

**Hand Composite Employee Benefit Trust
Western Asset Core Plus Bond CIF**

Independent Auditor's Report and Financial Statements

December 31, 2016



Hand Composite Employee Benefit Trust
December 31, 2016

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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, Western Asset Core Plus Bond 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, 2016, 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, Western Asset Core Plus Bond CIF, as of December 31, 2016, 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
May 26, 2017

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2016

	Western Asset Core Plus Bond CIF
Assets	
Investments, at cost	\$ 271,942,507
Investments, at fair value	\$ 268,343,086
Cash denominated in foreign currencies (Cost - \$1,434,729)	1,387,721
Receivable from broker - variation margin on open futures contracts	63,487
Unrealized gain on foreign currency forward exchange contracts	1,006,484
Deposits with brokers for open futures contracts	2,006,317
Deposits with brokers for centrally cleared swap contracts	440,424
Foreign currency collateral for open futures contracts, at value (Cost - \$865,553)	840,180
Foreign currency collateral for centrally cleared swap contracts, at value (Cost - \$22)	21
Receivable for:	
Investment securities sold	27,395,675
Capital shares sold	157,033
Dividend and interest	1,811,547
Investment advisor waived fees	26,546
Other assets	42,728
Total assets	\$ 303,521,249
Liabilities	
Payable for investment securities purchased	\$ 48,309,003
Due to custodian	23,630
Payable for capital shares redeemed	1,379,341
Management fee payable	74,077
Written options, at value (premiums received - \$531,729)	513,027
Payable to broker - variation margin on centrally cleared swap contracts	98,236
Unrealized loss on foreign currency forward exchange contracts	1,676,367
Accounts payable and accrued liabilities	50,717
Total liabilities	\$ 52,124,398
Net assets held for participants:	
Class R1	\$ 207,010,422
Class R-INT	24,813,828
Class R-LM	19,572,601
Total net assets held for participants	\$ 251,396,851
Units outstanding:	
Class R1	13,045,100
Class R-INT	1,554,148
Class R-LM	1,229,105
Total units outstanding	15,828,353
Net asset value per unit:	
Class R1	\$ 15.87
Class R-INT	\$ 15.97
Class R-LM	\$ 15.92

Hand Composite Employee Benefit Trust
Schedule of Investments
Western Asset Core Plus Bond CIF
December 31, 2016

Number of Shares		Cost	Fair Value
<i><u>Short Term Investment</u></i>			
15,379,467	State Street Institutional U.S. Government Money Market Fund, Premier Class .411%	\$ 15,379,467	\$ 15,379,467
Total Short Term Investment		5.73%	15,379,467
<i><u>Preferred Stocks</u></i>			
<i>Consumer Discretionary</i>			
5,975	Citigroup Capital XIII	163,389	154,274
Total Consumer Discretionary		0.06%	163,389
<i>Financials</i>			
5,957	GMAC Capital Trust I Series 2	147,733	151,308
Total Financials		0.05%	147,733
Total Preferred Stocks		0.11%	311,122

