

Hand Composite Employee Benefit Trust
Royce Opportunity Collective Trust Fund
Independent Auditor's Report and Financial Statements
December 31, 2018



Hand Composite Employee Benefit Trust
December 31, 2018

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of Royce Opportunity Collective Trust Fund ("Fund") included in the Hand Composite Employee Benefit Trust ("Trust" or "Funds"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2018, and the related statements of operations and changes in net assets for the period February 23, 2018 (inception) to December 31, 2018, 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 Royce Opportunity Collective Trust Fund, included in the Hand Composite Employee Benefit Trust, as of December 31, 2018, and the related statements of operations and changes in net assets for the period February 23, 2018 (inception) to December 31, 2018 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 24, 2019

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2018

	<u>Royce Opportunity Collective Trust Fund</u>
Assets	
Investments, at cost	\$ 225,641,284
Investments, at fair value	\$ 226,219,862
Receivable for:	
Investment securities sold	622,594
Capital shares sold	40
Dividends and interest	165,642
Investment advisor	28,946
Total assets	<u>\$ 227,037,084</u>
Liabilities	
Payable for investment securities purchased	\$ 715,525
Payable for capital shares redeemed	194,271
Accounts payable and accrued liabilities	360,251
Total liabilities	<u>\$ 1,270,047</u>
Net assets held for participants:	
Class R – INSTL	\$ 217,116,250
Class R – LM	8,650,787
Total net assets held for participants	<u>\$ 225,767,037</u>
Units outstanding:	
Class R – INSTL	27,432,413
Class R – LM	1,057,011
Total units outstanding	<u>28,489,424</u>
Net asset value per unit:	
Class R – INSTL	<u>\$ 7.91</u>
Class R – LM	<u>\$ 8.18</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
Royce Opportunity Collective Trust Fund
December 31, 2018

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
19,117,571	Dreyfus Treasury & Agency and Cash Mg	\$ 19,117,571	\$ 19,117,571
	Total Short Term Investment	8.45% <u>19,117,571</u>	<u>19,117,571</u>
<u>Common Stock</u>			
<i>Consumer Discretionary</i>			
72,638	3D Systems Corp	734,502	738,728
79,300	American Axle & Manufacturing	1,171,231	880,230
45,367	American Eagle Outfitters Inc	614,217	876,944
103,581	Ascena Retail Group Inc	206,770	259,988
71,637	Aspen Aerogels Inc	287,081	152,587
479,401	Avon Products Inc	1,114,414	728,690
23,862	Barnes & Noble Inc	135,302	169,182
110,693	Beazer Homes USA Inc	1,078,130	1,049,370
23,740	Bebe Stores Inc	116,915	159,058
10,897	Benchmark Electronics Inc	309,353	230,798
86,449	Carrols Restaurant Group Inc	518,564	850,658
33,800	Century Casinos Inc	229,472	249,782
4,600	Coherent Inc	629,790	486,266
178,851	Commercial Vehicle Group Inc	1,074,960	1,019,451
90,344	Comtech Telecommunications Corp	1,074,156	2,198,973
9,907	Conn's Inc	296,528	186,846
17,004	Cooper Tire & Rubber Co	522,882	549,739
94,112	Cray Inc	1,056,708	2,031,878
122,914	CUI Global Inc	332,231	151,184
19,015	Daktronics Inc	172,439	140,711
71,301	Dana Inc	911,954	971,833
126,122	Dixie Group Inc	317,071	88,651
36,578	DSW Inc	622,427	903,477
76,346	El Pollo Loco Holdings Inc	801,944	1,158,169
5,077	Engility Holdings Inc	118,030	144,491

