



**Hand Composite Employee Benefit
Trust
ABS Emerging Markets Local Alpha
CIT**

**Independent Auditor's Report, Financial Statements,
and Supplementary Information**

December 31, 2025



Hand Composite Employee Benefit Trust
Contents
December 31, 2025

Independent Auditor’s Report	1
Financial Statements	
Statement of Assets and Liabilities – Selected Fund.....	3
Schedule of Investments	
ABS Emerging Markets Local Alpha CIT.....	4
Statement of Operations – Selected Fund.....	5
Statement of Changes in Net Assets – Selected Fund.....	6
Notes to Financial Statements	7
Supplementary Information	
Schedule of Investment Purchases and Sales	12

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the selected fund, ABS Emerging Markets Local Alpha CIT (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, 2025, 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, 2025, 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 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 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 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 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 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Forvis Mazars, LLP

**Houston, Texas
May 29, 2026**

**Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2025**

	ABS Emerging Markets Local Alpha CIT
ASSETS	
Investments, at cost	\$ 44,128,843
Investments, at fair value	\$ 60,090,498
Receivables	
Capital shares sold	272
Total Assets	\$ 60,090,770
LIABILITIES	
Accounts payable and accrued liabilities	\$ 16,697
Class RF accrued liabilities	9,993
Total Liabilities	\$ 26,690
Net assets held for participants	
Class RF	\$ 50,385,293
Class R0	9,678,787
Total net assets held for participants	\$ 60,064,080
Units outstanding	
Class RF	3,607,717
Class R0	689,827
Total units outstanding	4,297,544
Net asset value per unit	
Class RF	\$ 13.97
Class R0	\$ 14.03

**Hand Composite Employee Benefit Trust
ABS Emerging Markets Local Alpha CIT
Schedule of Investments
December 31, 2025**

<u>Number of Shares</u>		<u>% of Net Assets</u>	<u>Cost</u>	<u>Fair Value</u>
<u>Short Term Investments</u>				
40,647	State Street Instl US Govt Money Market Fund Premier CL		\$ 40,647	\$ 40,647
	Total Short Term Investments	0.07%	<u>40,647</u>	<u>40,647</u>
<u>Private Funds</u>				
Limited Liability Company				
4,408,820	ABS Direct Equity Fund LLC		44,088,196	60,049,851
	Total Partnerships	99.98%	<u>44,088,196</u>	<u>60,049,851</u>
	Total Investments	100.04%	<u>\$ 44,128,843</u>	<u>\$ 60,090,498</u>

**Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2025**

	ABS Emerging Markets Local Alpha CIT
Income	
Interest	\$ 1,698
Total Income	<u>1,698</u>
Expenses	
Investment management and administrative	21,811
Audit	12,000
Other fees	31,579
Class RF expenses	215,243
Total Expenses Before Reimbursement of Fees	280,633
Reimbursement of fees	<u>(116,357)</u>
Total Expenses	<u>164,276</u>
Net Investment Loss	<u>(162,578)</u>
Net Realized and Unrealized Gains (Losses) on Investments	
Net realized losses on investments	(32,523)
Net change in unrealized appreciation/depreciation	<u>12,844,709</u>
Net Realized and Unrealized Gains (Losses) on Investments	<u>12,812,186</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 12,649,608</u>

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2025

	ABS Emerging Markets Local Alpha CIT
Operations	
Net investment loss	\$ (162,578)
Net realized loss	(32,523)
Change in unrealized appreciation	<u>12,844,709</u>
Net Increase in Net Assets From Operations	12,649,608
Net Increase in Net Assets From Participant Transactions	<u>9,144,783</u>
Increase in Net Assets	21,794,391
Net Assets	
Beginning of year	<u>38,269,689</u>
End of year	<u>\$ 60,064,080</u>

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

Nature of Operations

Hand Composite Employee Benefit Trust (HB&T or Trust) was created in order to provide broad and uniform diversification programs for pension and profit-sharing plans that, having complied with the requirements of the Internal Revenue Code (IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 108 portfolios; the financial statements of one of these funds are included in this report.

Each class of units, if applicable, 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 accounted for on the 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 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.

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

As a result of ongoing changes in global economic and fiscal policies, economic uncertainties have arisen that may negatively affect the financial position, results of operations, and cash flows of the Funds. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2025

Subsequent events have been evaluated through May 29, 2026, which is the date the financial statements were available to be issued.

