	(135,020)	(15,776)
Morgan Stanley & Co.	100,000	06/20/2026	5.00% quarterly	16,775	(17,741)	(966)
				\$ 202,781	\$ (217,669)	\$ (14,888)

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OTC Interest Rate Swaps

Swap Counterparty	Notional Amount*		Termination Date	Periodic Payments Received by the Fund†	Periodic Payments Made by the Fund†	Upfront Premiums Paid	Unrealized Appreciation
Morgan Stanley & Co.	\$ 430,000	CNY	12/16/2025	7 Day China Fixed Repo Rate - quarterly	2.5875% quarterly	\$ -	\$ 652
Morgan Stanley & Co.	210,000	CNY	12/16/2025	7 Day China Fixed Repo Rate - quarterly	2.6125% quarterly	-	421
Morgan Stanley & Co.	5,800,000	CNY	09/15/2026	7 Day China Fixed Repo Rate - quarterly	2.7500% quarterly	(4,653)	20,327
Morgan Stanley & Co.	400,000	CNY	03/17/2026	7 Day China Fixed Repo Rate - quarterly	2.8025% quarterly	-	1,149
Morgan Stanley & Co.	300,000	CNY	03/17/2026	7 Day China Fixed Repo Rate - quarterly	2.8100% quarterly	-	876
Morgan Stanley & Co.	600,000	CNY	03/17/2026	7 Day China Fixed Repo Rate - quarterly	2.8845% quarterly	-	2,027
						<u>\$ (4,653)</u>	<u>\$ 25,452</u>

- (1) If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.
- (2) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.
- (3) The quoted market prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed /sold as of year end. Decreasing market values (sell protection) or increasing market values (buy protection) when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

† Percentage shown is an annual percentage rate.

* Notional amount denominated in U.S. dollars, unless otherwise noted.

Abbreviations used in this table:

EUR Euro

CNY Chinese Yuan

Note 5: Written Options Rollforward

During the year ended December 31, 2021, written option transactions for the Fund were as follows:

	Contracts/ Notional Amount	Premiums
Written options, outstanding as of December 31, 2020	\$ -	\$ -
Options written	59,672,000	238,035
Options closed	(49,172,000)	(149,952)
Options expired	-	-
Written options, outstanding as of December 31, 2021	<u>10,500,000</u>	<u>\$ 88,083</u>

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Note 6: 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 an investment advisory and service agreement 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
River and Mercantile Long Credit Fund: Class R	0.07%	0.00%	0.02%	0.09%

Note 7: Financial Highlights

	River and Mercantile Long Credit Fund
Net asset value, beginning of year	<u>\$ 18.31</u>
Net investment income	0.36
Net realized and unrealized losses	<u>(0.58)</u>
Net decrease from investment operations	<u>(0.22)</u>
Net asset value, end of year	<u>\$ 18.09</u>
Total return	(1.20%)
Ratio to average net assets:	
Net investment income	2.02%
Expenses	0.19%

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Note 8: Participant Unit Transactions

	River and Mercantile Long Credit Fund	
	Units	Dollars
Class R:		
Proceeds from sales of units	2,810,520	\$ 49,972,604
Cost of units redeemed	(1,857,037)	(32,094,113)
Net increase in Class R from participant transactions	953,483	\$ 17,878,491

Note 9: 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 Funds 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 and liabilities 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.

US Government Obligations. US Government obligations are valued using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

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Non-US Government Obligations. Non-US Government obligations are valued using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

Corporate Bonds and Municipals. The fair value of these bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. These securities are categorized as Level 2 in the hierarchy.

Exchange-traded Funds and Mutual 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 primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

Private Placements. Private placements are primarily determined using discounted cash flow models. These models primarily use observable inputs that include Treasury or similar base rates plus estimated credit spreads to value each security. The credit spreads are obtained through a survey of private market intermediaries who are active in both primary and secondary transactions, and consider, among other factors, the credit quality and industry sector of the issuer and the reduced liquidity associated with private placements. Since most private placements are valued using standard market observable inputs and inputs derived from, or corroborated by, market observable data including observed prices and spreads for similar publicly traded or privately traded issues, they have been reflected within Level 2 of the hierarchy.