Principal Amount†		Cost	Fair Value
<i><u>Corporate Bonds</u></i>			
<i>Consumer Discretionary</i>			
\$ 40,000	21st Century Fox America, Inc. Company Guarantee 4.50% 02/15/2021	40,035	42,766
130,000	American Axle & Manufacturing, Inc. Company Guarantee 6.625% 10/15/2022	132,058	134,056
130,000	Comcast Corp. Company Guarantee 4.20% 08/15/2034	130,928	132,792
230,000	Comcast Corp. Company Guarantee 6.30% 11/15/2017	234,709	239,529
10,000	Comcast Corp. Company Guarantee 6.50% 11/15/2035	11,700	12,806
90,000	Comcast Corp. Company Guarantee 6.55% 07/01/2039	107,449	117,411
380,000	Comcast Corp. Company Guarantee 3.375% 08/15/2025	379,589	382,294
90,000	Comcast Corp. Company Guarantee 4.25% 01/15/2033	96,553	93,660
414,947	Continental Airlines 2007-1 Class A Pass-Through Trust Series 071A 5.983% 10/19/2023	452,757	458,516
160,000	Cooperatieve Rabobank UA Jr Subordinated 144A 11.00% 06/30/2019	167,882	188,048
1,160,000	Cooperatieve Rabobank UA Company Guarantee 4.625% 12/01/2023	1,189,559	1,220,424
460,000	Credit Agricole S.A. Jr Subordinated 144A 8.375% 10/13/2019	462,114	504,629
280,000	DISH DBS Corp. Company Guarantee 5.875% 11/15/2024	275,640	288,120
110,000	DISH DBS Corp. Company Guarantee 6.75% 06/01/2021	118,248	119,350
190,000	Dollar Tree, Inc. Company Guarantee 5.75% 03/01/2023	198,325	201,176
50,000	General Motors Co. Sr Unsecured 6.25% 10/02/2043	57,049	55,274
20,000	General Motors Financial Co., Inc. Company Guarantee 3.25% 05/15/2018	20,000	20,262
50,000	General Motors Financial Co., Inc. Company Guarantee 3.45% 04/10/2022	48,426	49,447
330,000	Glencore Finance Canada Ltd. Company Guarantee 144A 2.70% 10/25/2017	327,515	332,524
50,000	GLP Capital L.P. / GLP Financing II, Inc. Company Guarantee 5.375% 04/15/2026	50,507	52,145
150,000	Goodyear Tire & Rubber Co. Company Guarantee 5.125% 11/15/2023	150,593	154,500
60,000	L Brands, Inc. Company Guarantee 5.625% 10/15/2023	63,206	64,650
270,000	McDonald's Corp. Sr Unsecured 3.70% 01/30/2026	269,202	274,886
140,000	NCL Corp. Ltd. Sr Unsecured 144A 4.625% 11/15/2020	140,000	142,450
60,000	Netflix, Inc. Sr Unsecured 5.875% 02/15/2025	62,775	64,725
90,000	Newell Brands, Inc. Sr Unsecured 3.15% 04/01/2021	90,162	91,593
220,000	Newell Brands, Inc. Sr Unsecured 3.85% 04/01/2023	224,822	228,208
130,000	Taylor Morrison Communities, Inc. / Monarch Communities, Inc. Company Guarantee 144A 5.25% 04/15/2021	128,277	133,250
10,000	Time Warner Cable, Inc. Sr Secured 5.00% 02/01/2020	10,769	10,613
10,000	Time Warner Cable, Inc. Sr Secured 8.75% 02/14/2019	10,470	11,269
60,000	Time Warner Cable LLC Sr Secured 5.50% 09/01/2041	60,347	60,997