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Consumer Discretionary (Continued)</i>			
53,457	EverQuote Inc	\$ 416,935	\$ 223,450
35,058	Federal Signal Corp	151,645	697,654
28,200	Fossil Group Inc	526,196	443,586
178,944	Fred's Inc	445,026	338,204
129,033	FreightCar America Inc	1,608,850	863,231
14,874	Guess? Inc	180,183	308,933
64,725	Haynes International Inc	1,047,592	1,708,740
40,349	Herman Miller Inc	1,203,290	1,220,557
109,758	Horizon Global Corp	348,141	156,954
52,407	Houghton Mifflin Harcourt Co	387,335	464,326
121,603	Identiv Inc	303,082	437,771
32,310	II-VI Inc	789,540	1,048,783
52,368	Interface Inc	422,551	746,244
11,770	Jerash Holdings US Inc	73,675	68,855
117,247	Kemet Corp	1,040,473	2,056,512
140,728	KeyW Holding Corp	756,022	941,470
89,785	Knowles Corp	1,101,958	1,195,038
24,600	LGI Homes Inc	1,047,456	1,112,412
167,607	Libbey Inc	1,069,372	650,315
34,300	LSB Industries Inc	312,323	189,336
64,498	Lumber Liquidators Holdings Inc	881,619	614,021
44,252	M/I Homes Inc	944,091	930,177
13,637	MarineMax Inc	258,393	249,693
123,054	Maxwell Technologies Inc	670,641	254,722
46,810	McClatchy Co	455,653	358,097
51,034	MDC Holdings Inc	1,144,819	1,434,566
116,722	Meritor Inc	579,468	1,973,769
113,790	Modine Manufacturing Co	1,413,511	1,230,070
47,700	NCR Corp	1,307,277	1,100,916
24,934	New Home Co Inc	179,905	130,405
35,568	Park Electrochemical Corp	527,653	642,714
57,068	PCM Inc	590,609	1,004,967
84,039	Perceptron Inc	624,144	677,354
79,200	Perspecta Inc	1,756,173	1,363,824
90,500	Pitney Bowes Inc	654,627	534,855
76,128	Quanex Building Products Corp	1,109,863	1,034,580
13,300	Resideo Technologies Inc	276,199	273,315
26,192	Rev Group Inc	424,441	196,702
179,711	RTW RetailWinds Inc	718,028	508,582
34,520	Sanmina Corp	591,530	830,551

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Consumer Discretionary (Continued)</i>			
54,695	Sears Hometown and Outlet Stor	\$ 95,041	\$ 116,500
27,695	Sigmatron International Inc	115,906	65,083
125,869	Spartan Motors Inc	738,691	910,033
178,984	Stage Stores Inc	331,594	132,448
35,841	SteelCase Inc	484,961	531,522
67,176	Synalloy Corp	626,495	1,114,450
192,198	Telaria Inc	441,551	524,701
30,156	Tower International Inc	333,619	717,713
42,166	TRI Pointe Group Inc	532,621	460,874
23,500	Trinity Industries Inc	513,012	483,865
65,968	TTM Technologies Inc	183,527	641,869
145,659	Tuesday Morning Corp	486,463	247,620
48,200	Tupperware Brands Corp	1,920,610	1,521,674
58,648	Unifi Inc	827,373	1,339,520
98,296	Unisys Corp	825,137	1,143,182
35,624	Vince Holding Corp	212,799	332,372
98,640	Vishay Intertechnology Inc	807,119	1,776,506
184,212	Voxx International Corp	563,707	729,480
16,305	Wabash National Corp	219,434	213,269
49,267	William Lyon Homes	786,092	526,664
31,643	Winnebago Industries Inc	1,135,612	766,077
	Total Consumer Discretionary	26.92% <u>54,968,724</u>	<u>60,889,357</u>
<i>Consumer Staples</i>			
114,500	Smart & Final Stores Inc	719,921	542,730
69,046	United Natural Foods Inc	2,315,400	731,197
	Total Consumer Staples	0.56% <u>3,035,321</u>	<u>1,273,927</u>
<i>Energy</i>			
2,600	Archrock Inc	20,112	19,474
35,734	Bonanza Creek Energy Inc	1,097,854	738,622
86,325	Highpoint Resources Corp	374,987	214,949
151,523	Independence Contract Drilling	575,635	472,752
39,665	KLX Energy Services Holdings Inc	1,145,813	930,144
25,706	Mammoth Energy Services Inc	818,068	462,194

