

Matrix Trust Company
Collective Investment Trusts
For Employee Benefit Plans
Donaldson Capital Preservation Fund

Financial Statements as of and for the Period from
October 20, 2022 (commencement of operations)
to May 31, 2023, and Independent Auditor's Report

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT FUNDS FOR EMPLOYEE BENEFIT PLANS

Donaldson Capital Preservation Fund

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INDEPENDENT AUDITOR’S REPORT

To the Trust Committee of Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans

Opinion

We have audited the financial statements of Donaldson Capital Preservation Fund, one of the funds of Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans (the “Fund”), which comprise the statement of financial condition, including the schedule of investments, as of May 31, 2023, and the related statements of operations, changes in participants’ interest, and the financial highlights for the period from October 20, 2022 (commencement of operations) through May 31, 2023, and the related notes to the financial statements (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of May 31, 2023, and the results of its operations, changes in its participants’ interest, and financial highlights for the period from October 20, 2022 (commencement of operations) through May 31, 2023 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 the 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 these 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 the Fund’s ability to continue as a going concern for one year after the date that the financial statements are 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 including 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 the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Deloitte & Touche LLP

September 8, 2023

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

Donaldson Capital Preservation Fund

Statement of Financial Condition

As of May 31, 2023

	<u>Donaldson Capital Preservation Fund</u>	
Assets		
Investments at Fair Value ⁽¹⁾	\$	6,081,511
Cash		66
Dividend Receivable		1,451
Interest Receivable		35,694
Issuances Receivable		942
Total Assets		<u><u>6,119,664</u></u>

LIABILITIES AND PARTICIPANTS' INTEREST

Liabilities

Trustee Fee Payable Class I		535
Audit Fee Payable		1,902
Total Liabilities		<u>2,437</u>

Participants' Interest Class

Participants' Interest Class I		<u>6,117,227</u>
Total Participants' Interest Class		<u>6,117,227</u>

Total Liabilities and Participants' Interest	\$	<u><u>6,119,664</u></u>
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⁽¹⁾ Cost	\$	6,001,956
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See notes to financial statements.

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

Schedule of Investments

As of May 31, 2023

Donaldson Capital Preservation Fund

	Fair Value as a % of Participants' Interest	Shares	Amortized Cost	Fair Value
Exchange Traded Fund				
U.S. Bond				
iShares Core U.S. Aggregate Bond		11,345	\$1,061,659	\$1,118,277
iShares iBoxx Inv Gr Corporate Bond		5,040	\$499,917	\$542,405
U.S. Bond Total	27.15%		\$1,561,576	\$1,660,682
Exchange Traded Fund Total	27.15%		\$1,561,576	\$1,660,682
Short Term Money Market Funds				
TD Asset Management Money Market		7,391	\$7,391	\$7,391
Short Term Money Market Funds Total	0.12%		\$7,391	\$7,391
Preferred Stock				
Affiliated Mgrs Grp Preferred 5.875%		3,250	\$75,537	\$72,800
Bank of America 6% Preferred		8,135	\$199,500	\$200,772
JPMorgan Chase Preferred 6%		3,875	\$96,098	\$97,108
Morgan Stanley 6.5% NCum Preferred P		8,100	\$206,584	\$211,572
Old National Bancorp 7% Preferred		6,260	\$156,651	\$140,349
Preferred Stock Total	11.81%		\$734,370	\$722,601
Corporate Bond				
U.S. Bond				
Apple Inc AAPL 4.3% 05/10/2033		320,000	\$319,735	\$320,672
Bank NY Mellon VAR 4.947% 04/26/27		200,000	\$200,020	\$199,387
Fed Farm Credit FFCB 3.8% 04/05/2032		300,000	\$284,825	\$276,097
PNC Financial Sr. Note 1/24/34		145,000	\$145,020	\$139,935
PNC Finl Svcs Grp Perp -W NT 6.25%		155,000	\$155,020	\$139,112
State Street Corp VAR 5.159% 05/18/2034		100,000	\$100,020	\$99,616
U.S. Bond Total	19.21%		\$1,204,640	\$1,174,819
Corporate Bond Total	19.21%		\$1,204,640	\$1,174,819
Municipal Bond				
Hawaii St Taxbl Bds GO 0.571% 10/1/23		150,000	\$147,852	\$147,650
Indianapolis Local Revenue 5.96% 1/15/30		275,000	\$280,162	\$284,052
N.E. TX Independent School 5.24% 08/01/27		275,000	\$276,431	\$282,700
N.Y. State Dorm Auth Muni. 5.0% 3/15/24		260,000	\$260,025	\$259,069
Ohio State Hwy Bds Oh 4.944% 05/01/25		300,000	\$301,879	\$300,629
San Francisco, CA FACS Dist 5.685%		280,000	\$280,020	\$292,850
Scottsdale Ariz Taxable Bds 5% 7/1/28		200,000	\$208,198	\$206,653
Tarrant Cnty Tex Hosp 1.071% 09/01/23		255,000	\$252,209	\$252,081
Twin Falls Co Id Sch Bd 5.036% 09/15/2030		300,000	\$302,471	\$305,653
Municipal Bond Total	38.11%		\$2,309,247	\$2,331,337
U. S. Treasury				
Treasury Bill B 06/13/23		185,000	\$184,732	\$184,681
U. S. Treasury Total	3.02%		\$184,732	\$184,681
Total Investments (1)	99.42%		\$6,001,956	\$6,081,511

