



Hand Composite Employee Benefit Trust Transamerica Balanced Fund

**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 Directors
Hand Composite Employee Benefit Trust
Houston, Texas

Opinion

We have audited the financial statements of the selected fund, Transamerica Balanced Fund (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**

	Transamerica Balanced Fund
ASSETS	
Investments, at cost	\$ 96,854,195
Investments, at fair value	\$ 111,017,427
Capital shares sold	3,973
Total Assets	\$ 111,021,400
LIABILITIES	
Payable for capital shares redeemed	\$ 7,892
Accounts payable and accrued liabilities	5,080
Total Liabilities	\$ 12,972
Net assets held for participants, at fair value	
Class R	\$ 111,008,428
Adjustment for guaranteed annuity contract from fair value to contract value	
Class R	1,178,994
Net assets held for participants, at contract value	
Class R	\$ 112,187,422
Units outstanding	
Class R	7,669,538
Net asset value per unit	
Class R	\$ 14.63

**Hand Composite Employee Benefit Trust
Transamerica Balanced Fund
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 Investment</u>				
918,508	State Street Instl US Govt Money Market Fund Premier CL		<u>\$ 918,508</u>	<u>\$ 918,508</u>
	Total Short Term Investment	0.82%	<u>918,508</u>	<u>918,508</u>
<u>Guaranteed Annuity Contract</u>				
3,040,460	Transamerica Life Insurance Company Stable Value (Average yield earned – 2.50%)		<u>31,078,318</u>	<u>31,052,233</u>
	Total Guaranteed Annuity Contract	27.68%	<u>31,078,318</u>	<u>31,052,233</u>
<u>Common Trust Funds</u>				
Fixed Income				
797,755	Aegon Long Credit Bond CIT CL D		<u>9,411,886</u>	<u>10,115,533</u>
	Total Fixed Income	9.02%	<u>9,411,886</u>	<u>10,115,533</u>
Equity				
3,954,742	Aegon Large Cap Blend EQ CIF R0		<u>55,445,483</u>	<u>68,931,153</u>
	Total Equity	61.45%	<u>55,445,483</u>	<u>68,931,153</u>
	Total Common Trust Funds	70.46%	<u>64,857,369</u>	<u>79,046,686</u>
	Total Investments	98.96%	<u>\$ 96,854,195</u>	<u>\$ 111,017,427</u>

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

	Transamerica Balanced Fund
Income	
Interest	\$ 70,688
Total Income	<u>70,688</u>
Expenses	
Investment management and administrative	58,716
Other	<u>18</u>
Total Expenses	<u>58,734</u>
Net Investment Income	<u>11,954</u>
Net Realized and Unrealized Gains on Investments	
Net realized gains on investments	6,441,051
Change in unrealized appreciation/depreciation	<u>7,584,858</u>
Net Realized and Unrealized Gains on Investments	<u>14,025,909</u>
Net Increase in Net Assets Resulting From Operations	<u>\$ 14,037,863</u>

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

	<u>Transamerica Balanced Fund</u>
Operations	
Net investment income	\$ 11,954
Net realized gains	6,441,051
Change in unrealized appreciation/depreciation	<u>7,584,858</u>
Net Increase in Net Assets From Operations	14,037,863
Net Decrease in Net Assets From Participant Transactions	<u>(29,342,215)</u>
Decrease in Net Assets	(15,304,352)
Net Assets	
Beginning of year	<u>127,491,774</u>
End of year	<u><u>\$ 112,187,422</u></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 which, 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.

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.

Contract value is the relevant measure for the portion of net assets attributable to fully benefit-responsive guaranteed annuity contracts (GAC). The contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan. Fully benefit-responsive GACs are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less and participant withdrawals and administration expenses.

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 is 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 their participants. Therefore, no federal income tax provision is required.

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

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 Fund. 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 Mesirow Financial Holdings Inc.