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Energy (Continued)</i>			
67,979	Matador Resources Co	\$ 1,361,598	\$ 1,055,714
45,317	Matrix Service Co	450,419	812,987
235,132	Newpark Resources Inc	1,050,354	1,615,357
75,715	Patterson-Uti Energy Inc	1,298,158	783,650
37,138	Ranger Energy Services Inc	319,821	192,003
69,505	Talos Energy Inc	1,657,414	1,134,322
82,502	US Silica Holdings Inc	1,901,956	839,870
41,021	Whiting Petroleum Corp	1,271,281	930,766
	Total Energy	4.51% <u>13,343,470</u>	<u>10,202,804</u>
<i>Financials</i>			
40,700	Air Lease Corp	1,593,315	1,229,547
12,500	Allegiance Bancshares Inc	454,753	404,625
7,100	Axos Financial Inc	199,101	178,778
46,418	B. Riley Financial Inc	771,626	659,136
45,596	Boston Private Financial Holdings	184,900	481,950
65,487	Centerstate Bank Corp	938,636	1,377,846
48,800	First Foundation Inc	882,805	627,568
36,200	Franklin Financial Network Inc	1,255,011	954,594
18,593	Guaranty Bancorp	129,222	385,805
19,554	HCI Group Inc	672,013	993,539
75,711	Heritage Insurance Holdings Inc	993,512	1,114,466
83,001	Hilltop Holdings Inc	1,941,875	1,479,908
16,100	Independent Bank Group Inc	1,054,034	736,897
149,876	MBIA Inc	1,132,993	1,336,894
38,913	MGIC Investment Corp	271,433	407,030
16,813	Old Line Bancshares Inc	519,032	442,518
64,202	Radian Group Inc	882,235	1,050,345
15,100	Renasant Corp	660,401	455,718
28,700	Seacoast Banking Corp Of Florida	790,455	746,774
49,125	Southern National Bancorp Of V	509,118	649,433
9,100	Texas Capital Bancshares Inc	573,406	464,919
11,100	Tristate Capital Holdings Inc	274,679	216,006
36,818	Umpqua Holdings Corp	388,515	585,406
27,382	Walker & Dunlop Inc	1,462,334	1,184,272
	Total Financials	8.03% <u>18,535,404</u>	<u>18,163,974</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Healthcare</i>			
146,990	AAC Holdings Inc	\$ 908,299	\$ 205,786
46,921	Acadia Healthcare Co Inc	1,511,522	1,206,339
172,498	Accuray Inc	738,161	588,218
3,500	Alphatec Holdings Inc	9,717	8,015
42,800	Amag Pharmaceuticals Inc	765,138	650,132
74,920	Angiodynamics Inc	876,282	1,508,140
197,555	Bioscrip Inc	444,233	705,271
136,051	Brookdale Senior Living Inc	1,066,341	911,542
6,400	Cambrex Corp	274,297	241,664
192,486	Community Health Systems Inc	682,397	542,811
40,571	Diplomat Pharmacy Inc	689,141	546,086
225,789	Invacare Corp	2,364,494	970,893
121,377	Owens & Minor Inc	1,652,239	768,316
58,853	RL RCM Inc	508,727	467,881
23,196	Radnet Inc	297,232	235,903
98,914	RTI Surgical Holdings Inc	346,349	365,982
33,800	Select Medical Holdings Corp	596,022	518,830
103,170	Surgery Partners Inc	961,347	1,010,034
35,200	Varex Imaging Corp	1,022,771	833,536
	Total Healthcare	5.43% 15,714,709	12,285,379
<i>Industrials</i>			
67,251	Aegion Corp	911,895	1,097,536
35,186	Aerojet Rocketdyne Holdings Inc	751,008	1,239,603
11,500	American Woodmark Corp	706,284	640,320
43,719	Apogee Enterprises Inc	1,733,153	1,305,012
24,666	Arcosa Inc	698,123	683,002
54,611	Astec Industries Inc	1,940,067	1,648,706
28,214	Atlas Air Worldwide Holdings Inc	1,306,355	1,190,349
268,078	Babcock & Wilcox Enterprises Inc	532,057	104,658
20,499	Builders Firstsource Inc	164,151	223,644
55,146	CAI International Inc	821,450	1,281,042
117,269	Celadon Group Inc	406,641	97,333
10,600	Construction Partners Inc	93,111	93,598
95,759	Cross Country Healthcare Inc	1,074,179	701,913
12,475	Ducommun Inc	343,036	453,092
219,936	Forterra Inc	1,122,240	826,959

