

Hand Composite Employee Benefit Trust
BW Global Investment Grade Fixed Income CIF
Independent Auditor's Report and Financial Statements
December 31, 2015



Hand Composite Employee Benefit Trust

December 31, 2015

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of the selected fund, BW Global Investment Grade Fixed Income CIF, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2015, the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the selected fund, BW Global Investment Grade Fixed Income CIF, as of December 31, 2015, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Houston, Texas
July 2, 2016

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities - Selected Fund
December 31, 2015

	<u>BW Global Investment Grade Fixed Income CIF</u>
Assets	
Investments, at cost	\$ <u>176,523,980</u>
Investments, at fair value	\$ 163,341,199
Cash denominated in foreign currencies (Cost - \$2)	2
Unrealized gain on foreign currency forward exchange contracts	159,320
Receivable for:	
Capital shares sold	7,444,031
Dividend and interest	1,079,647
Investment advisor waived fees	<u>23,237</u>
 Total assets	 \$ <u><u>172,047,436</u></u>
Liabilities	
Payable for capital shares redeemed	\$ 4,101
Management fee payable	61,531
Unrealized loss on foreign currency forward exchange contracts	1,604,691
Accounts payable and accrued liabilities	<u>16,248</u>
 Total liabilities	 \$ <u><u>1,686,571</u></u>
 Net assets held for participants:	
Class R1	\$ 121,429,297
Class R3	44,640,189
Class R-INT	<u>4,291,379</u>
 Total net assets held for participants	 \$ <u><u>170,360,865</u></u>
 Units outstanding:	
Class R1	11,189,863
Class R3	4,114,426
Class R-INT	<u>393,532</u>
 Total units outstanding	 <u><u>15,697,821</u></u>
 Net asset value per unit:	
Class R1	\$ <u>10.85</u>
Class R3	\$ <u>10.85</u>
Class R-INT	\$ <u><u>10.90</u></u>

Hand Composite Employee Benefit Trust
Schedule of Investments
BW Global Investment Grade Fixed Income CIF
December 31, 2015

Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
6,799,136	State Street Institutional Liquid Reserves Fund, Premier Class .23%	\$ 6,799,136	\$ 6,799,136
Total Short Term Investment		4.16% 6,799,136	6,799,136
Principal Amount†		Cost	Fair Value
<u>Corporate Bonds</u>			
<i>Consumer Discretionary</i>			
\$ 3,668,000	Bank Nederlandse Gemeenten N.V. Sr Unsecured 144A .391% 07/14/2017	3,668,077	3,659,490
3,460,000	Nederlandse Waterschapsbank N.V. Sr Unsecured 144A .592% 02/14/2018	3,469,049	3,462,215
Total Consumer Discretionary		4.36% 7,137,126	7,121,705
<i>Financials</i>			
1,130,000	ABN AMRO Bank N.V. Sr Unsecured 144A 1.123% 10/28/2016	1,130,000	1,133,164
845,000	Barclays Bank PLC Sr Unsecured 1.017% 12/09/2016	845,000	843,055
4,850,000	Citigroup, Inc. Sr Unsecured 1.013% 04/27/2018	4,839,733	4,830,382
230,000	Dell, Inc. Sr Unsecured 6.50% 04/15/2038	268,400	188,600
1,610,000	Deutsche Bank AG Sr Unsecured .969% 02/13/2017	1,612,980	1,599,894
800,000	Ford Motor Credit Co. LLC Sr Unsecured 1.233% 03/27/2017	800,000	789,369
4,350,000	Ford Motor Credit Co. LLC Sr Unsecured 1.412% 06/15/2018	4,322,751	4,297,008
Total Financials		8.38% 13,818,864	13,681,472
<i>Health Care</i>			
885,000	Macquarie Bank Ltd. Sr Unsecured 144A .953% 10/27/2017	885,000	880,862
990,000	Macquarie Group Ltd. Sr Unsecured 144A 1.329% 01/31/2017	990,000	991,313
Total Health Care		1.15% 1,875,000	1,872,175
<i>Materials</i>			
3,490,000	Goldman Sachs Group, Inc. Sr Unsecured 1.462% 11/15/2018	3,522,978	3,504,173
Total Materials		2.15% 3,522,978	3,504,173
Total Corporate Bonds		16.04% 26,353,968	26,179,525
<u>Foreign Government</u>			
<i>Australia</i>			
AUD 5,000,000	New South Wales Treasury Corp. Local Government Guarantee 5.00% 08/20/2024	4,488,046	4,193,238
AUD 3,460,000	Queensland Treasury Corp. 144A 3.25% 07/21/2026	2,475,431	2,463,947
AUD 3,370,000	Queensland Treasury Corp. 144A 4.75% 07/21/2025	2,746,936	2,729,207
AUD 2,475,000	Queensland Treasury Corp. Local Government Guarantee REGS 6.00% 07/21/2022	2,412,970	2,130,187
Total Australia		7.05% 12,123,383	11,516,579
<i>Brazil</i>			
BRL 1,575,000	Brazil Notas do Tesouro Nacional 10.00% 01/01/2021	631,988	316,898
BRL 11,540,000	Brazil Notas do Tesouro Nacional 10.00% 01/01/2023	4,479,516	2,189,288
Total Brazil		1.53% 5,111,504	2,506,186