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
December 31, 2016

Principal Amount†		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Consumer Discretionary (continued)</i>			
\$	310,000 Time Warner Cable LLC Sr Secured 5.875% 11/15/2040	\$ 350,767	\$ 330,598
	260,000 Time Warner Cable LLC Sr Secured 7.30% 07/01/2038	314,339	319,837
	220,000 Time Warner, Inc. Company Guarantee 6.25% 03/29/2041	276,785	256,692
	100,000 UBM PLC Sr Unsecured 144A 5.75% 11/03/2020	99,074	105,130
	90,000 Viacom, Inc. Sr Unsecured 4.25% 09/01/2023	89,242	90,072
	10,000 Viacom, Inc. Sr Unsecured 3.875% 04/01/2024	9,434	9,705
	Total Consumer Discretionary	2.61% 6,851,307	6,994,404
<i>Consumer Staples</i>			
	340,000 Altria Group, Inc. Company Guarantee 4.75% 05/05/2021	339,662	370,531
	160,000 Altria Group, Inc. Company Guarantee 5.375% 01/31/2044	179,877	184,820
	10,000 CCO Holdings LLC / CCO Holdings Capital Corp. Sr Unsecured 144A 5.875% 04/01/2024	10,000	10,675
	50,000 Constellation Brands, Inc. Company Guarantee 6.00% 05/01/2022	53,792	56,392
	180,000 CVS Health Corp. Sr Unsecured 2.75% 12/01/2022	179,189	177,322
	100,000 CVS Health Corp. Sr Unsecured 4.00% 12/05/2023	99,885	105,365
	186,000 CVS Health Corp. Sr Unsecured 3.875% 07/20/2025	184,356	191,878
	560,000 CVS Health Corp. Sr Unsecured 5.125% 07/20/2045	584,170	624,090
	360,000 Danone S.A. Sr Unsecured 144A 2.077% 11/02/2021	360,000	349,595
	280,000 Danone S.A. Sr Unsecured 144A 2.589% 11/02/2023	280,000	269,797
	270,000 Danone S.A. Sr Unsecured 144A 2.947% 11/02/2026	270,000	257,656
	18,000 Kraft Foods Group, Inc. Company Guarantee 5.375% 02/10/2020	19,598	19,496
	290,000 Kraft Heinz Foods Co. Company Guarantee 3.50% 06/06/2022	291,742	294,922
	80,000 Kraft Heinz Foods Co. Company Guarantee 5.20% 07/15/2045	82,804	83,745
	150,000 Kraft Heinz Foods Co. Secured 144A 4.875% 02/15/2025	152,430	161,816
	160,000 Lamb Weston Holdings, Inc. Company Guarantee 144A 4.875% 11/01/2026	159,404	158,300
	20,000 Molson Coors Brewing Co. Company Guarantee 3.50% 05/01/2022	20,025	20,587
	50,000 PepsiCo, Inc. Sr Unsecured 4.00% 03/05/2042	45,747	49,627
	340,000 Pernod Ricard S.A. Sr Unsecured 144A 4.45% 01/15/2022	353,165	360,731
	10,000 Philip Morris International, Inc. Sr Unsecured 2.50% 08/22/2022	9,843	9,785
	180,000 Philip Morris International, Inc. Sr Unsecured 2.90% 11/15/2021	178,730	182,414
	80,000 Philip Morris International, Inc. Sr Unsecured 4.50% 03/20/2042	77,439	81,634
	490,000 Reynolds American, Inc. Company Guarantee 5.85% 08/15/2045	517,970	580,222
	10,000 Reynolds American, Inc. Company Guarantee 8.125% 06/23/2019	11,182	11,408
	Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu Sr Secured		
	110,000 144A 5.125% 07/15/2023	113,557	112,338
	200,000 Sinopec Group Overseas Development 2012 Ltd. Company Guarantee 144A 2.75% 05/17/2017	199,955	200,639
	60,000 Tyson Foods, Inc. Company Guarantee 5.15% 08/15/2044	62,250	62,213
	300,000 Walgreens Boots Alliance, Inc. Sr Unsecured 3.45% 06/01/2026	299,428	294,480
	Total Consumer Staples	1.97% 5,136,200	5,282,478
<i>Energy</i>			
	100,000 Anadarko Petroleum Corp. Sr Unsecured 4.85% 03/15/2021	100,932	107,224
	120,000 Anadarko Petroleum Corp. Sr Unsecured 6.45% 09/15/2036	137,777	142,820
	90,000 Anadarko Petroleum Corp. Sr Unsecured 6.60% 03/15/2046	111,846	111,002
	152,000 Apache Corp. Sr Unsecured 3.25% 04/15/2022	151,568	154,388
	400,000 Apache Corp. Sr Unsecured 5.10% 09/01/2040	400,834	418,472
	40,000 Berkshire Hathaway Energy Co. Sr Unsecured 6.50% 09/15/2037	51,865	52,067
	240,000 BHP Billiton Finance USA Ltd. Company Guarantee 3.25% 11/21/2021	241,760	247,267
	200,000 BHP Billiton Finance USA Ltd. Company Guarantee 5.00% 09/30/2043	199,690	223,392
	550,000 BHP Billiton Finance USA Ltd. Company Guarantee 144A 6.75% 10/19/2075	550,000	617,375
	150,000 BP Capital Markets PLC Company Guarantee 3.216% 11/28/2023	150,000	151,498
	130,000 Chesapeake Energy Corp. Company Guarantee 6.125% 02/15/2021	115,193	126,750