See notes to financial statements

(1) Percentages of participants' interest may not recompute as fair value and participants' interest are rounded

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

Donaldson Capital Preservation Fund

Statement of Operations

For the period from October 20, 2022 ^(a) To May 31, 2023

	<u>Donaldson Capital Preservation Fund</u>
Investment Income	
Dividends	\$ 94,231
Interest	56,709
Total Investment Income	<u>150,940</u>
Expenses	
Listing fee	642
Audit fee	5,875
Trustee fees class I	3,804
Gross expenses	<u>10,321</u>
Assumed audit fee	<u>(3,973)</u>
Net Expense	<u>6,348</u>
Net Investment Income	<u>144,592</u>
Realized and Unrealized Gain/(Loss) on Investments	
Net Realized Gain/(Loss) on Investments Sold	50,965
Net Change in Unrealized Appreciation/(Depreciation) on Investments	79,553
Net Realized and Unrealized Gain/(Loss) on Investments	<u>130,518</u>
Net Increase(Decrease) in Participants' Interest Resulting From Operations	<u>\$ 275,110</u>

See notes to financial statements.

^(a) Commencement of operations.

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

Donaldson Capital Preservation Fund

Statement of Participants' Interest

For the period from October 20, 2022 ^(a) to May 31, 2023

	<u>Donaldson Capital Preservation Fund</u>	
	<u>Units</u>	<u>Amount</u>
Participants' Interest as of October 20, 2022 ^(a)	-	\$ -
From Operations		
Net Investment Income		144,592
Net Realized Gain/(Loss) on Investments Sold		50,965
Net Change in Unrealized Appreciation/(Depreciation) on Investments		<u>79,553</u>
Net Increase/(Decrease) in Participants' Interest Resulting from Operations		275,110
From Participating Unit Transactions		
Issuance of Units - Share Class I	650,006	6,524,429
Redemption of Units - Share Class I	<u>(65,358)</u>	<u>(682,312)</u>
Net Increase/(Decrease) from Participating Unit Transactions	584,648	5,842,117
Participants' Interest at End of Year	<u>584,648</u>	<u>\$ 6,117,227</u>

^(a) Commencement of operations.

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

Donaldson Capital Preservation Fund

Financial Highlights

For the period from October 20, 2022 ^(d) to May 31, 2023

	Donaldson Capital Preservation Fund	
Selected Per Unit Data		
Unit Value Beginning of Period	\$	10.00
Income from Investment Operations ^(b) :		
Net Investment Income ^(a)		0.24
Net Realized and Unrealized Gain/(Loss) on Investments		0.22
Total from Investment Operations		0.46
Unit Value End of Period	\$	10.46
Total Return ^(b)		4.60%
Ratios and supplemental data		
Participants' interest, end of year	\$	6,117,227
Ratio of net investment income to average participants' interest ^(c)		3.75%
Ratio of expenses to average participants' interest ^(c)		0.17%
Ratio of gross expenses to average participants' interest ^(c)		0.27%

^(a) Net investment income per unit was calculated using the average shares method.