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
BW Global Investment Grade Fixed Income CIF (Continued)
December 31, 2015

Principal Amount†		Cost	Fair Value
<i>Foreign Government (continued)</i>			
<i>France</i>			
\$ 8,115,000	Dexia Credit Local S.A. 144A .652% 06/05/2018	\$ 8,098,709	\$ 8,055,180
	Total France	4.93% 8,098,709	8,055,180
<i>Germany</i>			
1,000,000	Erste Abwicklungsanstalt REGS .652% 06/07/2016	1,000,729	1,000,301
	Total Germany	0.61% 1,000,729	1,000,301
<i>Italy</i>			
EUR 4,665,000	Buoni Poliennali Del Tesoro Sr Unsecured REGS 5.00% 08/01/2039	6,759,226	7,240,021
	Total Italy	4.43% 6,759,226	7,240,021
<i>Luxembourg</i>			
1,925,000	European Investment Bank Sr Unsecured, 144A .389% 10/09/2018	1,925,000	1,919,181
	Total Luxembourg	1.17% 1,925,000	1,919,181
<i>Malaysia</i>			
MYR 4,840,000	Malaysia Government Bond Sr Unsecured 3.48% 03/15/2023	1,417,486	1,079,463
MYR 16,345,000	Malaysia Government Bond Sr Unsecured 3.659% 10/15/2020	4,045,235	3,839,508
MYR 3,410,000	Malaysia Government Bond Sr Unsecured 4.048% 09/30/2021	1,044,592	798,259
	Total Malaysia	3.50% 6,507,313	5,717,230
<i>Mexico</i>			
MXN 137,500,000	Mexican Bonos Sr Unsecured 7.75% 11/13/2042	10,847,899	8,717,833
MXN 98,540,000	Mexican Bonos Sr Unsecured 8.50% 05/31/2029	8,214,073	6,684,916
MXN 88,280,000	Mexican Bonos Sr Unsecured 8.50% 11/18/2038	7,395,101	6,017,941
	Total Mexico	13.11% 26,457,073	21,420,690
<i>New Zealand</i>			
NZD 5,060,000	New Zealand Government Sr Unsecured REGS 5.50% 04/15/2023	4,246,230	3,968,460
NZD 1,995,000	New Zealand Government Sr Unsecured REGS 6.00% 05/15/2021	1,759,217	1,564,463
	Total New Zealand	3.39% 6,005,447	5,532,923
<i>Norway</i>			
678,000	Kommunalbanken AS Sr Unsecured 144A .449% 05/02/2017	678,295	677,507
1,896,000	Kommunalbanken AS Sr Unsecured 144A .55% 02/20/2018	1,900,478	1,892,667
964,000	Kommunalbanken AS Sr Unsecured 144A .983% 03/27/2017	967,898	966,282
	Total Norway	2.17% 3,546,671	3,536,456