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
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Principal Amount†		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Energy (continued)</i>			
\$	60,000 Concho Resources, Inc. Company Guarantee 5.50% 04/01/2023	\$ 59,591	\$ 62,178
	70,000 Concho Resources, Inc. Company Guarantee 4.375% 01/15/2025	70,000	69,861
	30,000 Continental Resources, Inc. Company Guarantee 4.50% 04/15/2023	29,696	29,400
	230,000 Devon Energy Corp. Sr Unsecured 3.25% 05/15/2022	204,815	228,541
	740,000 Devon Energy Corp. Sr Unsecured 5.00% 06/15/2045	732,902	726,928
	50,000 Devon Energy Corp. Sr Unsecured 5.60% 07/15/2041	50,624	51,500
	370,000 Diamond 1 Finance Corp. / Diamond 2 Finance Corp. Sr Secured 144A 3.48% 06/01/2019	369,999	377,698
	310,000 Diamond 1 Finance Corp. / Diamond 2 Finance Corp. Sr Secured 144A 4.42% 06/15/2021	311,492	320,771
	270,000 Ecopetrol S.A. Sr Unsecured 5.875% 05/28/2045	244,462	233,280
	140,000 EOG Resources, Inc. Sr Unsecured 4.15% 01/15/2026	148,889	146,509
	130,000 EP Energy LLC / Everest Acquisition Finance, Inc. Company Guarantee 6.375% 06/15/2023	91,197	102,700
	300,000 Exxon Mobil Corp. Sr Unsecured 3.043% 03/01/2026	300,174	299,594
	210,000 Exxon Mobil Corp. Sr Unsecured 4.114% 03/01/2046	212,743	215,098
	380,000 Halliburton Co. Sr Unsecured 3.80% 11/15/2025	379,648	386,041
	570,000 Kerr-McGee Corp. Company Guarantee 6.95% 07/01/2024	637,450	672,482
	190,000 Kinder Morgan, Inc. Company Guarantee 5.30% 12/01/2034	149,667	192,821
	180,000 Noble Energy, Inc. Sr Unsecured 4.15% 12/15/2021	181,316	187,324
	120,000 Noble Energy, Inc. Sr Unsecured 6.00% 03/01/2041	122,384	133,238
	60,000 Oasis Petroleum, Inc. Company Guarantee 6.875% 03/15/2022	59,746	61,500
	10,000 Oasis Petroleum, Inc. Company Guarantee 6.875% 01/15/2023	9,975	10,250
	170,000 Occidental Petroleum Corp. Sr Unsecured 3.00% 02/15/2027	169,471	164,488
	100,000 Occidental Petroleum Corp. Sr Unsecured 3.125% 02/15/2022	99,098	102,210
	210,000 Occidental Petroleum Corp. Sr Unsecured 4.10% 02/15/2047	209,589	204,549
	180,000 Occidental Petroleum Corp. Sr Unsecured 3.40% 04/15/2026	179,616	181,358
	70,000 Occidental Petroleum Corp. Sr Unsecured 4.40% 04/15/2046	69,362	71,234
	690,000 Petrobras Global Finance BV Company Guarantee 5.375% 01/27/2021	683,986	674,820
	132,000 Petrobras Global Finance BV Company Guarantee 5.75% 01/20/2020	132,306	133,650
	300,000 Petroleos Mexicanos Company Guarantee 6.375% 01/23/2045	297,831	273,000
	300,000 Petroleos Mexicanos Company Guarantee 6.625% 06/15/2035	327,112	295,500
	40,000 Petroleos Mexicanos Company Guarantee 5.50% 06/27/2044	40,733	33,288
	20,000 Petroleos Mexicanos Company Guarantee 144A 6.875% 08/04/2026	19,965	21,100
	130,000 Pride International, Inc. Company Guarantee 8.50% 06/15/2019	128,307	144,950
	70,000 Pride International, Inc. Company Guarantee 6.875% 08/15/2020	65,294	74,725
	130,000 QEP Resources, Inc. Sr Unsecured 6.875% 03/01/2021	133,021	138,125
	370,000 Range Resources Corp. Company Guarantee 4.875% 05/15/2025	365,282	358,437
	620,000 Sanchez Energy Corp. Company Guarantee 7.75% 06/15/2021	466,897	630,850
	270,000 Schlumberger Holdings Corp. Sr Unsecured 144A 3.00% 12/21/2020	269,508	275,711
	20,000 Shelf Drilling Holdings Ltd. Secured 144A 8.625% 11/01/2018	20,360	16,800
	200,000 Shell International Finance BV Company Guarantee 6.375% 12/15/2038	247,149	257,917
	40,000 Shell International Finance BV Company Guarantee 4.00% 05/10/2046	41,911	38,250
	70,000 Shell International Finance BV Company Guarantee 4.125% 05/11/2035	70,519	71,474
	310,000 Shell International Finance BV Company Guarantee 4.375% 05/11/2045	309,400	314,023
	50,000 SM Energy Co. Sr Unsecured 5.00% 01/15/2024	27,633	47,125
	140,000 Southern Natural Gas Co. LLC Sr Unsecured 8.00% 03/01/2032	160,507	175,286
	150,000 Statoil ASA Company Guarantee 3.125% 08/17/2017	149,826	151,708
	410,000 Vale Overseas Ltd. Company Guarantee 6.875% 11/21/2036	396,595	403,850
	100,000 Whiting Petroleum Corp. Company Guarantee 6.25% 04/01/2023	71,048	100,000
	382,000 Williams Cos., Inc. Sr Unsecured 7.875% 09/01/2021	440,305	436,435
	40,000 WPX Energy, Inc. Sr Unsecured 6.00% 01/15/2022	38,421	41,000
	Total Energy	4.73% 12,209,287	12,691,832

