

**Matrix Trust Company**  
**Collective Investment Trusts**  
**For Employee Benefit Plans**  
**Donaldson Rising Dividend Cornerstone Fund**

Financial Statements as of and for the  
Year Ended May 31, 2023, and  
Independent Auditor's Report

# MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

## Donaldson Rising Dividend Cornerstone 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 Rising Dividend Cornerstone 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 year then ended, 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 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 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 Rising Dividend Cornerstone Fund**

**Statement of Financial Condition**

**As of May 31, 2023**

	<b>Donaldson Rising Dividend Cornerstone Fund</b>
	<u>                    </u>
<b>Assets</b>	
Investments at fair value <sup>(1)</sup>	\$ 48,545,476
Cash	9,824
Dividend receivable	161,475
Issuances receivable	<u>30,872</u>
<b>Total assets</b>	<u><u>48,747,647</u></u>
<b>LIABILITIES AND PARTICIPANTS' INTEREST</b>	
<b>Liabilities</b>	
Trustee fee payable Class I	4,112
Audit fee payable	5,875
Payable for securities purchased	314,271
Payable for redemptions	<u>11,995</u>
<b>Total Liabilities</b>	<u>336,253</u>
<b>Participants' Interest Class</b>	
Participants' interest Class I	<u>48,411,394</u>
<b>Total Participants' interest</b>	<u>48,411,394</u>
<b>Total Liabilities and Participants' Interest</b>	<u><u>\$ 48,747,647</u></u>
<sup>(1)</sup> Cost	\$ 49,368,633

*See notes to financial statements.*

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**Donaldson Rising Dividend Cornerstone Fund**

**Schedule of Investments**

**As of May 31, 2023**

**Donaldson Rising Dividend Cornerstone Fund**

	% of Participants' Interest	Number of Shares	Cost	Fair Value
<b>U.S. Stock</b>				
Aflac Inc.		21,015	\$1,333,361	\$1,349,373
Broadcom Inc.		2,555	1,413,641	2,064,338
Chevron Corporation		8,065	1,287,473	1,214,750
Cummins Inc.		6,104	1,344,693	1,247,719
Johnson & Johnson		10,557	1,792,705	1,636,968
Medtronic PLC		19,437	1,772,867	1,608,606
Merck & Co., Inc.		14,467	1,347,747	1,597,301
Paychex, Inc.		12,846	1,551,763	1,347,931
AbbVie Inc		13,161	1,946,826	1,815,692
Accenture PLC Class A		6,294	1,862,127	1,925,460
Air Products and Chemicals, Inc.		7,227	1,963,956	1,945,075
Allstate Corporation		15,553	2,027,644	1,686,723
Apple Inc.		11,498	1,766,149	2,038,020
BlackRock, Inc. Class A		1,589	1,116,704	1,044,847
BRISTOL-MYER SQB		23,193	1,596,546	1,494,557
Corning Inc.		42,306	1,492,915	1,303,448
Costco Wholesale Corporation		3,121	1,559,056	1,596,579
Exxon Mobil Corp.		13,684	1,309,084	1,398,231
Home Depot Inc.		5,511	1,679,052	1,562,093
JPMorgan Chase & Co.		13,272	1,767,713	1,801,143
Lockheed Martin Corporation		2,973	1,308,849	1,320,042
Microsoft Corp.		6,315	1,690,402	2,073,783
NextEra Energy, Inc.		20,194	1,611,652	1,483,451
Northrop Grumman Corporation		3,048	1,427,371	1,327,374
Raytheon Technologies Corp.		13,137	1,246,439	1,210,443
T.Rowe Price Group, Inc.		16,208	1,969,887	1,736,849
Texas Instruments Incorporated		10,839	1,841,555	1,884,685
The Southern Company		20,861	1,518,561	1,455,055
Union Pacific Corporation		7,044	1,542,391	1,356,111
UNITED PARCEL SERV B		10,097	1,863,161	1,686,199
Valero Energy Corp.		6,947	827,320	743,607
<b>Total U.S. Stock</b>	<b>99.1%</b>		<b>48,779,610</b>	<b>47,956,453</b>
<b>Money Market</b>				
TD Asset Management Money Market	1.2%	589,023	589,023	589,023
<b>Total Money Market</b>	<b>1.2%</b>		<b>589,023</b>	<b>589,023</b>
<b>Total Investments (1)</b>	<b>100.3%</b>		<b>\$ 49,368,633</b>	<b>\$ 48,545,476</b>

See notes to financial statements

(1) Percentages of participants' interest may not recompute as percentages are rounded

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**Donaldson Rising Dividend Cornerstone Fund**