^(b) Due to timing of participant unit transactions, the per unit amounts and total return presented may not agree with the change in aggregate gains and losses as presented on the statements of operations.

^(c) Annualized

^(d) Fund commenced operations on October 20, 2022

MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS DONALDSON CAPITAL PRESERVATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 20, 2022 (COMMENCEMENT OF OPERATIONS) TO MAY 31, 2023

1. ORGANIZATION

The Donaldson Capital Preservation Fund (the Fund) is a collective investment funds established under the Declaration of Trust establishing the Matrix Trust Company Collective Investment Trusts for Employee Benefit Plans (Declaration of Trust) to provide for the collective investment and reinvestment of assets of qualified employer sponsored retirement plans. Matrix Trust Company (referred to herein as the Trustee) serves as the trustee, custodian, transfer agent, and record-keeper for the Fund. While the Trustee maintains all management authority, Donaldson Capital Management, LLC (referred to herein as the Sub-Advisor) provides investment sub-advisory services for the Fund.

The following describes the Fund and its investment objective, as set forth in the Declaration of Trust:

Donaldson Capital Preservation Fund— The investment objective of the Fund is safety of principal. The Fund is intended to be a portfolio for clients seeking limited volatility and a high, secure level of income. Fixed income securities, whether corporate, government, or municipal bonds, will represent the primary types of investments utilized in this style of management. The portfolio may also include preferred stocks and collateralized mortgage obligations. Selection of this management style implies both a level of risk and an assumed total return significantly less than that of common stocks in general.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Fund in the preparation of the financial statements.

Principles of Accounting—The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), as established by the Financial Accounting Standards Board (FASB), to ensure consistent reporting of financial condition and results of operations. The Fund each meet the definition of an investment company and therefore follow the investment company guidance in FASB Accounting Standards Codification (ASC) 946.

Use of Estimates—The preparation of financial statements in conformity with GAAP requires the Fund's Trustee to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported results of operations during the reporting period. Estimates include determination of fair value of investments. Actual results could differ from those estimates.

Cash and Cash Equivalents—The Fund considers all highly liquid instruments with original maturities of three months or less at the acquisition date to be cash equivalents. Cash balances of the Fund's pending investment or disbursement may be placed overnight into a deposit account provided by an affiliate of the Trustee. The balance held on behalf of a Fund in the deposit account may be in excess of federally insured limits; however, management of the Fund does not believe the Fund is exposed to any significant credit risk.

Investment Valuation—The Fund record investments at fair value. 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. The Fund utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described below:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date. The Fund does not adjust the quoted price for these investments, even in situations where the Fund hold a large position, and a sale could reasonably impact the quoted price.

Level 2—Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3—Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and takes into consideration factors specific to the investment. The inputs or methodology used for valuing investments are not necessarily an indication of the risks associated with investing in those investments.

The following is a summary of the inputs used to value the fund's investments as of May 31, 2023. Fund investments in exchange traded funds are classified as level 1, without consideration of the classification level if the underlying securities held by the exchange traded funds, which could be level 1, level 2, or level 3.

Asset description as categorized in Schedule of Investments	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
Corporate Bond	\$-	\$1,174,819.00	\$-	\$1,174,819.00
Municipal Bond	-	2,331,337	-	2,331,337
U. S. Treasury	-	184,681	-	184,681
Exchange Traded Fund	1,660,682	-	-	1,660,682
Preferred Stock	722,601	-	-	722,601
Short Term Money Market Funds	7,391	-	-	7,391
Total	\$2,390,674	\$3,690,837	\$-	\$6,081,511

A description of the valuation techniques applied to the Fund's major categories of assets measured at fair value on a recurring basis follows:

Short Term Money Market Funds, Equities, Preferred Stock and Exchange Traded Funds— Short Term Money Market Funds, Equities, Preferred Stock, and Exchange Traded Funds are measured at fair value on a recurring basis using Level 1 inputs based on quoted prices for identical assets in active markets as of the measurement date.