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
December 31, 2016

Principal Amount†		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Financials</i>			
\$	100,000 1011778 BC ULC / New Red Finance, Inc. Secured 144A 6.00% 04/01/2022	\$	100,000 \$
	320,000 ABN AMRO Bank N.V. Subordinated 144A 4.75% 07/28/2025		319,241
	560,000 American International Group, Inc. Sr Unsecured 3.75% 07/10/2025		558,300
	80,000 Anthem, Inc. Sr Unsecured 3.125% 05/15/2022		79,764
	120,000 Anthem, Inc. Sr Unsecured 5.875% 06/15/2017		120,026
	270,000 Bank of America Corp. Jr Subordinated Series X 6.25% 09/05/2024		270,000
	160,000 Bank of America Corp. Sr Unsecured 3.30% 01/11/2023		157,420
	290,000 Bank of America Corp. Sr Unsecured 4.00% 04/01/2024		289,371
	300,000 Bank of America Corp. Sr Unsecured 4.10% 07/24/2023		298,133
	240,000 Bank of America Corp. Sr Unsecured 5.00% 05/13/2021		253,138
	30,000 Bank of America Corp. Sr Unsecured 5.75% 12/01/2017		30,658
	400,000 Bank of America Corp. Sr Unsecured 3.875% 08/01/2025		399,363
	20,000 Bank of America Corp. Sr Unsecured Series L 2.60% 01/15/2019		19,999
	110,000 Bank of America Corp. Sr Unsecured Series L 5.65% 05/01/2018		114,192
	1,460,000 Bank of America Corp. Subordinated 4.20% 08/26/2024	1,464,484	1,487,308
	70,000 Bank of America Corp. Subordinated 4.45% 03/03/2026		74,305
	60,000 BHP Billiton Finance USA Ltd. Company Guarantee 2.875% 02/24/2022		60,204
	80,000 BNP Paribas S.A. Sr Unsecured 2.375% 09/14/2017		80,113
	10,000 BP Capital Markets PLC Company Guarantee 3.245% 05/06/2022		10,049
	10,000 BP Capital Markets PLC Company Guarantee 3.561% 11/01/2021		10,000
	370,000 BP Capital Markets PLC Company Guarantee 3.506% 03/17/2025		369,899
	300,000 CIT Group, Inc. Sr Unsecured 5.00% 08/01/2023		298,387
	110,000 Citigroup, Inc. Jr Subordinated Series D 5.35% 05/15/2023		110,000
	190,000 Citigroup, Inc. Jr Subordinated Series M 6.30% 05/15/2024		189,804
	790,000 Citigroup, Inc. Jr Subordinated Series P 5.95% 05/15/2025		790,000
	504,000 Citigroup, Inc. Sr Unsecured 4.65% 07/30/2045		505,020
	292,000 Citigroup, Inc. Sr Unsecured 8.125% 07/15/2039		420,374
	50,000 Citigroup, Inc. Subordinated 4.05% 07/30/2022		51,255
	671,000 Citigroup, Inc. Subordinated 5.30% 05/06/2044		720,367
	1,090,000 Citigroup, Inc. Subordinated 5.50% 09/13/2025	1,166,302	1,197,922
	40,000 Citigroup, Inc. Subordinated 6.625% 06/15/2032		46,143
	110,000 Citigroup, Inc. Subordinated 6.675% 09/13/2043		121,297
	540,000 Citigroup, Inc. Subordinated 4.45% 09/29/2027		543,778
	170,000 Commonwealth Bank of Australia Sr Unsecured 144A 5.00% 10/15/2019		170,745
	350,000 Credit Suisse Group Funding Guernsey Ltd. Company Guarantee 4.875% 05/15/2045		347,378
	440,000 Ford Motor Credit Co. LLC Sr Unsecured 8.125% 01/15/2020		496,948
	8,000 Goldman Sachs Capital II Limited Guarantee 4.00% 01/30/2017		6,318
	270,000 Goldman Sachs Group, Inc. Sr Unsecured 3.50% 11/16/2026		267,687
	1,040,000 Goldman Sachs Group, Inc. Sr Unsecured 4.00% 03/03/2024	1,064,985	1,078,916
	320,000 Goldman Sachs Group, Inc. Sr Unsecured 6.25% 02/01/2041		321,358
	210,000 Goldman Sachs Group, Inc. Sr Unsecured Series D 6.00% 06/15/2020		218,295
	40,000 Goldman Sachs Group, Inc. Subordinated 6.75% 10/01/2037		44,102
	270,000 Goldman Sachs Group, Inc. Subordinated 5.15% 05/22/2045		263,399
	20,000 Goldman Sachs Group, Inc. Subordinated 6.45% 05/01/2036		23,844
	230,000 HSBC Finance Corp. Subordinated 6.676% 01/15/2021		247,967
	240,000 HSBC Holdings PLC Jr Subordinated 6.375% 09/17/2024		240,000
	820,000 HSBC Holdings PLC Sr Unsecured 3.40% 03/08/2021		818,415
	650,000 HSBC Holdings PLC Subordinated 4.25% 08/18/2025		645,272
	900,000 Intesa Sanpaolo S.p.A. Subordinated 144A 5.017% 06/26/2024		897,528
	150,000 JPMorgan Chase & Co. Sr Unsecured 4.35% 08/15/2021		158,555
	430,000 JPMorgan Chase & Co. Subordinated 6.125% 06/27/2017		431,046
	100,000 JPMorgan Chase & Co. Subordinated 4.25% 10/01/2027		107,093
	380,000 JPMorgan Chase & Co. Subordinated 4.95% 06/01/2045		378,929
	50,000 KKR Group Finance Co. II LLC Company Guarantee 144A 5.50% 02/01/2043		50,889