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Industrials (Continued)</i>			
24,600	Frontdoor Inc	\$ 560,825	\$ 654,606
53,368	Granite Construction Inc	2,085,485	2,149,663
78,984	Great Lakes Dredge & Dock Corp	280,866	522,874
100,753	Griffon Corp	1,301,362	1,052,869
14,909	Hawaiian Holdings Inc	457,698	393,747
61,868	Herc Holdings Inc	2,286,856	1,607,949
76,735	Hertz Global Holdings Inc	1,117,735	1,047,433
25,338	Hurco Cos Inc	365,625	904,567
25,868	Hyster-Yale Materials Handling	1,383,517	1,602,781
30,457	Insteel Industries Inc	476,400	739,496
137,550	Intevac Inc	698,482	719,387
36,584	K12 Inc	422,137	906,917
150,949	Kratos Defense & Security Solutions	834,427	2,126,871
110,243	Milacron Holdings Corp	1,975,966	1,310,789
218,504	Mueller Water Products Inc	937,338	1,988,386
68,882	NCI Building Systems Inc	637,653	499,395
168,341	NN Inc	1,475,986	1,129,568
11,323	Park-Ohio Holdings Corp	413,818	347,503
26,152	PGT Innovations Inc	35,928	414,509
34,862	Power Solutions International	311,540	322,474
52,357	Pure Cycle Corp	218,852	519,905
87,773	Team Inc	1,165,439	1,285,874
31,704	Tejon Ranch Co	656,365	525,652
87,709	Triumph Group Inc	2,024,188	1,008,654
194,040	Wesco Aircraft Holdings Inc	1,640,062	1,532,916
	Total Industrials	<u>16.31%</u> <u>36,368,300</u>	<u>36,901,552</u>
<i>Information Technology</i>			
153,432	Allscripts Healthcare Solution	1,716,879	1,479,084
85,254	Amber Road Inc	516,123	701,640
16,302	Amkor Technology Inc	103,948	106,941
93,280	Amtech Systems Inc	573,762	422,558
92,783	Avaya Holdings Corp	1,858,936	1,350,920
142,960	Avid Technology Inc	645,393	679,060
153,930	AXT Inc	546,605	669,596
21,244	Brooks Automation Inc	366,894	556,168
107,103	Castlight Health Inc	335,519	232,414
25,225	Cohu Inc	272,356	405,366

