

Hand Composite Employee Benefit Trust
Snyder Capital Small/Mid-Cap Value Fund
Independent Auditor's Report and Financial Statements
December 31, 2020



Hand Composite Employee Benefit Trust

December 31, 2020

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of a selected fund (Snyder Capital Small/Mid-Cap Value Fund) included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which statements comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2020, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Snyder Capital Small/Mid-Cap Value Fund, included in the Hand Composite Employee Benefit Trust, as of December 31, 2020, and the results of its operations and changes in its net assets for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investment purchases and sales listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Houston, Texas
May 27, 2021

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

	Snyder Capital Small/Mid-Cap Value Fund
Assets	
Investments, at cost	\$ 160,903,132
Investments, at fair value	\$ 197,638,972
Receivable for:	
Capital shares sold	46,411
Dividends and interest	158,440
Total assets	\$ 197,843,823
Liabilities	
Payable for investment securities purchased	\$ 3,793,604
Capital shares redeemed	16,998
Accounts payable and accrued liabilities	22,074
Class R1 accrued expenses	51,616
Class R2 accrued expenses	40,779
Total liabilities	\$ 3,925,071
Net assets held for participants:	
Class R1	\$ 125,098,034
Class R2	68,820,718
Total net assets held for participants	\$ 193,918,752
Units outstanding:	
Class R1	6,593,564
Class R2	3,580,073
Total units outstanding	10,173,637
Net asset value per unit:	
Class R1	\$ 18.97
Class R2	\$ 19.22

Hand Composite Employee Benefit Trust

Schedule of Investments

Snyder Capital Small/Mid-Cap Value Fund

December 31, 2020

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
8,285,489	First American Treasury Obligation Fund V	\$ 8,285,489	\$ 8,285,489
	Total Short Term Investment	4.19% 8,285,489	8,285,489
<u>Common Stock</u>			
<u>Consumer Discretionary</u>			
41,232	Dollar Tree Inc	3,787,525	4,454,705
119,647	LKQ Corp	3,981,124	4,216,360
	Total Consumer Discretionary	4.39% 7,768,649	8,671,065
<u>Consumer Staples</u>			
46,761	Ingredion Inc	4,152,007	3,678,688
	Total Consumer Staples	1.86% 4,152,007	3,678,688
<u>Financials</u>			
3,287	Alleghny Corp	1,767,628	1,984,329
53,872	First American Financial Corp	2,832,048	2,781,411
1,546	Markel Corp	1,753,976	1,597,482
54,351	National Retail Properties	2,057,145	2,224,043
43,249	Prosperity Bancshares Inc	2,993,504	2,999,751
113,819	TCF Financial Corp	4,655,919	4,213,579
84,819	Western Alliance Bancorp	4,345,027	5,084,899
	Total Financials	10.57% 20,405,247	20,885,494
<u>Healthcare</u>			
10,741	Bio-Techne Corp	2,297,203	3,410,805
66,022	Catalent Inc	3,433,602	6,870,910
27,389	Charles River Labs Intl Inc.	4,045,279	6,843,416
221,033	Halozyne Therapeutics Inc.	4,061,852	9,440,319
67,101	Henry Schein Inc	4,257,319	4,486,373
	Total Healthcare	15.71% 18,095,255	31,051,823

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Snyder Capital Small/Mid-Cap Value Fund (Continued)
December 31, 2020

