



# **Hand Composite Employee Benefit Trust Jensen Quality Growth CIF**

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

December 31, 2025



**Hand Composite Employee Benefit Trust**  
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**December 31, 2025**

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## Independent Auditor's Report

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

### ***Opinion***

We have audited the financial statements of the selected fund, Jensen Quality Growth CIF (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**

	<b>Jensen Quality Growth CIF</b>
<b>ASSETS</b>	
Investments, at cost	<u>\$ 19,643,975</u>
Investments, at fair value	23,383,439
Receivable for	
Capital shares sold	454
Investment advisor	1,496
Dividends and interest	<u>9,289</u>
<b>Total Assets</b>	<u><u>\$ 23,394,678</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 10,449
Capital shares redeemed	6,183
Other Fees	1,500
Class R3 accrued expenses	<u>7,391</u>
<b>Total Liabilities</b>	<u><u>\$ 25,523</u></u>
Net assets held for participants	
Class R3	<u>\$ 23,369,155</u>
Total net assets held for participants	<u><u>\$ 23,369,155</u></u>
Units outstanding	
Class R3	<u>1,221,830</u>
Total units outstanding	<u><u>1,221,830</u></u>
Net asset value per unit	
Class R3	<u><u>\$ 19.13</u></u>

**Hand Composite Employee Benefit Trust**  
**Jensen Quality Growth CIF**  
**Schedule of Investments**  
**December 31, 2025**

<u>Number of Shares</u>		<u>% of Net Assets</u>	<u>Cost</u>	<u>Fair Value</u>
<b><u>Short Term Investment</u></b>				
276,697	First American Treasury Obligation Fund V		\$ 276,697	\$ 276,697
	<b>Total Short Term Investment</b>	<b>1.18%</b>	<b>276,697</b>	<b>276,697</b>
<b><u>Common Stock</u></b>				
<b>Consumer Discretionary</b>				
4,160	Amazon.Com Inc		913,537	960,211
1,955	McDonalds Corp Corporation		552,423	597,507
5,290	Proctor & Gamble Co		794,652	758,110
	<b>Total Consumer Discretionary</b>	<b>9.91%</b>	<b>2,260,612</b>	<b>2,315,828</b>
<b>Financial</b>				
3,865	Marsh & McLennan Cos Inc		809,033	717,035
	<b>Total Financial</b>	<b>3.07%</b>	<b>809,033</b>	<b>717,035</b>
<b>Healthcare</b>				
7,000	Abbott Laboratories		918,036	877,030
1,050	Lilly Eli & Co		767,954	1,128,414
2,420	Stryker Corp		762,757	850,557
1,570	Veeva Systems Inc Cl A		449,348	350,471
	<b>Total Healthcare</b>	<b>13.72%</b>	<b>2,898,095</b>	<b>3,206,472</b>
<b>Industrials</b>				
12,300	Copart Inc		657,714	481,545
2,905	Equifax Inc		647,084	630,327
1,600	Verisk Analytics Inc Cl A		365,021	357,904
4,165	Waste Management Inc		765,453	915,092
	<b>Total Industrials</b>	<b>10.21%</b>	<b>2,435,272</b>	<b>2,384,868</b>

**Hand Composite Employee Benefit Trust  
Jensen Quality Growth CIF  
Schedule of Investments  
December 31, 2025**

**(Continued)**

<u>Number of Shares</u>		<u>% of Net Assets</u>	<u>Cost</u>	<u>Fair Value</u>
	<b>Information Technology</b>			
5,990	Alphabet Inc		\$ 907,783	\$ 1,874,870
7,690	Apple Inc		1,418,141	2,090,603
2,005	Auto Data Processing Inc		494,746	515,746
3,065	Broadridge Financial Solutions		575,648	684,016
660	Broadcom Inc		235,731	228,426
2,185	Cadence Design System		603,765	682,987
960	Intuit Inc		603,643	635,923
760	KLA-Tencor Corp		504,324	923,461
2,000	Mastercard Inc		885,305	1,141,760
1,550	Meta Platforms Inc		1,083,626	1,023,140
4,460	Microsoft Corporation		1,469,722	2,156,945
630	Motorola Solutions Inc		231,852	241,492
8,055	Nvidia Corp		<u>1,170,030</u>	<u>1,502,258</u>
	<b>Total Information Technology</b>	<b>58.63%</b>	<u>10,184,316</u>	<u>13,701,627</u>
	<b>Materials</b>			
2,410	Sherwin-Williams Co		<u>779,950</u>	<u>780,912</u>
	<b>Total Materials</b>	<b>3.34%</b>	<u>779,950</u>	<u>780,912</u>
	<b>Total Common Stock</b>	<b>98.88%</b>	<u>19,367,278</u>	<u>23,106,742</u>
	<b>Total Investments</b>	<b>100.06%</b>	<u>\$ 19,643,975</u>	<u>\$ 23,383,439</u>

