

**Hand Composite Employee  
Benefit Trust  
Snyder Capital  
Small/Mid-Cap Value  
Fund**

**Independent Auditor's Report  
and Financial Statements**

**December 31, 2022**



**Hand Composite Employee Benefit Trust**  
**December 31, 2022**

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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 financial statements of the selected fund, Snyder Capital Small/ Mid-Cap Value Fund, included in the Hand Composite Employee Benefit Trust, which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2022, 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, 2022, 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 Hand Composite Employee Benefit 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 Hand Composite Employee Benefit Trust's and the selected fund's ability to continue as a going concern 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 the 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 Hand Composite Employee Benefit 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 Hand Composite Employee Benefit Trust's and the selected fund's ability to continue as a going concern 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 basic financial statements as a whole.

**FORVIS, LLP**

Houston, Texas  
May 26, 2023

**Hand Composite Employee Benefit Trust**  
**Statement of Assets and Liabilities – Selected Fund**  
**December 31, 2022**

	<b>Snyder Capital Small/Mid-Cap Value Fund</b>
<b>Assets</b>	
Investments, at cost	\$ 165,113,879
Investments, at fair value	\$ 185,607,514
Receivable for:	
Capital shares sold	31,272
Dividends and interest	243,538
Total assets	\$ 185,882,324
<b>Liabilities</b>	
Capital shares redeemed	\$ 1,278
Accounts payable and accrued liabilities	21,921
Class R1 accrued expenses	41,110
Class R2 accrued expenses	54,803
Total liabilities	\$ 119,112
Net assets held for participants:	
Class R1	\$ 94,457,004
Class R2	91,306,208
Total net assets held for participants	\$ 185,763,212
Units outstanding:	
Class R1	4,600,635
Class R2	4,406,532
Total units outstanding	9,007,167
Net asset value per unit:	
Class R1	\$ 20.53
Class R2	\$ 20.72

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments**  
**Snyder Capital Small/Mid-Cap Value Fund**  
**December 31, 2022**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
1,368,955	First American Treasury Obligation Fund V	\$ 1,368,955	\$ 1,368,955
	Total Short Term Investment	0.74% 1,368,955	1,368,955
<b><u>Common Stock</u></b>			
<b><u>Consumer Discretionary</u></b>			
112,974	LKQ Corp	4,490,793	6,033,941
	Total Consumer Discretionary	3.25% 4,490,793	6,033,941
<b><u>Consumer Staples</u></b>			
56,395	Ingredion Inc	5,055,641	5,522,762
	Total Consumer Staples	2.98% 5,055,641	5,522,762
<b><u>Financials</u></b>			
86,835	Brown & Brown Inc	4,309,741	4,946,990
54,557	First American Financial Corp	2,985,795	2,855,513
384,608	Huntington Bancshares Inc	5,313,863	5,422,973
1,678	Markel Corp	1,952,438	2,210,748
103,845	National Retail Properties	4,548,812	4,751,947
45,245	Prosperity Bancshares Inc	3,093,818	3,288,407
73,646	Western Alliance Bancorp	4,261,237	4,386,356
	Total Financials	15.01% 26,465,704	27,862,934
<b><u>Healthcare</u></b>			
20,320	Bio-Techne Corp	1,467,583	1,684,122
97,322	Catalent Inc	5,889,344	4,380,463
24,810	Charles River Labs Intl Inc.	4,710,345	5,406,099
160,424	Halozyme Therapeutics Inc.	5,238,195	9,128,126
80,392	Henry Schein Inc	5,611,211	6,420,909
	Total Healthcare	14.56% 22,916,678	27,019,719

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Snyder Capital Small/Mid-Cap Value Fund (Continued)**  
**December 31, 2022**