Note 2. Fully Benefit-Responsive Investment Contracts

The Transamerica Balanced Fund GAC is deemed fully benefit-responsive as of December 31, 2025. The statement of assets and liabilities presents the GAC at fair value. Since the contract is fully benefit-responsive, a line item is presented in the statement of assets and liabilities reporting an adjustment from fair value to contract value.

The Transamerica Life Insurance Company contract simulates the performance of a traditional GAC through the guarantee of a specific interest rate. The participating plan’s assets are the unit ownership interests in the contract. The contract provides that the Transamerica Balanced Fund executes transactions at contract value. Transamerica Life Insurance Company guarantees the contract value, which represent contributions, plus interest, less fees, and less participant-initiated withdrawals or transfers. This is the contract’s guaranteed value. The contract’s fair value is estimated by adjusting the contract value by the average coupon of a selected bond index over the time that the contract has been in force for the first two years of operations. Thereafter, the contract’s fair value is estimated by adjusting the contract value by a five-year average coupon of a selected bond index.

Interest shall accrue at the initial rate of interest declared by the Transamerica Life Insurance Company until such time as a new rate of interest shall be declared. The declared rate shall not be reduced for a period of at least six months following the most recent date the interest is reset, but the declared rate may be increased at any time. Interest compounds and is credited to the deposit account daily. Transamerica Life Insurance Company has no minimum guaranteed interest rate for this contract.

The adjustment to contract values is calculated as follows:

	<u>Major Credit Ratings</u>	<u>Investments at Fair Value</u>
Transamerica Life Insurance Company Group Annuity Contract	A1/A+	\$ 31,052,233
Common Trust Funds – Fixed Income		10,115,533
Common Trust Funds – Equity		68,931,153
Short Term Investment		<u>918,508</u>
Total		<u>\$ 111,017,427</u>
		<u>Adjustment to Contract Value</u>
Transamerica Life Insurance Company Group Annuity Contract		<u>\$ 1,178,994</u>

Hand Composite Employee Benefit Trust
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If a withdrawal is made from the contract as a result of an employer or plan sponsor-initiated event or if the withdrawal is requested due to a complete or partial termination of a participating plan in the contract before the contract's end, and the contract's fair value equals or exceeds the guaranteed value, payment is made from the fair value in an amount equal to the amount of the guaranteed value, which is attributable to the participating plan. If the contract's fair value is less than their guaranteed value, the amount paid is equal to the guaranteed value reduced by a withdrawal adjustment for the ratio of the current bond price to the par value of such bond.

Sensitivity Analysis

The following table illustrates the effect on the weighted-average interest crediting rate, calculated as of the end of the next four quarterly periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter and one-half of the current yield, with no change to the duration of the underlying investment portfolio and no contributions or withdrawals:

Transamerica Balanced Fund					
Scenario	Actual				
	December 31, 2025	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	7.50%	2.65%	2.80%	2.95%	3.10%
Increase of 25%	6.25%	2.59%	2.68%	2.76%	2.85%
No Change	5.00%	2.53%	2.55%	2.58%	2.60%
Decrease of 25%	3.75%	2.46%	2.43%	2.39%	2.35%
Decrease of 50%	2.50%	2.40%	2.30%	2.20%	2.10%

The following table illustrates the effect on the weighted-average interest crediting rate, calculated as of the date of the next four quarterly reset periods, where there is an immediate hypothetical increase or decrease in market yields, equal to one-quarter and one-half of the current yield, combined with an immediate, one-time, hypothetical 10% decrease in the net assets of the contracts due to participant transfers, with no change to the duration of the portfolio.