Number of Shares		Cost	Fair Value
<i>Industrials</i>			
58,175	Ametek Inc	\$ 5,296,762	\$ 7,035,685
83,599	BWX Technologies Inc.	4,868,478	5,039,348
90,983	Clean Harbors Inc	6,562,055	6,923,806
41,791	Copart Inc	3,767,380	5,317,905
45,692	Graco Inc	2,335,651	3,305,813
30,645	Heico Corp CL A	2,795,256	3,587,304
44,716	Hexcel Corp	3,110,314	2,168,279
55,423	IAA Inc	2,979,754	3,601,387
17,240	Ilex Corp	2,685,454	3,434,208
326,327	Kar Auction Services Inc	7,251,159	6,072,945
48,492	Woodward Inc	5,105,536	5,893,233
	Total Industrials	26.50% <u>46,757,799</u>	<u>52,379,913</u>
<i>Information Technology</i>			
51,482	Amphenol Corp CL A	5,217,458	6,732,301
123,459	Entegris Inc	6,454,177	11,864,410
30,822	Keysight Technologies Inc	2,782,872	4,071,278
36,104	Synopsys Inc	4,951,123	9,359,601
	Total Information Technology	16.21% <u>19,405,630</u>	<u>32,027,590</u>
<i>Materials</i>			
58,403	Cabot Corporation	2,821,054	2,621,127
68,422	FMC Corporation	6,231,473	7,863,740
	Total Materials	5.31% <u>9,052,527</u>	<u>10,484,867</u>
<i>Real Estate</i>			
21,024	Mid-America Apartment Communities	2,514,532	2,663,531
	Total Real Estate	1.35% <u>2,514,532</u>	<u>2,663,531</u>
<i>Utilities</i>			
25,097	Atmos Energy Corp	2,540,917	2,395,007
184,334	UGI Corporation	7,103,033	6,444,317
	Total Utilities	4.47% <u>9,643,950</u>	<u>8,839,324</u>
	Total Common Stock	86.37% <u>137,795,596</u>	<u>170,682,295</u>

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Snyder Capital Small/Mid-Cap Value Fund (Continued)
December 31, 2020

Number of Shares		Cost	Fair Value
<u>Foreign Stock</u>			
<i>Consumer Discretionary</i>			
24,761 Helen of Troy		\$ 3,949,774	\$ 5,501,647
Total Consumer Discretionary	2.78%	<u>3,949,774</u>	<u>5,501,647</u>
<i>Healthcare</i>			
23,098 Steris PLC		3,270,850	4,377,995
Total Healthcare	2.21%	<u>3,270,850</u>	<u>4,377,995</u>
<i>Industrials</i>			
81,927 Waste Connections Inc		7,213,129	8,403,252
Total Industrials	4.25%	<u>7,213,129</u>	<u>8,403,252</u>
Total Foreign Stock	9.24%	<u>14,433,753</u>	<u>18,282,894</u>
<u>Common Trust Fund</u>			
<i>Fixed Income</i>			
388,294 HB&T Short Term Income Fund		388,294	388,294
Total Fixed Income	0.20%	<u>388,294</u>	<u>388,294</u>
Total Common Trust Fund	0.20%	<u>388,294</u>	<u>388,294</u>
Total Investments	100.00%	<u>\$ 160,903,132</u>	<u>\$ 197,638,972</u>

Hand Composite Employee Benefit Trust

Statement of Operations – Selected Fund

Year Ended December 31, 2020

	Snyder Capital Small/Mid-Cap Value Fund
Income	
Interest	\$ 33,110
Dividends	1,601,544
Total income	1,634,654
Expenses	
Investment management and administrative	140,786
Custody fees	42,104
Audit fees	5,000
Miscellaneous	504
Class R1 expenses	516,427
Class R2 expenses	452,495
Total expenses	1,157,316
Net Investment Income	477,338
Net Realized and Unrealized Gains on Investments	
Net realized gains	6,999,193
Change in unrealized appreciation	22,455,487
Net realized and unrealized gains on investments	29,454,680
Net Increase in Net Assets Resulting From Operations	\$ 29,932,018

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

	Snyder Capital Small/Mid-Cap Value Fund
Operations	
Net investment income	\$ 477,338
Net realized gains	6,999,193
Change in unrealized appreciation	<u>22,455,487</u>
Net increase in net assets from operations	29,932,018
Net Decrease in Net Assets From Participant Transactions	<u>(25,826,535)</u>
Increase in Net Assets	4,105,483
Net Assets	
Beginning of year	<u>189,813,269</u>
End of year	<u><u>\$ 193,918,752</u></u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

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

Nature of Operations

Hand Composite Employee Benefit Trust ("HB&T" or "the Trust") was created in order to provide broad and uniform diversification programs for pension and profit sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 80 Funds (the Funds); the financial statements of one of those funds are included in this report.

Each class of units has equal rights as to earnings and assets except that each class bears different distribution, shareholder servicing and transfer-agent expenses. Income, expenses (other than expenses attributable to a specific class) and realized and unrealized gains or losses on investments are allocated to each class of units based on its relative net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of investment income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation

All investments in securities are recorded at their estimated fair value. Transfers in and out of Level 1 (quoted market prices), Level 2 (significant other observable inputs) and Level 3 (significant unobservable inputs) are recognized on the year 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.