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Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Financials (continued)</i>			
\$	790,000 Lehman Brothers Holdings, Inc. Jr Subordinated 6.50% 07/19/2017	\$ 786,387	\$ 4,132
	760,000 MetLife, Inc. Jr Subordinated 6.40% 12/15/2066	789,800	820,800
	40,000 Morgan Stanley Sr Unsecured 4.75% 03/22/2017	39,996	40,301
	890,000 Royal Bank of Scotland Group PLC Subordinated 5.125% 05/28/2024	906,095	887,402
	100,000 Royal Bank of Scotland N.V. Company Guarantee 4.65% 06/04/2018	102,183	101,661
	20,000 SESI LLC Company Guarantee 7.125% 12/15/2021	20,000	20,350
	200,000 Standard Chartered PLC Subordinated 144A 5.70% 03/26/2044	209,628	199,749
	230,000 State Street Corp. Jr Subordinated 4.956% 03/15/2018	231,556	237,618
	180,000 Teachers Insurance & Annuity Association of America Subordinated 144A 6.85% 12/16/2039	185,199	233,590
	240,000 UBS Group Funding Jersey Ltd. Company Guarantee 144A 4.125% 09/24/2025	239,599	244,624
	31,000 Voya Financial, Inc. Company Guarantee 2.90% 02/15/2018	31,046	31,384
	500,000 Wells Fargo & Co. Sr Unsecured 3.00% 10/23/2026	499,390	476,199
	50,000 Wells Fargo & Co. Sr Unsecured 4.60% 04/01/2021	51,811	53,727
1,070,000	Wells Fargo & Co. Subordinated 4.30% 07/22/2027	1,072,646	1,100,574
	70,000 Wells Fargo & Co. Subordinated 4.40% 06/14/2046	69,723	66,994
	280,000 Wells Fargo & Co. Subordinated 4.75% 12/07/2046	279,469	284,160
	130,000 Wells Fargo & Co. Subordinated 5.375% 11/02/2043	129,633	143,474
	410,000 Wells Fargo & Co. Subordinated Series M 3.45% 02/13/2023	398,560	411,476
	Total Financials	8.55% 23,284,860	22,940,444
<i>Health Care</i>			
	210,000 Abbott Laboratories Sr Unsecured 4.75% 11/30/2036	208,661	213,491
	320,000 Abbott Laboratories Sr Unsecured 3.75% 11/30/2026	317,641	317,789
	80,000 AbbVie, Inc. Sr Unsecured 2.90% 11/06/2022	79,552	79,020
	120,000 ACE INA Holdings, Inc. Company Guarantee 2.30% 11/03/2020	119,948	119,973
	110,000 ACE INA Holdings, Inc. Company Guarantee 3.35% 05/03/2026	109,796	111,420
	300,000 Aetna, Inc. Sr Unsecured 2.40% 06/15/2021	299,973	298,642
	70,000 Aetna, Inc. Sr Unsecured 2.80% 06/15/2023	69,905	68,951
	260,000 Aetna, Inc. Sr Unsecured 3.20% 06/15/2026	259,074	257,210
	60,000 Aetna, Inc. Sr Unsecured 4.375% 06/15/2046	59,143	60,249
	10,000 Amgen, Inc. Sr Unsecured 3.625% 05/22/2024	9,987	10,172
	69,000 Amgen, Inc. Sr Unsecured 144A 4.663% 06/15/2051	71,405	66,316
	240,000 Ardagh Packaging Finance PLC / Ardagh Holdings USA, Inc. Sr Secured 144A 4.625% 05/15/2023	240,000	238,051
	61,000 Becton Dickinson & Co. Sr Unsecured 3.734% 12/15/2024	63,182	62,380
	80,000 Becton Dickinson and Co. Sr Unsecured 4.685% 12/15/2044	79,028	82,876
	100,000 Celgene Corp. Sr Unsecured 3.625% 05/15/2024	99,696	100,489
	140,000 Celgene Corp. Sr Unsecured 3.875% 08/15/2025	138,828	142,003
	90,000 Celgene Corp. Sr Unsecured 5.00% 08/15/2045	89,904	93,576
	150,000 Celgene Corp. Sr Unsecured 5.25% 08/15/2043	153,722	158,231
	120,000 Celulosa Arauco y Constitucion S.A. Sr Unsecured 4.75% 01/11/2022	120,615	124,841
	130,000 Centene Corp. Sr Unsecured 4.75% 05/15/2022	131,024	131,300
	150,000 Centene Corp. Sr Unsecured 4.75% 01/15/2025	150,000	146,438
	30,000 DaVita, Inc. Company Guarantee 5.00% 05/01/2025	30,145	29,513
	10,000 Gilead Sciences, Inc. Sr Unsecured 3.65% 03/01/2026	10,016	10,139
	330,000 Gilead Sciences, Inc. Sr Unsecured 3.70% 04/01/2024	337,361	338,720
	140,000 Gilead Sciences, Inc. Sr Unsecured 4.75% 03/01/2046	143,149	144,854
	50,000 Humana, Inc. Sr Unsecured 4.625% 12/01/2042	50,763	47,970
	170,000 Humana, Inc. Sr Unsecured 7.20% 06/15/2018	172,677	182,739
	100,000 Merck & Co., Inc. Sr Unsecured 2.75% 02/10/2025	99,863	98,186
	Regency Energy Partners L.P. / Regency Energy Finance Corp. Company Guarantee 4.50%		
	50,000 11/01/2023	50,000	50,736
	Regency Energy Partners L.P. / Regency Energy Finance Corp. Company Guarantee 5.875%		
	128,000 03/01/2022	129,762	140,807