**Statement of Operations**

**For the year ended May 31, 2023**

	<b>Donaldson Rising Dividend Cornerstone Fund</b>
<b>Investment income</b>	
Dividends	\$ 992,122
Interest	\$ 6,198
<b>Total investment income</b>	<u>998,320</u>
<b>Expenses</b>	
Listing fee	642
Audit fee	5,875
Trustee fees Class I	38,671
<b>Total expenses</b>	<u>45,188</u>
<b>Net investment income</b>	<u>953,132</u>
<b>Realized and unrealized gain/(loss) on investments</b>	
Net realized gain/(loss) on investments sold	(186,271)
Net change in unrealized appreciation/(depreciation) on investments	<u>(591,361)</u>
<b>Net realized and unrealized gain/(loss) on investments</b>	<u>(777,632)</u>
<b>Net increase(decrease) in participants' interest resulting from operations</b>	<u>\$ 175,500</u>

*See notes to financial statements.*

**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**Donaldson Rising Dividend Cornerstone Fund**

**Statement of Participants' Interest**

**For the year ended May 31, 2023**

	<u>Donaldson Rising Dividend Cornerstone Fund</u>	
	<u>Units</u>	<u>Amount</u>
Participants' interest as of May 31, 2022	2,057,512	\$ 19,788,340
<b>From operations</b>		
Net investment income		953,132
Net realized gain/(loss) on investments sold		(186,271)
Net change in unrealized appreciation/(depreciation) on investments		(591,361)
Net increase/(decrease) in participants' interest resulting from operations		<u>175,500</u>
<b>From participating unit transactions</b>		
Issuance of units - Share Class I	3,518,927	32,384,374
Redemption of units - Share Class I	(414,857)	(3,936,820)
<b>Net increase/(decrease) from participating unit transactions</b>	<u>3,104,070</u>	<u>28,447,554</u>
Participants' interest at end of year	<u>5,161,582</u>	<u>\$ 48,411,394</u>

*See notes to financial statements.*



**MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS**

**Donaldson Rising Dividend Cornerstone Fund**

**Financial Highlights**

**For the year ended May 31, 2023**

	<b>Donaldson Rising Dividend Cornerstone Fund</b>	
		<b>Class I</b>
Selected per unit data		
Unit value beginning of year	\$	9.62
Income from investment operations (b):		
Net investment income (a)		0.23
Net realized and unrealized gain/(loss) on investments		<u>(0.47)</u>
<b>Total from investment operations</b>		<u>(0.24)</u>
<b>Unit value end of year</b>	<b>\$</b>	<b><u>9.38</u></b>
Total return (b)		-2.49%
<b>Ratios and supplemental data</b>		
Participants' interest, end of year	\$	48,411,394
Ratio of net investment income to average participants' interest		2.46%
Ratio of expenses to average participants' interest		0.12%

*(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 statements of operations with the change in aggregate gains and losses as presented on the statements of operations.*

*See notes to financial statements*

# MATRIX TRUST COMPANY COLLECTIVE INVESTMENT TRUSTS FOR EMPLOYEE BENEFIT PLANS

## DONALDSON RISING DIVIDEND CORNERSTONE FUND

### NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MAY 31, 2023

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#### 1. ORGANIZATION

The Donaldson Rising Dividend Cornerstone 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 Funds. 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 Funds.

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

**Donaldson Rising Dividend Cornerstone Fund**— The Donaldson Rising Dividend Cornerstone Fund is a diversified portfolio of companies with market capitalizations of greater than \$10 billion. The Fund seeks to generate income and long-term capital appreciation by investing in companies that have consistently paid and increased their dividend over time. The fund will invest exclusively in equities with up to a 3% allocation to cash or cash equivalents for liquidity purposes.

#### 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 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's 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 Funds 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.

As of May 31, 2023, the Fund's investments are valued using Level 1 inputs.

Investments valued using the net asset value as a practical expedient are excluded from the fair value hierarchy.

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 Funds' 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.

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

**Short Term Money Market Funds and U. S. Stock**— Short Term Money Market Funds and U. S. Stock 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.

**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 open investments 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 Funds are 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 year ended May 31, 2023, the aggregate cost of purchases, proceeds from sales and realized gains (losses) of underlying investments were:

	Purchases	Proceeds from Sales	Net Realized Gain (Loss) on Investments
Money Market Fund	33,272,183	39,301,173	-
U.S. Stock	40,715,240	6,409,010	(186,271)
<b>Total</b>	<b>73,987,423</b>	<b>45,710,183</b>	<b>(186,271)</b>

### 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 Trustee will assume such excess audit fees. For the year ended May 31, 2023, the Trustee did not assume any 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 Fund's 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.

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