Bonds – Debt securities (including restricted securities, if any) are valued by independent pricing services or by dealers who make markets in such securities. Pricing services consider yield or price of bonds of comparable quality, coupon, maturity and type as well as available dealer supplied prices. Certain securities may be valued by a single source or dealer. The interest rate on bonds is generally fixed. Interest will be paid based on a principal value. The bond may be purchased at a discount or premium to its principal value. This difference will be accreted or amortized over the life of the bond and will be included as interest income in the Statement of Operations.

Investment Transactions and Dividends—Investment transactions are recorded on the trade date. Realized gains and losses on investment transactions are determined on the average lot cost method and are included as net realized gain or loss on investments in the accompanying statements of operations. The difference between the cost and the fair value of investments held at period end is reflected as unrealized appreciation (depreciation) on investments, and any change in that amount from the prior period is reflected in the accompanying statements of operations. Dividend income is recognized on the ex-dividend date.

Federal Income Taxes— The Fund is established hereunder is intended to qualify as a group trust under Revenue Ruling 81-100, 1981-1 C.B. 326, issued by the Internal Revenue Service, as clarified, and modified by Revenue Ruling 2004-67, 2004-2 C.B. 28, Revenue Ruling 2011-01, 2011-2 I.R.B. 251. As a result, the Fund is exempt from federal income taxes under provisions of section 501(a) of the Internal Revenue Code.

The FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed, and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the

Fund's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. As of May 31, 2023, and for the year then ended, management has determined that there are no material uncertain tax positions. The Fund files income tax returns in U.S. federal jurisdiction. The current and prior three tax years generally remain subject to examination by U.S. federal tax authorities.

Participant Transactions—The unit values of the Fund is determined at the close of each business day that the New York Stock Exchange is open for business. Units may be issued and redeemed on any business day at the daily unit value. All earnings, gains, and losses of the Fund is reflected in the computation of the daily unit value and are realized by the participants upon redemption from the Fund. Net investment income and net realized gains are reinvested, and thus, there are no distributions of net investment income or net realized gains to participants.

3. PURCHASES, SALES, AND REALIZED GAIN (LOSSES) OF UNDERLYING INVESTMENTS

For the period ended May 31, 2023, the aggregate cost of purchases, proceeds from sales and realized gains (losses) of underlying investments were:

	Cost of Purchases	Proceeds from Sales	Net Realized Gain (Loss) on Investments
Donaldson Preservation Fund			
Money Market Fund	15,075,345	15,067,954	-
Municipal Bond Municipal Bond	2,905,760	600,000	-
Preferred Stock Preferred Stock	734,370	-	-
U.S. Bond Corporate Bond	1,204,560	-	-
U.S. Bond Exchange Traded Fund	2,959,653	1,449,041	50,965
U.S. Bond U. S. Treasury	1,090,970	910,000	-
Donaldson Preservation Fund Total	23,970,658	18,026,995	50,965

4. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred after May 31, 2023, through September 8, 2023, the date the financial statements were available to be issued.

5. RELATED-PARTY TRANSACTIONS AND FEES

The cash component for the Fund is held in a bank depository account maintained by the Trustee for retirement account customers.

In the event the audit fees to exceed .05 percent of average participants' interest annually, the sub-advisor will assume such excess audit fees. For the year ended May 31, 2023, the Sub-advisor assumed \$3,973 in audit fees.

The Trustee charges the Fund a fee in accordance with a tiered fee schedule (below) based on total assets held by external participants in the Funds with a common sub-advisor. The fee for the year ended May 31, 2023, was .10 percent per annum as total assets.

This fee accrues on a daily basis and is payable monthly in arrears.

Net CIF Assets	Fee
\$0 - \$100,000,000	0.10%
\$100,000,001 – \$200,000,000	0.08%
\$200,000,001 – and above	0.06%

6. RISKS AND INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that has not yet occurred. The Fund expects the risk of future obligation under these indemnifications to be remote.