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
BW Global Investment Grade Fixed Income CIF (Continued)
December 31, 2015

Principal Amount†		Cost	Fair Value
<u>Foreign Government (continued)</u>			
<i>Poland</i>			
PLN \$ 12,465,000	Poland Government Bond 3.25% 07/25/2025	\$ 3,386,504	\$ 3,268,292
PLN 2,000,000	Poland Government Bond 4.00% 10/25/2023	629,067	551,923
	Total Poland	2.34% 4,015,571	3,820,215
<i>South Africa</i>			
ZAR 65,110,000	South Africa Government International Bond 6.50% 02/28/2041	4,890,636	2,785,007
ZAR 14,210,000	South Africa Government International Bond 8.75% 02/28/2048	1,310,796	784,118
ZAR 19,770,000	South Africa Government International Bond Sr Unsecured 6.75% 03/31/2021	1,997,122	1,144,355
	Total South Africa	2.89% 8,198,554	4,713,480
<i>South Korea</i>			
2,310,000	Export-Import Bank of Korea Sr Unsecured 144A .956% 05/12/2017	2,311,268	2,306,032
2,185,000	Export-Import Bank of Korea Sr Unsecured 144A .987% 08/14/2017	2,187,032	2,181,554
	Total South Korea	2.75% 4,498,300	4,487,586
<i>Sweden</i>			
1,030,000	Swedish Export Credit AB Sr Unsecured .682% 06/12/2017	1,030,545	1,029,081
895,000	Swedish Export Credit AB Sr Unsecured .693% 09/28/2017	895,000	892,279
1,745,000	Swedish Export Credit AB Sr Unsecured REGS .719% 11/09/2017	1,754,458	1,747,342
	Total Sweden	2.25% 3,680,003	3,668,702
<i>Venezuela</i>			
1,460,000	Corp. Andina de Fomento Sr Unsecured .874% 01/29/2018	1,460,000	1,447,824
	Total Venezuela	0.89% 1,460,000	1,447,824
	Total Foreign Government	53.01% 99,387,483	86,582,554
<u>Municipals</u>			
160,000	Municipal Electric Auth. of Georgia 6.637% 04/01/2057	152,996	192,018
505,000	Municipal Electric Auth. of Georgia 6.655% 04/01/2057	530,417	599,677
	Total Municipals	0.48% 683,413	791,695
<u>U.S. Government Obligations</u>			
17,945,000	United States Treasury Bond 2.50% 02/15/2045	16,516,986	16,100,739
4,740,000	United States Treasury Bond 2.875% 05/15/2043	4,416,585	4,621,500
3,985,000	United States Treasury Bond 3.00% 11/15/2045	4,058,212	3,973,013
3,595,000	United States Treasury Note .334% 04/30/2017	3,595,254	3,591,833
14,725,000	United States Treasury Note .337% 07/31/2017	14,712,943	14,701,204
	Total U.S. Government Obligations	26.31% 43,299,980	42,988,289
	Total Investments	100.00% \$ 176,523,980	\$ 163,341,199

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
BW Global Investment Grade Fixed Income CIF (Continued)
December 31, 2015

† Principal amount denominated in U.S. dollars, unless otherwise noted.

Abbreviations used in this table:

AUD	Australian Dollar
BRL	Brazilian Real
EUR	Euro
MXN	Mexican Peso
MYR	Malaysian Ringgit
NZD	New Zealand Dollar
PLN	Polish Zloty
ZAR	South African Rand

Hand Composite Employee Benefit Trust
Statement of Operations - Selected Fund
Year Ended December 31, 2015