Number of Shares		Cost	Fair Value
<i>Industrials</i>			
57,564	Ametek Inc	\$ 6,422,976	\$ 8,042,842
111,926	BWX Technologies Inc.	6,502,291	6,500,662
91,148	Clean Harbors Inc	7,970,732	10,401,810
47,215	Copart Inc	2,356,204	2,874,921
39,953	Graco Inc	2,257,495	2,687,239
30,188	Heico Corp CL A	3,087,549	3,618,032
35,789	Hexcel Corp	2,400,790	2,106,183
37,135	IAA Inc	1,601,057	1,485,400
15,080	Iindex Corp	2,638,785	3,443,216
288,403	Kar Auction Services Inc	5,612,177	3,763,659
26,173	Woodward Inc	2,819,400	2,528,574
	Total Industrials	25.57% <u>43,669,456</u>	<u>47,452,538</u>
<i>Information Technology</i>			
90,037	Amphenol Corp Cl A	5,297,728	6,855,417
49,809	Coherent Corp	3,121,230	1,748,296
38,584	Dolby Laboratories Inc	2,849,793	2,721,715
91,348	Entegris Inc	5,652,230	5,991,515
24,146	Keysight Technologies Inc	2,877,865	4,130,656
72,878	SS&C Technologies Holdings Inc	3,721,724	3,794,029
26,402	Synopsys Inc	5,074,486	8,429,895
	Total Information Technology	18.14% <u>28,595,056</u>	<u>33,671,523</u>
<i>Materials</i>			
73,279	Cabot Corporation	3,950,822	4,897,968
68,423	FMC Corporation	7,323,589	8,539,190
	Total Materials	7.24% <u>11,274,411</u>	<u>13,437,158</u>
<i>Real Estate</i>			
9,393	Mid-America Apartment Communities	1,283,400	1,474,607
	Total Real Estate	0.79% <u>1,283,400</u>	<u>1,474,607</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investments (Continued)**  
**Snyder Capital Small/Mid-Cap Value Fund (Continued)**  
**December 31, 2022**

Number of Shares		Cost	Fair Value
<i>Utilities</i>			
161,191	UGI Corporation	\$ 5,765,785	\$ 5,975,350
	Total Utilities	3.22% <u>5,765,785</u>	<u>5,975,350</u>
	Total Common Stock	90.76% <u>149,516,924</u>	<u>168,450,532</u>
<i>Foreign Stock</i>			
<i>Consumer Discretionary</i>			
17,771	Helen of Troy	2,973,127	1,970,982
	Total Consumer Discretionary	1.06% <u>2,973,127</u>	<u>1,970,982</u>
<i>Healthcare</i>			
20,200	Steris PLC	3,273,187	3,730,738
	Total Healthcare	2.01% <u>3,273,187</u>	<u>3,730,738</u>
<i>Industrial</i>			
71,641	Waste Connections Inc	7,392,110	9,496,731
	Total Industrial	5.11% <u>7,392,110</u>	<u>9,496,731</u>
	Total Foreign Stock	8.18% <u>13,638,424</u>	<u>15,198,451</u>
<i>Common Trust Fund</i>			
<i>Fixed Income</i>			
589,576	HB&T Short Term Income Fund	589,576	589,576
	Total Fixed Income	0.32% <u>589,576</u>	<u>589,576</u>
	Total Common Trust Fund	0.32% <u>589,576</u>	<u>589,576</u>
	Total Investments	100.00% <u>\$ 165,113,879</u>	<u>\$ 185,607,514</u>



**Hand Composite Employee Benefit Trust**  
**Statement of Operations – Selected Fund**  
**Year Ended December 31, 2022**

	<b>Snyder Capital Small/Mid-Cap Value Fund</b>
<b>Income</b>	
Interest	\$ 78,631
Dividends	1,921,841
Total income	2,000,472
<b>Expenses</b>	
Investment management and administrative	143,301
Custody fees	43,135
Audit fees	5,000
Miscellaneous	1,400
Class R1 expenses	522,370
Class R2 expenses	473,752
Total expenses	1,188,958
<b>Net Investment Income</b>	811,514
<b>Net Realized and Unrealized Gains (Losses) on Investments</b>	
Net realized gains	9,196,836
Net change in unrealized appreciation/depreciation	(37,597,245)
Net realized and unrealized losses on investments	(28,400,409)
<b>Net Decrease in Net Assets Resulting From Operations</b>	\$ (27,588,895)