Hand Composite Employee Benefit Trust
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Principal Amount†		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Health Care (continued)</i>			
\$	70,000 Spectrum Brands, Inc. Company Guarantee 5.75% 07/15/2025	\$ 72,683	\$ 72,625
	10,000 Telefonica Emisiones SAU Company Guarantee 5.877% 07/15/2019	10,022	10,838
	60,000 Telefonica Emisiones SAU Company Guarantee 6.221% 07/03/2017	59,732	61,347
	60,000 Tenet Healthcare Corp. Sr Unsecured 8.125% 04/01/2022	59,194	56,610
	80,000 Thermo Fisher Scientific, Inc. Sr Unsecured 3.60% 08/15/2021	79,923	82,681
	9,354 UAL 2009-2A Pass-Through Trust Series 09-2 9.75% 07/15/2018	9,349	9,384
	200,000 UnitedHealth Group, Inc. Sr Unsecured 2.75% 02/15/2023	202,046	198,888
	70,000 UnitedHealth Group, Inc. Sr Unsecured 3.375% 11/15/2021	69,798	72,641
	220,000 UnitedHealth Group, Inc. Sr Unsecured 3.75% 07/15/2025	219,477	227,751
	60,000 Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 5.375% 03/15/2020	60,000	50,700
	20,000 Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 5.875% 05/15/2023	17,121	15,100
	90,000 Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 6.125% 04/15/2025	74,269	67,613
	280,000 Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 7.50% 07/15/2021	288,881	237,300
	180,000 Wyeth LLC Company Guarantee 5.95% 04/01/2037	207,515	226,520
	Total Health Care	1.98% 5,324,830	5,317,080
<i>Industrials</i>			
	290,000 Actavis Funding SCS Company Guarantee 3.80% 03/15/2025	293,169	290,342
	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust Company Guarantee 3.75% 05/15/2019	639,302	652,000
	39,000 Barrick North America Finance LLC Company Guarantee 4.40% 05/30/2021	39,169	40,983
	120,000 Barrick North America Finance LLC Company Guarantee 5.70% 05/30/2041	117,172	122,473
	220,000 Boeing Co. Sr Unsecured 4.875% 02/15/2020	224,665	239,181
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 6.384% 10/23/2035	60,000	68,510
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 6.484% 10/23/2045	101,636	115,608
	100,000 Eaton Corp. Company Guarantee 1.50% 11/02/2017	99,916	100,083
	360,000 Eaton Corp. Company Guarantee 2.75% 11/02/2022	354,253	356,556
	110,000 Eaton Corp. Company Guarantee 4.15% 11/02/2042	110,801	107,522
	300,000 Equate Petrochemical BV Company Guarantee 144A 4.25% 11/03/2026	296,391	286,284
	90,000 Florida East Coast Holdings Corp. Sr Secured 144A 6.75% 05/01/2019	91,073	93,150
	50,000 General Electric Capital Corp. Sr Unsecured 4.375% 09/16/2020	50,624	53,743
	106,000 General Electric Co. Sr Unsecured 4.65% 10/17/2021	113,963	116,276
	529,000 General Electric Co. Sr Unsecured 6.875% 01/10/2039	734,853	745,859
	121,000 General Electric Co. Subordinated 5.30% 02/11/2021	134,279	134,196
	10,000 Hess Corp. Sr Unsecured 7.30% 08/15/2031	11,002	11,647
	140,000 International Lease Finance Corp. Sr Unsecured 8.625% 01/15/2022	168,881	168,175
	40,000 Lockheed Martin Corp. Sr Unsecured 3.10% 01/15/2023	40,301	40,437
	80,000 Lockheed Martin Corp. Sr Unsecured 4.50% 05/15/2036	85,140	85,054
	140,000 Navient Corp. Sr Unsecured 8.00% 03/25/2020	139,948	155,316
	100,000 NBCUniversal Enterprise, Inc. Company Guarantee 144A 1.974% 04/15/2019	100,372	100,361
	170,000 Time Warner Entertainment Co. L.P. Sr Secured 8.375% 07/15/2033	188,880	222,736
	210,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 144A 7.85% 02/01/2026	211,709	264,803
	160,000 United Rentals North America, Inc. Company Guarantee 5.75% 11/15/2024	162,987	168,000
	160,000 United Technologies Corp. Sr Unsecured 4.50% 06/01/2042	161,422	171,265
	560,000 Wachovia Capital Trust III Limited Guarantee 5.57% 01/30/2017	545,254	549,528
	100,000 Waste Management, Inc. Company Guarantee 3.50% 05/15/2024	99,806	103,104
	80,000 Waste Management, Inc. Company Guarantee 7.375% 05/15/2029	95,877	104,448
	180,000 West Corp. Company Guarantee 144A 5.375% 07/15/2022	169,972	173,925
	80,000 West Corp. Sr Secured 144A 4.75% 07/15/2021	80,000	81,800
	Total Industrials	2.21% 5,722,817	5,923,365