Transamerica Balanced Fund					
Scenario	Actual				
	December 31, 2025	Quarter 1 Projected	Quarter 2 Projected	Quarter 3 Projected	Quarter 4 Projected
Increase of 50%	7.50%	2.58%	2.65%	2.73%	2.80%
Increase of 25%	6.25%	2.54%	2.59%	2.63%	2.68%
No Change	5.00%	2.51%	2.53%	2.54%	2.55%
Decrease of 25%	3.75%	2.48%	2.46%	2.44%	2.43%
Decrease of 50%	2.50%	2.45%	2.40%	2.35%	2.30%

Note 3. 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.). All other expenses of the Fund for the year ended December 31, 2025 were paid by Transamerica Life Insurance Company.

Hand Composite Employee Benefit Trust
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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	Total Fees
Transamerica Balanced Fund Class R	0.05%	0.05%

Note 4. Financial Highlights

	<u>Transamerica Balanced Fund</u>
Net asset value, beginning of year	\$ 12.96
Net investment income	0.001
Net realized and unrealized gains	1.669
Net increase from investment operations	1.670
Net asset value, end of year	<u>\$ 14.63</u>
Total return	12.89%
Ratio to average net assets	
Net investment income	0.01%
Expenses	0.05%

Note 5. Participant Unit Transactions

	<u>Transamerica Balanced Fund</u>	
	<u>Units</u>	<u>Dollars</u>
Class R		
Proceeds from sales of units	589,393	\$ 7,779,271
Cost of units redeemed	<u>(2,757,963)</u>	<u>(37,121,486)</u>
Net decrease in Class R net assets from participant unit transactions	<u>(2,168,570)</u>	<u>(29,342,215)</u>
Net change in total net assets from participant unit transactions		<u>\$ (29,342,215)</u>

Note 6. 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

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Notes to Financial Statements
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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 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 Trust Funds

Investments in common trust funds, which are administered by banks, trust companies, or similar institutions and pool assets from multiple fiduciary accounts, are valued at the 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 common trust funds, 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 Fund receives 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 common trust funds.

Guaranteed Annuity Contracts

Transamerica Life Insurance Company deposits participating plan contributions in a group fixed annuity contract (Contract No. IO63243) in a deposit account (Guaranteed Account) in which its deposits are held as part of the general asset account. The contract provides that the Retirement Right Stable Value Fund executes transactions at contract value. Transamerica Life Insurance Company guarantees the contract values, which represent contributions, plus interest, less any fees due under the contract and participant-initiated withdrawals or transfers. This is the contract's guaranteed value.

The Guaranteed Account valuation is categorized as Level 2 within the valuation hierarchy as there is no observable market price for these types of contracts. Transamerica Life Insurance Company calculates the fair value by adjusting the contract value by the average coupon of a selected bond index over the time that the contract has been in force for

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

the first two years of operations. Thereafter, the contract's fair value is estimated by adjusting the contract value by a five-year average coupon of a selected bond index.

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:

	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)
Transamerica Balanced Fund				
Short Term Investment	\$ 918,508	\$ 918,508	\$ -	\$ -
Guaranteed Annuity Contract	31,052,233	-	31,052,233	-
Common Trust Fund – Fixed Income (A)	10,115,533			
Common Trust Fund – Equity (A)	68,931,153			
Total	<u>\$ 111,017,427</u>			

(A) Certain investments that are measured at fair value using NAV 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 7. 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
Transamerica Balanced Fund
Schedule of Investment Purchases and Sales
Year Ended December 31, 2025

Purchases	
Investment Class	Cost
Guaranteed Annuity Contracts	\$ 1,497,787
Total investments purchased	<u>\$ 1,497,787</u>

Investment Class	Sales		
	Proceeds	Cost	Gains
Common Trust Fund – Fixed Income	\$ 4,011,614	\$ 3,528,583	\$ 483,031
Common Trust Fund – Equity	19,165,000	13,443,473	5,721,527
Guaranteed Annuity Contracts	<u>6,256,992</u>	<u>6,020,499</u>	<u>236,493</u>
Total investments sold	<u>\$ 29,433,606</u>	<u>\$ 22,992,555</u>	<u>\$ 6,441,051</u>