**Hand Composite Employee Benefit Trust**  
**Statement of Changes in Net Assets – Selected Fund**  
**Year Ended December 31, 2022**

	<b>Snyder Capital Small/Mid-Cap Value Fund</b>
<b>Operations</b>	
Net investment income	\$ 811,514
Net realized gains	9,196,836
Change in unrealized appreciation/depreciation	<u>(37,597,245)</u>
Net decrease in net assets from operations	(27,588,895)
<b>Net Increase in Net Assets From Participant Transactions</b>	<u>12,324,672</u>
<b>Decrease in Net Assets</b>	(15,264,223)
<b>Net Assets</b>	
Beginning of year	<u>201,027,435</u>
End of year	<u><u>\$ 185,763,212</u></u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2022

### 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 71 portfolios (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 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.

#### ***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, 2022

### **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 26, 2022, which is the date the financial statements were available to be issued.

### **Investment Management Advisor**

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	Investment				Total Fees
	Administrative Fees	Advisory Fees	Custody Fees	Other 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, 2022

### Note 3: Financial Highlights

	<b>Snyder Capital Small/ Mid-Cap Value Fund</b>	
	<b>Class R1</b>	<b>Class R2</b>
Net asset value, beginning of the year	\$ 23.59	\$ 23.85
Net investment income	0.12	0.07
Net realized and unrealized losses	(3.18)	(3.20)
Net decrease from investment operations	(3.06)	(3.13)
Net asset value, end of the year	\$ 20.53	\$ 20.72
Total return	(12.97%)	(13.12%)
Ratio to average net assets:		
Net investment income	0.56%	0.35%
Expenses	0.62%	0.82%

### Note 4: Participant Unit Transactions

	<b>Snyder Capital Small/ Mid-Cap Value Fund</b>	
	<b>Units</b>	<b>Dollars</b>
<b>Class R1:</b>		
Proceeds from sales of units	280,348	\$ 5,929,871
Cost of units redeemed	(1,002,554)	(20,649,604)
Net change in Class R1 from participant transactions	(722,206)	(14,719,733)
<b>Class R2:</b>		
Proceeds from sales of units	1,910,626	41,116,039
Cost of units redeemed	(668,105)	(14,071,634)
Net change in Class R2 from participant transactions	1,242,521	27,044,405
Net increase in total net assets from participant transactions		\$ 12,324,672

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2022

#### 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, 2022.

**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, 2022

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, 2022:

	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)
<b>Snyder Capital Small/Mid-Cap Value</b>				
Short Term Investment	\$ 1,368,955	\$ 1,368,955	\$ -	\$ -
Common Stock	168,450,532	168,450,532	-	-
Foreign Stock	15,198,451	15,198,451	-	-
Common Trust Fund - Fixed Income (A)	<u>589,576</u>			
Total	<u>\$ 185,607,514</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 amount included above is intended to permit reconciliation of the fair value hierarchy to the amount presented in the statement of assets and liabilities.

#### Note 6: Risk Factors

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

## **Supplemental Information**



**Hand Composite Employee Benefit Trust**  
**Schedule of Investment Purchases and Sales**  
**Snyder Capital Small/Mid-Cap Value Fund**  
**Year Ended December 31, 2022**

<b>Purchases</b>	
<b>Investment Class</b>	<b>Proceeds</b>
Common Stock	\$ 50,996,003
Foreign Stock	3,301,069
Common Trust Fund - Fixed Income	10,103,057
Total Investments Sold	\$ 64,400,129

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gains</b>
Common Stock	\$ 34,749,684	\$ 26,317,582	\$ 8,432,102
Foreign Stock	2,525,870	1,761,136	764,734
Common Trust Fund - Fixed Income	10,136,371	10,136,371	-
Total Investments Purchased	\$ 47,411,925	\$ 38,215,089	\$ 9,196,836