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Information Technology (Continued)</i>			
105,739	Cypress Semiconductor Corp	\$ 946,946	\$ 1,345,000
75,688	Emcore Corp	336,052	317,890
3,600	Evolent Health Inc	71,326	71,820
97,097	FormFactor Inc	714,124	1,368,097
28,085	Imageware Systems Inc	46,040	24,996
210,579	Kopin Corp	622,469	210,368
63,428	Kulicke & Soffa Industries Inc	521,915	1,285,686
58,141	Leaf Group Ltd	302,660	398,266
59,452	Limelight Networks Inc	175,262	139,118
102,232	Macom Technology Solutions Holdings	1,972,682	1,483,386
55,497	Maxlinear Inc	716,263	976,747
10,790	Nanometrics Inc	279,687	294,891
18,778	PC-Tel Inc	119,151	80,558
131,251	Rubicon Project Inc	281,641	489,566
40,248	Rudolph Technologies Inc	695,313	823,877
68,550	SecureWorks Corp	808,834	1,157,810
48,905	Synaptics Inc	2,193,359	1,819,755
52,590	Ultra Clean Holdings Inc	663,357	445,437
95,909	Veeco Instruments Inc	1,277,928	710,686
	Total Information Technology	8.86% <u>19,681,424</u>	<u>20,047,701</u>
<i>Materials</i>			
43,942	Aceto Corp	57,782	36,911
127,815	AK Steel Holding Corp	470,067	287,584
80,883	Allegheny Technologies Inc	1,212,255	1,760,823
58,042	Carpenter Technology Corp	1,715,231	2,066,876
48,300	Century Aluminum Co	416,452	353,073
123,948	Cleveland-Cliffs Inc	887,601	953,160
53,315	Coeur Mining Inc	408,731	238,318
112,152	Commercial Metals Co	1,544,027	1,796,675
90,627	Ferro Corp	477,085	1,421,031
79,300	Ferroglobe PLC	159,907	126,087
130,952	Hecla Mining Co	478,490	309,047
33,700	Huntsman Corp	718,269	650,073
209,600	Intrepid Potash Inc	817,407	544,960
58,329	Kraton Corp	2,171,480	1,273,905
106,246	Landec Corp	1,169,363	1,257,953
73,384	Mueller Industries Inc	1,283,110	1,714,250
105,569	Noranda Aluminum Holding Corp	3,626	1,742

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
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Number of Shares		Cost	Fair Value
<i>Materials (Continued)</i>			
96,480	Northwest Pipe Co	\$ 1,592,517	\$ 2,247,016
24,116	Olin Corp	510,051	484,973
109,939	Timkensteel Corp	1,139,688	960,867
63,990	Trimas Corp	1,367,662	1,746,287
61,987	Univar Inc	1,187,943	1,099,649
46,093	Universal Stainless & Alloy Pr	834,758	747,168
	Total Materials	9.76% <u>20,623,502</u>	<u>22,078,428</u>
<i>Real Estate</i>			
17,000	Catchmark Timber Trust Inc	136,771	120,700
	Total Real Estate	0.05% <u>136,771</u>	<u>120,700</u>
<i>Telecommunication Services</i>			
103,469	A10 Networks Inc	457,207	645,647
161,746	Aerohive Networks Inc	561,851	527,292
18,184	Aviat Networks Inc	143,513	240,938
54,544	Ciena Corp	977,268	1,849,587
9,223	Digi International Inc	99,307	93,060
69,293	Finisar Corp	1,214,595	1,496,729
47,335	Frequency Electronics Inc	404,218	501,751
111,537	Harmonic Inc	340,237	526,455
63,957	Iridium Communications Inc	474,562	1,180,007
178,466	Neophotonics Corp	791,763	1,156,460
41,196	Ooma Inc	397,540	571,800
204,530	Ribbon Communications Inc	1,184,176	985,835
1,422	Westell Technologies Inc	1,066	2,688
	Total Telecommunication Services	4.32% <u>7,047,303</u>	<u>9,778,249</u>
<i>Utilities</i>			
4,181	Ameresco Inc	58,035	58,952
	Total Utilities	0.03% <u>58,035</u>	<u>58,952</u>
	Total Common Stock	84.78% <u>189,512,963</u>	<u>191,801,023</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Foreign Stock</i>			
<i>Consumer Discretionary</i>			
29,230	Fabrinet	\$ 833,167	\$ 1,499,791
48,936	Stratasys Ltd	905,135	881,337
669,950	Westport Fuel Systems Inc	1,138,461	891,034
	Total Consumer Discretionary	1.45% <u>2,876,763</u>	<u>3,272,162</u>
<i>Consumer Staples</i>			
133,188	Sunopta Inc	831,057	515,438
	Total Consumer Staples	0.23% <u>831,057</u>	<u>515,438</u>
<i>Energy</i>			
71,300	Baytex Energy Corp	125,640	125,488
	Total Energy	0.06% <u>125,640</u>	<u>125,488</u>
<i>Healthcare</i>			
74,135	Mallinckrodt PLC	1,244,519	1,171,333
	Total Healthcare	0.52% <u>1,244,519</u>	<u>1,171,333</u>
<i>Industrials</i>			
143,704	Ardmore Shipping Corp	1,035,297	671,098
136,203	Diana Shipping Inc	498,661	433,126
191,298	Dorian LPG Ltd	1,245,954	1,115,267
63,200	Eagle Bulk Shipping Inc	302,437	291,352
42,496	GasLog Partners LP	907,048	841,421
52,496	GasLog Ltd	915,667	864,084
52,033	Ichor Holdings Ltd	1,177,943	848,138
92,239	Navigator Holdings Ltd	1,128,958	867,047
98,007	Scorpio Bulkers Inc	348,286	541,979
58,586	Scorpio Tankers Inc	172,844	103,111
128,519	StealthGas Inc	540,550	354,712
82,891	Textainer Group Holdings Ltd	876,462	825,594
	Total Industrials	3.43% <u>9,150,107</u>	<u>7,756,929</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Royce Opportunity Collective Trust Fund (Continued)
December 31, 2018