Call and Put Options. Options are marked-to-market based on quoted market prices in active markets. If recent market transactions are not available, observable market quotations are obtained from brokers specializing in options. Options are generally categorized as Level 1 or 2 in the hierarchy.

Foreign Currency Forward Exchange Contracts. These contracts are valued at the prevailing forward exchange rate of the underlying currencies on the reporting date and unrealized gains or losses recorded daily. Foreign currency contracts are generally categorized as Level 2 in the hierarchy.

Futures Contracts. Futures contracts are marked-to-market on the daily fluctuations between the contract price and the market value of the underlying, as reported on a recognized exchange. Futures contracts are categorized as Level 1 in the hierarchy.

Credit Default Swaps. Credit default swaps are traded on the over-the-counter (OTC) market. Fair value for credit default swaps is based on models which take into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily

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determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. As the underlying debt on credit default swaps held by the Fund are liquid and the OTC market for the current spread is active, credit default swaps are categorized as Level 2 in the hierarchy.

Interest Rate Swaps. The Fund enters into interest rate swap contracts to manage its exposure to interest rate risk. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate or receive a fixed rate and pay a floating rate, on a notional principal amount. Interest rate swaps are categorized as Level 2 in 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, 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)
River and Mercantile Long Credit Fund				
Financial Instruments - Assets:				
Short Term Investment	\$ 3,714,340	\$ 3,714,340	\$ -	\$ -
US Government & Agency Obligations	14,118,587	-	14,118,587	-
Non-US Government Bond	206,410	-	206,410	-
Municipals	102,086	-	102,086	-
Corporate Bonds	10,678,709	-	10,678,709	-
Exchange-traded Funds - Fixed Income	15,590,788	15,590,788	-	-
Mutual Funds - Fixed Income	43,142,361	43,142,361	-	-
Private Placements	5,744,471	-	5,744,471	-
Put Options Purchased	63,237	-	63,237	-
Private Mutual Funds - Fixed Income (A)	82,922,440			
Common Trust Funds - Fixed Income (A)	208,050,993			
	<u>\$ 384,334,422</u>			
Total Financial Instruments- Assets	<u>\$ 384,334,422</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.

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	<u>Fair Value Measurements Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Derivative Instruments - Assets:				
Foreign Currency Exchange Contracts	\$ 19,894	\$ -	\$ 19,894	\$ -
Futures Contracts	14,031	14,031	-	-
OTC Credit Default Swaps on Credit Indices - Sell Protection	202,781	-	202,781	-
OTC Interest Rate Swaps	20,799	-	20,799	-
	<u>\$ 257,505</u>			
Derivative Instruments - Liabilities:				
Written Options	\$ 88,509	\$ -	\$ 88,509	\$ -
Foreign Currency Exchange Contracts	8,558	-	8,558	-
	<u>\$ 97,067</u>			

Note 10: 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.

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.

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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.

Note 11: Derivative Instruments and Hedging Activities

The following tables, grouped by derivative type, provide information about the fair value and the location of derivatives within the statement of assets and liabilities at December 31, 2021:

	Asset Derivatives⁽¹⁾			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Purchased options ⁽²⁾	\$ 63,237	\$ -	\$ -	\$ 63,237
Foreign currency exchange contracts	-	19,894	-	19,894
Futures contracts ⁽³⁾	14,031	-	-	14,031
OTC swap contracts	20,799	-	202,781	223,580
Total	\$ 98,067	\$ 19,894	\$ 202,781	\$ 320,742

	Liability Derivatives⁽¹⁾			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Written options	\$ 88,196	\$ 311	\$ 2	\$ 88,509
Foreign currency exchange contracts	-	8,558	-	8,558
Total	\$ 88,196	\$ 8,869	\$ 2	\$ 97,067

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- (1) Generally, the statement of assets and liabilities location for asset derivatives is receivables/net unrealized appreciation and for liability derivatives is payables/net unrealized depreciation.
- (2) Market value of purchased options is reported in investments at value in the statement of assets and liabilities.
- (3) Includes cumulative unrealized appreciation (depreciation) on futures contracts as reported in Note 2. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's statement of operations for the year ended December 31, 2021. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the year. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the year.

