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# **Hand Composite Employee Benefit Trust Trademark Tactical MultiFactor Funds**

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

December 31, 2023



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# Hand Composite Employee Benefit Trust

December 31, 2023

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## Independent Auditor's Report

To the Unitholders and Board of Directors  
Hand Composite Employee Benefit Trust  
Houston, Texas

### ***Opinions***

We have audited the financial statements of the selected funds, Trademark Tactical MultiFactor Fund and Trademark Tactical MultiFactor Conservative Fund (two funds), included in the Hand Composite Employee Benefit Trust, which comprise the statements of assets and liabilities, including the schedules of investments, as of December 31, 2023, 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 funds, included in the Hand Composite Employee Benefit Trust, as of December 31, 2023, and the results of their operations and the changes in their net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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 funds 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 opinions.

### ***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 and the selected funds' 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 and the selected funds' 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 and the selected funds' 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 funds' basic financial statements. The schedules 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 31, 2024

**Hand Composite Employee Benefit Trust**  
**Statement of Assets and Liabilities – Selected Funds**  
**December 31, 2023**

	<b>Trademark Tactical Multifactor Fund</b>	<b>Trademark Tactical Multifactor Conservative Fund</b>
<b>Assets</b>		
Investments, at cost	\$ 8,144,061	\$ 5,803,829
Investments, at fair value	\$ 8,117,735	\$ 5,894,008
Receivable for:		
Capital shares sold	1,908	1,028
Investment advisor	6,762	4,508
Dividends and interest	15,346	7,023
Total assets	\$ 8,141,751	\$ 5,906,567
<b>Liabilities</b>		
Payable for capital shares redeemed	\$ 18,924	\$ 36
Accounts payable and accrued liabilities	4,856	3,432
Total liabilities	\$ 23,780	\$ 3,468
Net assets held for participants:		
Class R	\$ 4,979,499	\$ 3,929,298
Class R1	222,425	864,547
Class R4	1,852,365	1,096,155
Class R5	1,063,682	13,099
Total net assets held for participants	\$ 8,117,971	\$ 5,903,099
Units outstanding:		
Class R	368,936	314,433
Class R1	17,370	73,106
Class R4	144,597	92,501
Class R5	83,010	1,035
Total units outstanding	613,913	481,075
Net asset value per unit:		
Class R	\$ 13.50	\$ 12.50
Class R1	\$ 12.80	\$ 11.83
Class R4	\$ 12.81	\$ 11.85
Class R5	\$ 12.81	\$ 12.66

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments**  
**Trademark Tactical MultiFactor Fund**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
26,651	Hilltop Securities	\$ 26,651	\$ 26,651
	Total Short Term Investment	0.33% 26,651	26,651
<b><u>Common Stock</u></b>			
<b><u>Consumer Discretionary</u></b>			
300	McDonalds Corp	85,582	88,953
	Total Consumer Discretionary	1.10% 85,582	88,953
<b><u>Consumer Staples</u></b>			
200	Costco Wholesale Corp	89,389	132,016
600	Pepsico Inc	104,703	101,904
	Total Consumer Staples	2.88% 194,092	233,920
<b><u>Financials</u></b>			
7,000	Golub Capital BDC Inc	93,897	105,700
	Total Financials	1.30% 93,897	105,700
<b><u>Industrials</u></b>			
400	Nordson Corp	90,144	105,664
1,253	Thomson Reuters Corp	155,611	183,214
	Total Industrials	3.56% 245,755	288,878
<b><u>Materials</u></b>			
800	Aptargroup Inc	91,433	98,896
	Total Materials	1.22% 91,433	98,896
<b><u>Real Estate</u></b>			
4,000	Equity Commonwealth	102,393	76,800
	Total Real Estate	0.95% 102,393	76,800