Number of Shares		Cost	Fair Value
<i>Information Technology</i>			
147,579	Alpha & Omega Semiconductor Ltd	\$ 1,444,660	\$ 1,503,830
	Total Information Technology	0.66% <u>1,444,660</u>	<u>1,503,830</u>
<i>Materials</i>			
6,400	Tronox Ltd	47,659	49,792
	Total Materials	0.02% <u>47,659</u>	<u>49,792</u>
	Total Foreign Stock	6.37% <u>15,720,405</u>	<u>14,394,972</u>
<i>Limited Partnerships</i>			
<i>Public Equity</i>			
82,241	Teekay LNG Partners LP	1,290,345	906,296
	Total Public Equity	0.40% <u>1,290,345</u>	<u>906,296</u>
	Total Limited Partnerships	0.40% <u>1,290,345</u>	<u>906,296</u>
	Total Investments	100.00% <u>\$ 225,641,284</u>	<u>\$ 226,219,862</u>

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Period Ended December 31, 2018

	Royce Opportunity Collective Trust Fund
Income	
Interest	\$ 308,026
Dividends	1,768,954
Total income	2,076,980
Expenses	
Investment management and administrative	1,863,194
Custody fees	129,635
Audit	7,500
Total expenses before reimbursement of fees	2,000,329
Reimbursement of fees	(108,598)
Net expenses	1,891,731
Net Investment Income	185,249
Net Realized Gains (Losses) on Investments and Foreign Currency	
Net realized gains on investments	51,922,704
Net realized losses on foreign currency transactions	(7,326)
Net realized losses on foreign currency forward exchange contracts	(69)
Net realized gains on investments and foreign currency	51,915,309
Change in Unrealized Appreciation/Depreciation on Investments and Foreign Currency	
Net change in unrealized appreciation on investments	(110,716,971)
Change in unrealized appreciation/depreciation on investments and foreign currency	(110,716,971)
Net realized and unrealized losses on investments and foreign currency	(58,801,662)
Net Decrease in Net Assets Resulting From Operations	\$ (58,616,413)

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Period Ended December 31, 2018

	Royce Opportunity Collective Trust Fund
Operations	
Net investment income	\$ 185,249
Net realized gains	51,915,309
Change in unrealized appreciation/depreciation	(110,716,971)
Net decrease in net assets from operations	(58,616,413)
Net Increase in Net Assets From Participant Transactions	284,383,450
Increase in Net Assets	225,767,037
Net Assets	
Beginning of period	-
End of period	\$ 225,767,037

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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 92 portfolios (the Funds); the financial statements of two of those funds 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.

The reporting period for Royce Opportunity Collective Trust Fund is February 23, 2018 (inception) to December 31, 2018.

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, 2018

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 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, 2018, resulting from changes in the exchange rates.

Foreign Currency Forward Exchange Contracts

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

Investment Income and Distribution of Income

Dividend income less foreign taxes withheld, if any, is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Fund until units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Fund are reinvested, thereby increasing the respective unit values.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

Valuation of Participants' Interest

Units of participation may be purchased or redeemed on the valuation dates at the fair value per unit on such valuation dates. The Fund is valued daily.