	Amount of Realized Gains (Losses) on Derivatives Recognized			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Written options	\$ 73,130	\$ 2,032	\$ 12,142	\$ 87,304
Futures contracts	274,550	-	-	274,550
OTC swap contracts	(25,908)	-	13,569	(12,339)
Foreign currency exchange contracts	-	33,474	-	33,474
Total	\$ 321,772	\$ 35,506	\$ 25,711	\$ 382,989

	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Purchased options ⁽¹⁾	\$ 479	\$ -	\$ -	\$ 479
Futures contracts	30,906	-	-	30,906
OTC swap contracts	25,613	-	(34,179)	(8,566)
Foreign currency exchange contracts	-	(4,852)	-	(4,852)
Total	\$ 56,998	\$ (4,852)	\$ (34,179)	\$ 17,967

- (1) Net unrealized appreciation (depreciation) from purchased options is reported in net unrealized appreciation (depreciation) from investment transactions in the statement of operations.

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During the year ended December 31, 2021, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options	\$ 62,758
Written options	964
Futures contracts (to buy)	4,117,338
Futures contracts (to sell)	4,483,706
Foreign currency exchange contracts (to buy)	3,588,084
Foreign currency exchange contracts (to sell)	3,524,981
	Average Notional Balance
Credit default swap contracts (to buy protection)	\$ 322,222
Credit default swap contracts (to sell protection)	383,631
Interest rate swaps (to buy protection)	943,373
Interest rate swaps (to sell protection)	575,340

The following tables present, by financial instrument, the Fund's derivative assets and liabilities net of the related collateral received and pledged by the Fund at December 31, 2021:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities⁽¹⁾	Collateral Received⁽⁴⁾⁽⁵⁾	Net Amount
Purchased options ⁽²⁾	\$ 63,237	\$ -	\$ 63,237
Foreign currency exchange contracts	19,894	-	19,894
OTC swap contracts ⁽³⁾	223,580	-	223,580
	\$ 306,711	\$ 0	\$ 306,711

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	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities ⁽¹⁾	Collateral Pledged ⁽⁴⁾⁽⁵⁾	Net Amount
Written options	\$ 88,509	\$ -	\$ 88,509
Foreign currency exchange contracts	8,558	-	8,558
Futures contracts ⁽³⁾	8,169	133,000	(124,831)
OTC swap contracts ⁽³⁾	221,466	916,000	(694,534)
	<u>\$ 326,702</u>	<u>\$ 1,049,000</u>	<u>\$ (722,298)</u>

- (1) Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the statement of assets and liabilities.
- (2) Market value of purchased options is shown in investments at value in the statement of assets and liabilities
- (3) Amount represents the current day's variation margin as reported in the statement of assets and liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table.
- (4) Gross amounts are not offset in the statement of assets and liabilities.
- (5) In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
River and Mercantile Long Credit Fund
Year Ended December 31, 2021

Purchases	
Investment Class	Cost
US Government Obligations	\$ 378,968,402
Corporate Bonds	10,855,317
Municipal Bonds	100,000
Mutual Funds - Fixed Income	9,163,449
Exchange-traded Funds	40,853,045
Preferred Securities	300,000
Private Placements	6,096,945
Non-US Government Obligations	249,327
Total Investments Purchased	\$ 446,586,485

Sales			
Investment Class	Proceeds	Cost	Gains (Losses)
US Government Obligations	\$ 370,296,660	\$ 370,097,843	\$ 198,817
Corporate Bonds	4,548,376	4,492,002	56,374
Municipal Bonds	99,993	100,000	(7)
Mutual Funds - Fixed Income	14,513,660	15,133,033	(619,373)
Exchange-traded Funds	25,948,692	27,037,938	(1,089,246)
Preferred Securities	311,550	300,000	11,550
Private Placements	756,102	761,291	(5,189)
Non-US Government Obligations	49,367	49,327	40
Total Investments Sold	\$ 416,524,400	\$ 417,971,434	\$ (1,447,034)