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.

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Notes to Financial Statements

December 31, 2020

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.

Subsequent Events

Subsequent events have been evaluated through May 27, 2021, which is the date the financial statements were available to be issued.

Investment Management Advisors

The investment management advisor for the Fund is Snyder Capital Management, L.P.

Note 2: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund has also entered into investment advisory and service agreements with 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	Other Fees	Total Fees
Snyder Capital Small/Mid-Cap Value Fund:					
Class R1	0.12%	0.50%	0.03%	0.01%	0.66%
Class R2	0.12%	0.70%	0.03%	0.01%	0.86%

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

Note 3: Financial Highlights

	Snyder Capital Small/ Mid-Cap Value Fund	
	Class R1	Class R2
Net asset value, beginning of the year	\$ 16.01	\$ 16.25
Net investment income	0.06	0.02
Net realized and unrealized gains	2.90	2.95
Net increase from investment operations	2.96	2.97
Net asset value, end of the year	\$ 18.97	\$ 19.22
Total return	18.49%	18.28%
Ratio to average net assets:		
Net investment income	0.37%	0.15%
Expenses	0.62%	0.83%

Note 4: Participant Unit Transactions

	Snyder Capital Small/ Mid-Cap Value Fund	
	Units	Dollars
Class R1:		
Proceeds from sales of units	1,436,590	\$ 22,809,827
Cost of units redeemed	(1,591,516)	(25,651,447)
Net decrease in Class R1 from participant transactions	(154,926)	(2,841,620)
Class R2:		
Proceeds from sales of units	241,298	3,488,704
Cost of units redeemed	(1,694,811)	(26,473,619)
Net decrease in Class R2 from participant transactions	(1,453,513)	(22,984,915)
Net decrease in total net assets from participant transactions		\$ (25,826,535)

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

Note 5: Disclosures About Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices in active markets for identical assets or liabilities that the Fund can access at the measurement date.
- Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of assets and liabilities, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2020.

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

Common Stock and Foreign Stock. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of trading patterns of the foreign security to the intraday in the U.S. markets for investments, such as American Depositary Receipts and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as Level 1 in the hierarchy. For those foreign securities where additional foreign market activities are taken into consideration by the pricing service, those securities are categorized as Level 2 in the hierarchy.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2020

The following table presents the fair value measurements of assets recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020:

		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)
	Fair Value			
Snyder Capital Small/Mid-Cap Value Fund				
Short Term Investment	\$ 8,285,489	\$ 8,285,489	\$ -	\$ -
Common Stock	170,682,295	170,682,295	-	-
Foreign Stock	18,282,894	18,282,894	-	-
Common Trust Fund - Fixed Income (A)	388,294			
Total	\$ 197,638,972			

(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 statements of assets and liabilities.

Note 6: Risk Factors

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

Since January 2020, the COVID-19 pandemic created outbreaks of infectious illnesses, and countries throughout the globe were subject to other public health threats, infectious illnesses, diseases, or similar issues. Any spread of an infectious illness, public health threat or similar issue could alter consumer demand or economic output, result in market closures, travel restrictions or quarantines, and have a significant impact on the global economy, which in turn could adversely affect the Fund's investments and could result in increases or decreases in the Fund's net asset value.

Supplemental Information

Hand Composite Employee Benefit Trust

Schedule of Investment Purchases and Sales

Snyder Capital Small/Mid-Cap Value Fund

Year Ended December 31, 2020

Purchases

Investment Class	Proceeds
Common Stock	\$ 106,332,754
Foreign Stock	9,611,220
Common Trust Funds - Fixed Income	<u>10,774,489</u>
Total Investments Sold	<u><u>\$ 126,718,463</u></u>

Sales

Investment Class	Proceeds	Cost	Gain
Common Stock	\$ 58,437,090	\$ 52,788,903	\$ 5,648,187
Foreign Stock	4,760,581	3,409,575	1,351,006
Common Trust Funds - Fixed Income	<u>10,500,121</u>	<u>10,500,121</u>	<u>-</u>
Total Investments Purchased	<u><u>\$ 73,697,792</u></u>	<u><u>\$ 66,698,599</u></u>	<u><u>\$ 6,999,193</u></u>