	BW Global Investment Grade Fixed Income CIF
Income	
Interest (net of foreign withholding taxes of \$61,083)	\$ 3,712,147
Total income	<u>3,712,147</u>
Expenses	
Trustee and administrative	140,473
Class R1 expenses	559,093
Class R3 expenses	<u>33,297</u>
Total expenses before reimbursement	732,863
Reimbursement of fees	<u>(23,237)</u>
Net expenses	<u>709,626</u>
Net Investment Income	<u>3,002,521</u>
Net Realized Gains (Losses) on Investments and Foreign Currency	
Net realized losses on investments	(1,869,304)
Net realized losses on foreign currency transactions	(179,123)
Net realized gains on foreign currency forward exchange contracts	<u>462,175</u>
Net realized losses on Investments and Foreign Currency	<u>(1,586,252)</u>
Change in Net Unrealized Appreciation (Depreciation)	
Investments	(10,708,447)
Foreign currencies	25,264
Foreign currency forward exchange contracts	<u>(2,094,146)</u>
Change in net unrealized depreciation	<u>(12,777,329)</u>
Net realized and unrealized losses on Investments and Foreign Currency	<u>(14,363,581)</u>
Net Decrease in Net Assets Resulting From Operations	<u><u>\$ (11,361,060)</u></u>

Hand Composite Employee Benefit Trust
Statement of Changes and Net Assets - Selected Fund
Year Ended December 31, 2015

	BW Global Investment Grade Fixed Income CIF
Operations	
Net investment income	\$ 3,002,521
Net realized losses	(1,586,252)
Change in net unrealized appreciation (depreciation)	(12,777,329)
Net decrease in net assets from operations	(11,361,060)
Net Increase in Net Assets From Participant Unit Transactions	65,314,212
Increase in Net Assets	53,953,152
Net Assets	
Beginning of year	116,407,713
End of year	\$ 170,360,865

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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 which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 94 portfolios (the Funds); the financial statements of one of those funds, the BW Global Investment Grade Fixed Income CIF (the Fund), are included in this report.

Each class of the Fund 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 and foreign currency are allocated to each class of units based on its relative net assets.

The inception date for Class R3 units was October 15, 2015.

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 accounted for on trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments are reported on the identified cost basis.

Foreign Currency

Investment securities and other assets and liabilities denominated in, or expected to settle in, foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

The Fund isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held.

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short term securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at December 31, 2015, resulting from changes in the exchange rates.

Foreign Currency Forward Exchange Contracts

The Fund may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities. When entering into a forward currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Fund's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statement of assets and liabilities. Realized and unrealized gains and losses are included in the statement of operations. These instruments involve market risk, credit risk or both kinds of risks in excess of the amount recognized in the statement of assets and liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and apportion all of its taxable income to its participants. Therefore, no federal income tax provision is required.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Investment Management Advisors

The investment management advisor for the Fund is Brandywine Global Investment Management, LLC.

Note 2: Foreign Currency Forward Exchange Contracts

At December 31, 2015, the Fund had the following open forward foreign currency contracts:

	Currency Purchased	Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
SEK	20,400,000	USD	2,467,132	HSBC Bank USA, N.A.	1/8/16	\$ (50,283)
SEK	26,400,000	USD	3,214,598	Morgan Stanley & Co. International PLC	1/8/16	(86,911)
CLP	1,360,000,000	USD	1,943,412	HSBC Bank USA, N.A.	1/15/16	(26,303)
CLP	340,000,000	USD	490,691	HSBC Bank USA, N.A.	1/15/16	(11,414)
NOK	18,100,000	USD	2,235,109	Barclays Bank PLC	1/20/16	(190,585)
NOK	58,700,000	USD	7,230,311	HSBC Bank USA, N.A.	1/20/16	(599,728)
SEK	65,700,000	USD	8,005,605	HSBC Bank USA, N.A.	1/21/16	(218,933)
PLN	18,230,000	USD	4,744,431	JPMorgan Chase Bank, N.A.	1/27/16	(99,398)
CLP	1,129,000,000	USD	1,590,813	HSBC Bank USA, N.A.	1/29/16	(1,956)
USD	5,901,981	EUR	5,510,000	Citibank, N.A.	2/10/16	(91,329)
USD	185,158	EUR	170,000	HSBC Bank USA, N.A.	2/10/16	247
CLP	900,000,000	USD	1,309,662	HSBC Bank USA, N.A.	2/12/16	(45,108)
CLP	1,788,000,000	USD	2,622,662	HSBC Bank USA, N.A.	2/12/16	(110,414)
CLP	1,172,000,000	USD	1,692,541	HSBC Bank USA, N.A.	2/26/16	(48,366)
JPY	960,000,000	USD	7,837,438	Citibank, N.A.	3/3/16	159,073
CLP	900,000,000	USD	1,284,888	HSBC Bank USA, N.A.	3/9/16	(23,963)
						<u>\$ (1,445,371)</u>