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and apportions all of its taxable income to its participants. Therefore, no federal income tax provision is required.

Subsequent Events

Subsequent events have been evaluated through May 24, 2019, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is Royce & Associates, LLC.

Note 2: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund 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.

During the period ended December 31, 2018, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

The following table indicates the fees charged to the Fund and the various classes of units within the Fund (as a percentage of net assets). These charges are calculated using the Fund's average daily net assets:

Fund	Trustee/ Administrative Fees	Investment Management Fees	Custody Fees	Other Fees	Total Fees
Royce Opportunity Collective Trust Fund:					
Class R-INSTL	0.0600%	0.8000%	0.0002%	0.0000%	0.8602%
Class R-LM	0.0600%	0.0000%	0.0002%	0.0026%	0.0628%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

Note 3: Financial Highlights

	<u>Class R-INSTL</u>	<u>Class R-LM</u>
	<u>Royce Opportunity Collective Trust Fund**</u>	<u>Royce Opportunity Collective Trust Fund*</u>
Net asset value, beginning of period	\$ 10.00	\$ 10.00
Net investment income	0.16	0.01
Net realized and unrealized losses	(2.25)	(1.83)
Net decrease from investment operations	(2.09)	(1.82)
Net asset value, end of period	<u>\$ 7.91</u>	<u>\$ 8.18</u>
Total return	(20.90%)	(18.20%)
Ratio to average net assets ***:		
Net investment income	0.06%	0.06%
Expenses without reimbursements	0.61%	0.61%
Expenses with reimbursements	0.57%	0.58%

*For the period February 23, 2018 (inception) to December 31, 2018

**For the period March 17, 2018 (inception) to December 31, 2018

***Annualized

Note 4: Participant Unit Transactions

	<u>Royce Opportunity Collective Trust Fund</u>	
	<u>Units</u>	<u>Dollars</u>
Class R-INSTL:		
Proceeds from sales of units	33,676,710	\$ 336,372,196
Cost of units redeemed	(6,244,291)	(62,603,288)
Net increase in Class R-INSTL from participant transactions	<u>27,432,418</u>	<u>273,768,908</u>
Class R-LM:		
Proceeds from sales of units	1,138,465	11,387,067
Cost of units redeemed	(81,454)	(772,525)
Net increase in Class R-LM from participant transactions	<u>1,057,011</u>	<u>10,614,542</u>
Net increase in net assets from participant transactions		<u>\$ 284,383,450</u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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, 2018.

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 Stock, Foreign Stock and Limited Partnerships. 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 Depositary Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy.

The following table presents the fair value measurements of assets 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, 2018.

Hand Composite Employee Benefit Trust

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December 31, 2018

	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)
Royce Opportunity Collective Trust Fund				
Short Term Investment	\$ 19,117,571	\$ 19,117,571	\$ -	\$ -
Common Stock	191,801,023	191,801,023	-	-
Foreign Stock	14,394,972	14,394,972	-	-
Limited Partnerships – Public Equity	906,296	906,296	-	-
Total	\$ 226,219,862	\$ 226,219,862	\$ 0	\$ 0

Note 6: Risk Factors

Investment Securities Risk

The Fund invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Foreign Securities Risk

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

Currency Risk

Securities and other instruments in which the Fund invests may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates may affect the value of the Fund's portfolio. Because the Fund's assets are primarily invested in securities of

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
Royce Opportunity Collective Trust Fund
Period Ended December 31, 2018

Purchases	
Investment Class	Cost
Common Stock	\$ 128,616,103
Foreign Stock	69,055
Limited Partnerships – Public Equity	1,305,435
Total Investments Purchased	\$ 129,990,593

Sales			
Investment Class	Proceeds	Cost	Gain
Common Stock	\$ 118,589,531	\$ 68,810,825	\$ 49,778,706
Foreign Stock	9,211,222	7,067,224	2,143,998
Total Investments Sold	\$ 127,800,753	\$ 75,878,049	\$ 51,922,704