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical MultiFactor Fund (Continued)**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<i>Utilities</i>			
2,200	Fortis Inc	\$ 101,202	\$ 90,486
	Total Utilities	1.11% <u>101,202</u>	<u>90,486</u>
	Total Common Stock	12.12% <u>914,354</u>	<u>983,633</u>
<i><u>Foreign Stock</u></i>			
<i>Telecommunication Services</i>			
2,000	BCE Inc	101,643	78,760
2,400	Chunghwa Telecom LT-Spon ADR	100,746	93,768
	Total Telecommunication Services	2.13% <u>202,389</u>	<u>172,528</u>
	Total Foreign Stock	2.13% <u>202,389</u>	<u>172,528</u>
<i><u>Exchange-traded Funds</u></i>			
<i>Fixed Income</i>			
19,500	Janus Henderson AAA CLO ETF	962,903	980,850
	Total Fixed Income	12.08% <u>962,903</u>	<u>980,850</u>
<i>Equity</i>			
23,600	JPM Equity Premium ETF	1,500,696	1,297,528
61,000	Proshares Short S&P 500 ETF	958,282	792,390
17,600	Schwab US Large-Cap ETF	1,005,490	992,640
	Total Equity	37.97% <u>3,464,468</u>	<u>3,082,558</u>
	Total Exchange-traded Funds	50.05% <u>4,427,371</u>	<u>4,063,408</u>
<i><u>Private Fund</u></i>			
<i>Limited Partnership</i>			
239,044	Trademark Capital Risk Managed Income Fund LP	2,400,000	2,698,219
	Total Limited Partnership	33.24% <u>2,400,000</u>	<u>2,698,219</u>
	Total Private Fund	33.24% <u>2,400,000</u>	<u>2,698,219</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical MultiFactor Fund (Continued)**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<i><u>Common Trust Fund</u></i>			
<i>Fixed Income</i>			
173,296	HB&T Short Term Income Fund	\$ 173,296	\$ 173,296
	Total Fixed Income	2.13% <u>173,296</u>	<u>173,296</u>
	Total Common Trust Fund	2.13% <u>173,296</u>	<u>173,296</u>
	Total Investments	100.00% <u>\$ 8,144,061</u>	<u>\$ 8,117,735</u>



**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical MultiFactor Conservative Fund**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<b><u>Short Term Investment</u></b>			
16,430	Hilltop Securities	\$ 16,430	\$ 16,430
	Total Short Term Investment	0.28% <u>16,430</u>	<u>16,430</u>
<b><u>Common Stock</u></b>			
<b><i>Consumer Discretionary</i></b>			
200	McDonalds Corp	57,056	59,302
	Total Consumer Discretionary	1.00% <u>57,056</u>	<u>59,302</u>
<b><i>Consumer Staples</i></b>			
100	Costco Wholesale Corp	44,695	66,008
400	Pepsico Inc	69,803	67,936
	Total Consumer Staples	2.27% <u>114,498</u>	<u>133,944</u>
<b><i>Financials</i></b>			
4,400	Golub Capital BDC Inc	59,022	66,440
	Total Financials	1.13% <u>59,022</u>	<u>66,440</u>
<b><i>Industrials</i></b>			
300	Nordson Corp	67,609	79,248
771	Thomson Reuters Corp	95,752	112,736
	Total Industrials	3.25% <u>163,361</u>	<u>191,984</u>
<b><i>Materials</i></b>			
500	AptarGroup Inc	57,147	61,810
	Total Materials	1.05% <u>57,147</u>	<u>61,810</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical MultiFactor Conservative Fund (Continued)**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<i>Real Estate</i>			
2,700	Equity Commonwealth	\$ 69,116	\$ 51,840
	Total Real Estate	0.88% <u>69,116</u>	<u>51,840</u>
<i>Utilities</i>			
1,500	Fortis Inc	69,002	61,695
	Total Utilities	1.05% <u>69,002</u>	<u>61,695</u>
	Total Common Stock	10.63% <u>589,202</u>	<u>627,015</u>
<u><i>Foreign Stock</i></u>			
<i>Telecommunication Services</i>			
1,300	BCE Inc	66,069	51,194
1,600	Chunghwa Telecom Lt-Spon ADR	67,165	62,512
	Total Telecommunication Services	1.93% <u>133,234</u>	<u>113,706</u>
	Total Foreign Stock	1.93% <u>133,234</u>	<u>113,706</u>
<u><i>Exchange-traded Funds</i></u>			
<i>Fixed Income</i>			
10,000	Janus Henderson AAA CLO ETF	493,796	503,000
	Total Fixed Income	8.52% <u>493,796</u>	<u>503,000</u>
<i>Equity</i>			
9,400	JPM Equity Premium ETF	597,736	516,812
37,000	Proshares Short S&P 500 ETF	581,254	480,630
6,000	Schwab US Large-Cap ETF	292,975	338,400
	Total Equity	22.63% <u>1,471,965</u>	<u>1,335,842</u>
	Total Exchange-traded Funds	31.15% <u>1,965,761</u>	<u>1,838,842</u>