Abbreviations used in this table:

CLP	Chilean Peso
EUR	Euro
JPY	Japanese Yen
NOK	Norwegian Krone
PLN	Polish Zloty
SEK	Swedish Krona
USD	United States Dollar

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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.). 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, 2015, the investment advisor 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 prior day's total net assets.

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
BW Global Investment Grade Fixed Income CIF:				
Class R1	0.04%	0.47%	0.03%	0.54%
Class R3	0.04%	0.42%	0.03%	0.49%
Class R-INT	0.04%	0.00%	0.03%	0.07%

Note 4: Financial Highlights

	BW Global Investment Grade Fixed Income CIF		
	Class R1	Class R3¹	Class R-INT
Net asset value, beginning of period	\$ 11.77	\$ 11.28	\$ 11.77
Net investment income	0.26	0.05	0.31
Net realized and unrealized losses	(1.18)	(0.48)	(1.18)
Net decrease from investment operations	(0.92)	(0.43)	(0.87)
Net asset value, end of period	\$ 10.85	\$ 10.85	\$ 10.90
Total return	(7.82)%	(3.81)%	(7.39)%
Ratio to average net assets:			
Net investment income	2.32%	2.33% ²	2.80%
Expenses without reimbursement	0.58%	0.54% ²	0.11%
Expenses with reimbursement	0.56%	0.51% ²	0.10%

¹ For the period October 15, 2015 (inception date) to December 31, 2015.

² Annualized

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Note 5: Participant Unit Transactions

	BW Global Investment Grade Fixed Income CIF	
	Units	Dollars
Class R1:		
Proceeds from sales of units	1,515,764	\$ 17,230,367
Cost of units redeemed	(188,540)	(2,136,716)
Net change in Class R1 from participant transactions	1,327,224	15,093,651
Class R3:		
Proceeds from sales of units	4,186,472	46,870,473
Cost of units redeemed	(72,046)	(790,452)
Net change in Class R3 from participant transactions	4,114,426	46,080,021
Class R-INT:		
Proceeds from sales of units	464,845	5,253,640
Cost of units redeemed	(100,518)	(1,113,100)
Net change in Class R-INT from participant transactions	364,327	4,140,540
Net increase in total net assets from participant transactions		\$ 65,314,212

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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 accompanying 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, 2015.

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 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.

Corporate and Municipal Bonds. The fair value of corporate and municipal bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. Corporate and municipal bonds are categorized as Level 2 in the hierarchy.

Foreign Government Obligations. Foreign Government obligations are valued using models that incorporate market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. These securities are categorized as Level 2 in the hierarchy.

U.S. Government Obligations. U.S. Government obligations are valued using a model that incorporates market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data. Certain securities are valued principally using dealer quotations. U.S. Government obligations are categorized as Level 2 in the hierarchy.