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

	<b>Jensen Quality Growth CIF</b>
<b>Income</b>	
Interest	\$ 13,423
Dividends	236,129
<b>Total Income</b>	<u>249,552</u>
<b>Expenses</b>	
Investment management and administrative	17,925
Custody fees	8,494
Audit	8,250
Other	2,200
Class R3 expenses	78,406
<b>Total Expenses Before Reimbursement of Fees</b>	115,275
<b>Reimbursement of Fees</b>	<u>(16,982)</u>
<b>Total Expenses</b>	<u>98,293</u>
<b>Net Investment Income</b>	<u>151,259</u>
<b>Net Realized and Unrealized Gains on Investments</b>	
Net realized gains	692,781
Change in unrealized appreciation/depreciation	358,627
<b>Net Realized and Unrealized Gains on Investments</b>	<u>1,051,408</u>
<b>Net Increase in Net Assets Resulting From Operations</b>	<u>\$ 1,202,667</u>

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

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	<b>Jensen Quality Growth CIF</b>
<b>Operations</b>	
Net investment income	\$ 151,259
Net realized gains	692,781
Change in unrealized appreciation/depreciation	<u>358,627</u>
<b>Net Increase in Net Assets From Operations</b>	1,202,667
<b>Net Increase in Net Assets From Participant Unit Transactions</b>	<u>624,151</u>
<b>Increase in Net Assets</b>	1,826,818
<b>Net Assets</b>	
Beginning of year	<u>21,542,337</u>
End of year	<u><u>\$ 23,369,155</u></u>

## **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 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 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.

The Fund may have available share classes that are not presented on the financial statements, as these classes do not have any participants at the end of the year. Activity within these share classes during the year is presented within the respective footnote disclosures, as applicable. As of December 31, 2025, the following inactive classes have been excluded from the financial statement presentation: class R1 and R2.

### ***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 the 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.

### ***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.

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

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***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.

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 Jensen Investment Management, Inc.

**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.

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.

<b>Fund</b>	<b>Administrative Fees</b>	<b>Investment Advisory Fees</b>	<b>Custody Fees</b>	<b>Other Fees</b>	<b>Total Fees</b>
Jensen Quality Growth CIF Class R3	0.08%	0.35%	0.01%	0.01%	0.45%

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

**Note 3. Financial Highlights**

	<b>Jensen Quality Growth CIF Class R3</b>
Net asset value, beginning of year	\$ 18.16
Net investment income	0.12
Net realized and unrealized gains	0.85
Net increase from investment operations	0.97
Net asset value, end of year	\$ 19.13
Total return	5.34%
Ratio to average net assets	
Net investment income	0.67%
Expenses without reimbursements	0.51%
Expenses with reimbursements	0.43%

**Note 4. Participant Unit Transactions**

	<b>Jensen Quality Growth CIF</b>	
	<b>Units</b>	<b>Dollars</b>
Class R3		
Proceeds from sales of units	148,578	\$ 2,724,760
Cost of units redeemed	(112,795)	(2,100,609)
Net change in Class R3 from participant transactions	35,783	624,151
Net change in net assets from participant transactions		\$ 624,151

**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

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

**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.

***Common Stocks***

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.

The following table presents the fair value measurements of assets recognized in the 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:

	<b>Fair Value</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Jensen Quality Growth CIF				
Short Term Investment	\$ 276,697	\$ 276,697	\$ -	\$ -
Common Stock	23,106,742	23,106,742	-	-
<b>Total</b>	<b>\$ 23,383,439</b>			

## **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 statement 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**  
**Jensen Quality Growth CIF**  
**Schedule of Investment Purchases and Sales – Selected Fund**  
**Year Ended December 31, 2025**

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<b>Purchases</b>	
<b>Investment Class</b>	<b>Cost</b>
Common Stock	\$ 11,678,461
Foreign Stock	108,485
Total investments purchased	<u>\$ 11,786,946</u>

<b>Sales</b>			
<b>Investment Class</b>	<b>Proceeds</b>	<b>Cost</b>	<b>Gains (Losses)</b>
Common Stock	\$ 9,573,885	\$ 8,684,627	\$ 889,258
Foreign Stock	1,228,984	1,425,461	(196,477)
Total investments sold	<u>\$ 10,802,869</u>	<u>\$ 10,110,088</u>	<u>\$ 692,781</u>