**Hand Composite Employee Benefit Trust**  
**Schedules of Investments (Continued)**  
**Trademark Tactical MultiFactor Conservative Fund (Continued)**  
**December 31, 2023**

Number of Shares		Cost	Fair Value
<b><i>Private Fund</i></b>			
<b><i>Limited Partnership</i></b>			
159,363	Trademark Capital Risk Managed Income Fund LP	\$ 1,600,000	\$ 1,798,813
	Total Limited Partnership	30.47% <u>1,600,000</u>	<u>1,798,813</u>
	Total Private Fund	30.47% <u>1,600,000</u>	<u>1,798,813</u>
<b><i>Common Trust Fund</i></b>			
<b><i>Fixed Income</i></b>			
1,499,202	HB&T Short Term Income Fund	1,499,202	1,499,202
	Total Fixed Income	25.40% <u>1,499,202</u>	<u>1,499,202</u>
	Total Investments	99.86% <u>\$ 5,803,829</u>	<u>\$ 5,894,008</u>

**Hand Composite Employee Benefit Trust**  
**Statements of Operations - Selected Funds**  
**Year Ended December 31, 2023**

	<b>Trademark Tactical Multifactor Fund</b>	<b>Trademark Tactical Multifactor Conservative Fund</b>
<b>Income</b>		
Interest	\$ 10,011	\$ 8,359
Dividends	379,911	240,455
	389,922	248,814
<b>Expenses</b>		
Investment management and administrative	17,952	11,765
Other fees	40	40
Class R expenses	18,800	13,717
Class R1 expenses	4,036	5,721
Class R4 expenses	15,643	8,932
Class R5 expenses	8,843	103
	65,314	40,278
Total expenses before reimbursement of fees		
Reimbursement of fees	(31,667)	(21,111)
	33,647	19,167
Total expenses		
<b>Net Investment Income</b>	356,275	229,647
<b>Net Realized and Unrealized Gains (Losses) on Investments</b>		
Net realized losses on investments	(344,183)	(159,285)
Net change in unrealized appreciation/depreciation	546,069	250,396
	201,886	91,111
Net realized and unrealized gains on investments		
<b>Net Increase in Net Assets Resulting From Operations</b>	\$ 558,161	\$ 320,758

**Hand Composite Employee Benefit Trust**  
**Statements of Changes in Net Assets – Selected Funds**  
**Year Ended December 31, 2023**

	<b>Trademark Tactical Multifactor Fund</b>	<b>Trademark Tactical Multifactor Conservative Fund</b>
<b>Operations</b>		
Net investment income	\$ 356,275	\$ 229,647
Net realized losses	(344,183)	(159,285)
Change in unrealized appreciation/depreciation	546,069	250,396
Net increase in net assets from operations	558,161	320,758
<b>Net Decrease in Net Assets From Participant Transactions</b>	<u>(1,978,702)</u>	<u>(259,426)</u>
<b>Change in Net Assets</b>	(1,420,541)	61,332
<b>Net Assets Held for Participants</b>		
Beginning of year	<u>9,538,512</u>	<u>5,841,767</u>
End of year	<u>\$ 8,117,971</u>	<u>\$ 5,903,099</u>

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

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

#### ***Nature of Operations***

Hand Composite Employee Benefit Trust (“HB&T” or “the Trust”) was created in order to provide broad and uniform diversification programs for pension and profit-sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 76 portfolios (the Funds); the financial statements of two of those funds are included in this report.

For those funds with more than one class of units, each class 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 accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation on investments are reported on 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 Funds until

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

### December 31, 2023

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 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. All Funds are valued daily.

#### ***Federal Income Taxes***

The Funds comply 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 31, 2024, which is the date the financial statements were available to be issued.