Foreign Currency Contracts. These contracts are valued at the prevailing forward exchange rate of the underlying currencies on the reporting date and unrealized gains or losses recorded daily. Foreign currency contracts are generally categorized as Level 2 in the hierarchy.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2015.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
BW Global Investment Grade Fixed Income CIF				
Financial Instruments - Assets:				
Short Term Investment	\$ 6,799,136	\$ 6,799,136	\$ —	\$ —
Corporate Bonds	26,179,525	—	26,179,525	—
Foreign Government Municipals	86,582,554	—	86,582,554	—
U.S. Government Obligations	791,695	—	791,695	—
	42,988,289	—	42,988,289	—
Total Financial Instruments - Assets	\$ 163,341,199	\$ 6,799,136	\$ 156,542,063	\$ 0
Derivative Instruments - Assets:				
Forward Foreign Currency Contracts	\$ 159,320	\$ —	\$ 159,320	\$ —
Total Derivative Instruments - Assets	\$ 159,320	\$ 0	\$ 159,320	\$ 0
Derivative Instruments - Liabilities:				
Forward Foreign Currency Contracts	\$ 1,604,691	\$ —	\$ 1,604,691	\$ —
Total Derivative Instruments - Liabilities	\$ 1,604,691	\$ 0	\$ 1,604,691	\$ 0

Note 7: Risk Factors

Investment Securities Risk

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statement of assets and liabilities.

Foreign Securities Risk

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. In particular, the Fund is subject to the risk that because there may be fewer investors on foreign exchanges and a smaller number of securities traded each day, it may be more difficult for the Fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may go up and down more than prices of securities traded in the United States.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Currency Risk

Securities and other instruments in which the Fund invests may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates may affect the value of the Fund's portfolio. Because the Fund's assets are primarily invested in securities of foreign countries, the U.S. dollar equivalent of the Fund's net assets would be adversely affected by reductions in the value of the foreign currencies relative to the U.S. dollar. For this reason, changes in foreign currency exchange rates can affect the value of the Fund's portfolio. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars. This risk, generally known as "currency risk," means that a strong U.S. dollar may reduce returns for U.S. investors in foreign stocks while a weak U.S. dollar may increase those returns.

Note 8: Derivative Instruments and Hedging Activities

Below is a table, grouped by derivative type, that provides information about the fair value and the location of derivatives within the statement of assets and liabilities at December 31, 2015.

Asset Derivatives¹	
	Foreign Exchange Risk
Forward foreign currency contracts	\$ 159,320

Liability Derivatives¹	
	Foreign Exchange Risk
Forward foreign currency contracts	\$ 1,604,691

¹ Generally, the statement of assets and liabilities location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

The following tables provide information about the effect of derivatives and hedging activities on the Fund's statement of operations for the year ended December 31, 2015. The first table provides additional detail about the amounts and sources of gains realized on derivatives during the year. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the year.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Amount of Realized Gain on Derivatives Recognized	
	Foreign Exchange Risk
Forward foreign currency contracts	\$ 462,175
Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized	
	Foreign Exchange Risk
Forward foreign currency contracts	\$ (2,094,146)

During the year ended December 31, 2015, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Forward foreign currency contracts (to buy)	\$26,965,160
Forward foreign currency contracts (to sell)	11,996,740

The following table presents by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at December 31, 2015:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities¹	Collateral Received	Net Amount
Forward foreign currency contracts	\$ 159,320	\$ -	\$ 159,320

The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at December 31, 2015:

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities¹	Collateral Pledged	Net Amount
Forward foreign currency contracts	\$ 1,604,691	\$ -	\$ 1,604,691

¹ Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the statement of assets and liabilities.

Supplemental Information

Hand Composite Employee Benefit Trust
BW Global Investment Grade Fixed Income CIF
Schedule of Investment Purchases and Sales – Selected Fund
Year Ended December 31, 2015

Purchases	
Investment Class	Cost
Corporate Bonds	\$ 28,034,913
Foreign Government	40,360,234
U.S. Government	58,026,027
Total Investments Purchased	\$ 126,421,174

Sales			
Investment Class	Proceeds	Cost	Loss
Corporate Bonds	\$ 1,460,088	\$ 1,460,134	\$ (46)
Foreign Government	25,936,565	27,797,653	(1,861,088)
U.S. Government	39,869,448	39,877,618	(8,170)
Total Investments Sold	\$ 67,266,101	\$ 69,135,405	\$ (1,869,304)