Investment Management Advisor

The investment management advisor for the Fund is ABS Investment Management 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 year ended December 31, 2025, 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	Administrative Fees	Investment Advisory Fees	Other Fees	Total Fees
ABS Emerging Markets Local Alpha CIT				
Class RF	0.05%	0.50%	0.04%	0.59%
Class R0	0.05%	0.00%	0.04%	0.09%

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2025

Note 3. Financial Highlights

	ABS Emerging Markets Local Alpha CIT	
	Class RF	Class R0
Net asset value, beginning of year	\$ 10.51	\$ 10.54
Net investment loss	(0.04)	(0.02)
Net realized and unrealized gains	3.48	3.50
Net increase from investment operations	3.44	3.48
Net asset value, end of year	<u>\$ 13.95</u>	<u>\$ 14.02</u>
Total return	32.73%	33.02%
Ratio to average net assets		
Net investment loss	(0.37)%	(0.14)%
Expenses	0.64%	0.15%
Expenses with reimbursements	0.37%	0.15%

Note 4. Participant Unit Transactions

	ABS Emerging Markets Local Alpha CIT	
	Units	Dollars
Class R0		
Proceeds from sales of units	661,701	\$ 9,191,546
Cost of units redeemed	<u>(3,951)</u>	<u>(46,763)</u>
Net change in Class R0 from participant transactions	<u>657,750</u>	<u>9,144,783</u>
Net change in total net assets from participant transactions		<u>\$ 9,144,783</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:

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2025

- 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 supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

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 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, 2025 .

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 the official closing price, as reported by an independent pricing service, on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

Private Funds

Investments in private investment funds are valued at net asset value (NAV) per unit provided by the fund sponsors as a practical expedient to fair value, as permitted by Accounting Standards Codification 820. The NAV is based on the fair value of the underlying investments held by the private fund, which may include equity securities, fixed income instruments, and other investment vehicles, as determined by the fund sponsors in accordance with their valuation policies.

The Funds receive periodic capital statements or other financial information from the trustees reflecting its proportionate interest in the net assets of the common trust funds. Investments measured using the NAV practical expedient are not categorized within Level 1, Level 2, or Level 3 of the fair value hierarchy. These investments are not publicly traded and are subject to redemption terms, notice periods, and other restrictions in accordance with the governing documents of the private funds.

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, 2025:

	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)
ABS Emerging Markets Local Alpha CIT				
Short Term Investment	\$ 40,647	\$ 40,647	\$ -	\$ -
Private Fund – Limited Liability Company (A)	59,997,963	-	-	-
Total	<u>\$ 60,038,610</u>			

Hand Composite Employee Benefit Trust
Notes to Financial Statements
December 31, 2025

- (A) Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of assets and liabilities.

Note 6. Risk Factors

The Fund invests in various investment securities and, as a result, is exposed to certain risks, including but not limited to market risk and concentration risk. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in the fair values of the Fund's investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of assets and liabilities.

Market Risk

Market risk is the risk that the value of investments may fluctuate due to changes in market conditions, including economic events, political developments, public health concerns, or other factors affecting financial markets generally. The value of investment securities may decline due to factors that affect the overall market or specific asset classes, regardless of the financial condition of individual issuers. Periods of financial stress, changes in investor sentiment, or unexpected events may increase market volatility, resulting in rapid and significant changes in the fair value of the Fund's investments.

Concentration Risk

Concentration risk is the risk that the Fund's performance may be adversely affected by developments impacting a particular issuer, industry, sector, or geographic region. From time to time, market conditions or investment strategies may result in the Fund having increased exposure to certain issuers or groups of investments with similar economic characteristics. In such circumstances, adverse economic, political, regulatory, or market events affecting those issuers or markets could have a greater impact on the Fund's investment performance and financial position.

Supplementary Information

Hand Composite Employee Benefit Trust
ABS Emerging Markets Local Alpha CIT
Schedule of Investment Purchases and Sales
Year Ended December 31, 2025

Purchases	
Investment Class	Cost
Private Funds	\$ 9,190,704
Total investments purchased	\$ 9,190,704

Investment Class	Sales		
	Proceeds	Cost	Loss
Private Funds	\$ 107,477	\$ 140,000	\$ (32,523)
Total investments sold	\$ 107,477	\$ 140,000	\$ (32,523)