#### ***Investment Management Advisors***

The investment management advisors for each Fund are as follows:

<b>Fund</b>	<b>Investment Management Advisor</b>
Trademark Tactical MultiFactor Fund	Trademark Capital Management, Inc.
Trademark Tactical MultiFactor Conservative Fund	Trademark Capital Management, Inc.

#### **Note 2: Investment Advisory Fees and Other Transactions with Affiliates**

The Funds are charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Funds have also entered into investment advisory and service agreements with various third-party advisors. These fees compensate the advisors for the services they provide and for expenses borne by the advisors under the various agreements.

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

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

Fund	Administrative Fees	Investment Advisory Fees	Service Fees	Total Fees
All Trademark Tactical MultiFactor Funds:				
Class R	0.20%	0.35%	0.00%	0.55%
Class R1	0.20%	0.60%	0.10%	0.90%
Class R4	0.20%	0.35%	0.44%	0.99%
Class R5	0.20%	0.60%	0.25%	1.05%

### Note 3: Financial Highlights

	Class R	
	Trademark Tactical Multifactor Fund	Trademark Tactical Multifactor Conservative Fund
Net asset value, beginning of year	\$ 12.64	\$ 11.82
Net investment income	0.53	0.48
Net realized and unrealized gains	0.33	0.20
Net increase from investment operations	0.86	0.68
Net asset value, end of year	\$ 13.50	\$ 12.50
Total return	6.80%	5.75%
Ratio to average net assets:		
Net investment income	4.43%	4.33%
Expenses without waivers	0.55%	0.55%



# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

	Class R1	
	Trademark Tactical Multifactor Fund	Trademark Tactical Multifactor Conservative Fund
Net asset value, beginning of year	\$ 12.04	\$ 11.22
Net investment income	0.49	0.44
Net realized and unrealized gains	0.27	0.17
Net increase from investment operations	0.76	0.61
Net asset value, end of year	\$ 12.80	\$ 11.83
Total return	6.31%	5.44%
Ratio to average net assets:		
Net investment income	4.35%	4.24%
Expenses	0.91%	0.91%

	Class R4	
	Trademark Tactical Multifactor Fund	Trademark Tactical Multifactor Conservative Fund
Net asset value, beginning of year	\$ 12.05	\$ 11.26
Net investment income	0.48	0.43
Net realized and unrealized gains	0.28	0.16
Net increase from investment operations	0.76	0.59
Net asset value, end of year	\$ 12.81	\$ 11.85
Total return	6.31%	5.24%
Ratio to average net assets:		
Net investment income	4.23%	4.13%
Expenses	1.00%	1.00%

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

	<b>Class R5</b>	
	<b>Trademark Tactical Multifactor Fund</b>	<b>Trademark Tactical Multifactor Conservative Fund</b>
Net asset value, beginning of year	\$ 12.06	\$ 12.03
Net investment income	0.47	0.42
Net realized and unrealized gains	0.28	0.21
Net increase from investment operations	0.75	0.63
Net asset value, end of year	\$ 12.81	\$ 12.66
Total return	6.22%	5.24%
Ratio to average net assets:		
Net investment income	4.17%	3.76%
Expenses	1.06%	1.04%
Expenses with waivers	0.69%	0.69%

### Note 4: Participant Unit Transactions

	<b>Trademark Tactical Multifactor Fund</b>		<b>Trademark Tactical Multifactor Conservative Fund</b>	
	<b>Units</b>	<b>Dollars</b>	<b>Units</b>	<b>Dollars</b>
<b>Class R:</b>				
Proceeds from sales of units	46,707	\$ 603,797	19,851	\$ 238,868
Cost of units redeemed	(123,880)	(1,608,683)	(30,375)	(368,758)
Net change in Class R from participant transactions	(77,173)	(1,004,886)	(10,524)	(129,890)
<b>Class R1:</b>				
Proceeds from sales of units	1,281	15,651	5,422	62,220
Cost of units redeemed	(47,561)	(588,138)	(3,422)	(38,827)
Net change in Class R1 from participant transactions	(46,280)	(572,487)	2,000	23,393

**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2023**

	<b>Trademark Tactical Multifactor Fund</b>		<b>Trademark Tactical Multifactor Conservative Fund</b>	
	<b>Units</b>	<b>Dollars</b>	<b>Units</b>	<b>Dollars</b>
<b>Class R4:</b>				
Proceeds from sales of units	37,115	\$ 454,290	12,671	\$ 144,816
Cost of units redeemed	<u>(66,774)</u>	<u>(821,079)</u>	<u>(26,075)</u>	<u>(298,423)</u>
Net change in Class R4 from participant transactions	<u>(29,659)</u>	<u>(366,789)</u>	<u>(13,404)</u>	<u>(153,607)</u>
<b>Class R5:</b>				
Proceeds from sales of units	2,606	32,144	62	766
Cost of units redeemed	<u>(5,403)</u>	<u>(66,684)</u>	<u>(7)</u>	<u>(88)</u>
Net change in Class R5 from participant transactions	<u>(2,797)</u>	<u>(34,540)</u>	<u>55</u>	<u>678</u>
Net change in total net assets from participant transactions		<u>\$ (1,978,702)</u>		<u>\$ (259,426)</u>

**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 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.

Below 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 statements 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, 2023.

# Hand Composite Employee Benefit Trust

## Notes to Financial Statements

December 31, 2023

**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 Exchange-traded 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. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depository Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as Level 1 in the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying statements 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, 2023:

	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>Trademark Tactical Multifactor Fund</b>				
Short Term Investment	\$ 26,651	\$ 26,651	\$ -	\$ -
Common Stock	983,633	983,633	-	-
Foreign Stock	172,528	172,528	-	-
Exchange-traded Funds - Fixed Income	980,850	980,850	-	-
Exchange-traded Funds - Equity	3,082,558	3,082,558	-	-
Private Fund - Limited Partnership (A)	2,698,219			
Common Trust Fund - Fixed Income (A)	173,296			
Total	<u>\$ 8,117,735</u>			

**Hand Composite Employee Benefit Trust**  
**Notes to Financial Statements**  
**December 31, 2023**

	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>Trademark Tactical Multifactor Conservative Fund</b>				
Short Term Investment	\$ 16,430	\$ 16,430	\$ -	\$ -
Common Stock	627,015	627,015	-	-
Foreign Stock	113,706	113,706	-	-
Exchange-traded Funds - Fixed Income	503,000	503,000	-	-
Exchange-traded Funds - Equity	1,335,842	1,335,842	-	-
Private Fund - Limited Partnership (A)	1,798,813			
Common Trust Fund - Fixed Income (A)	1,499,202			
	\$ 5,894,008			
Total	\$ 5,894,008			

(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 Funds invest 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 statements of assets and liabilities.

## **Supplemental Information**

**Hand Composite Employee Benefit Trust**  
**Schedule of Investment Purchases and Sales**  
**Trademark Tactical MultiFactor Fund**  
**Year Ended December 31, 2023**

**Purchases**

<b>Investment Class</b>	<b>Cost</b>
Common Stock	\$ 522,503
Common Trust Fund - Fixed Income	2,379,482
Total Investments Purchased	<u>\$ 2,901,985</u>

**Sales**

<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Losses</b>
Common Stock	\$ 354,875	\$ 418,151	\$ (63,276)
Foreign Stock	86,210	102,828	(16,618)
Exchange-traded Funds - Fixed Income	964,533	1,228,822	(264,289)
Common Trust Fund - Fixed Income	2,721,973	2,721,973	-
Total Investments Sold	<u>\$ 4,127,591</u>	<u>\$ 4,471,774</u>	<u>\$ (344,183)</u>

**Hand Composite Employee Benefit Trust**  
**Schedule of Investment Purchases and Sales (Continued)**  
**Trademark Tactical MultiFactor Conservative Fund**  
**Year Ended December 31, 2023**

**Purchases**

<b>Investment Class</b>	<b>Cost</b>
Common Stock	\$ 340,187
Common Trust Fund - Fixed Income	1,403,306
Total Investments Purchased	<u>\$ 1,743,493</u>

**Sales**

<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Losses</b>
Common Stock	\$ 232,381	\$ 274,723	\$ (42,342)
Foreign Stock	57,475	68,553	(11,078)
Exchange-traded Funds - Fixed Income	386,344	492,209	(105,865)
Common Trust Fund - Fixed Income	653,780	653,780	-
Total Investments Sold	<u>\$ 1,329,980</u>	<u>\$ 1,489,265</u>	<u>\$ (159,285)</u>