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i><u>Corporate Bonds (continued)</u></i>			
<i>Information Technology</i>			
\$	320,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 2.65% 02/01/2021	\$ 319,175	\$ 321,838
	1,100,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 3.65% 02/01/2026	1,098,308	1,116,709
	400,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 4.90% 02/01/2046	399,340	432,348
	60,000 Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 5.00% 04/15/2020	60,506	65,217
	110,000 Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 5.375% 01/15/2020	109,744	119,976
	480,000 Apple, Inc. Sr Unsecured 2.45% 08/04/2026	478,737	450,503
	680,000 CNOOC Finance 2015 USA LLC Company Guarantee 3.50% 05/05/2025	673,437	660,922
	120,000 ConocoPhillips Holding Co. Sr Unsecured 6.95% 04/15/2029	131,431	150,907
	220,000 Enterprise Products Operating LLC Company Guarantee Series A 4.593% 08/01/2066	220,000	206,917
	200,000 Fiat Chrysler Automobiles N.V. Sr Unsecured 4.50% 04/15/2020	202,161	204,000
	286,000 First Data Corp. Sr secured 144A 5.00% 01/15/2024	286,602	287,522
	100,000 Harris Corp. Sr Unsecured 5.054% 04/27/2045	100,604	105,582
	200,000 ING Bank N.V. Subordinated 144A 5.80% 09/25/2023	202,043	219,758
	70,000 Intel Corp. Sr Unsecured 3.70% 07/29/2025	69,908	73,833
	120,000 Intel Corp. Sr Unsecured 4.90% 07/29/2045	123,579	134,242
	100,000 Lloyds Bank PLC Company Guarantee 144A 6.50% 09/14/2020	100,678	110,603
	250,000 Lloyds Banking Group PLC Subordinated 4.50% 11/04/2024	248,841	254,412
	530,000 Microsoft Corp. Sr Unsecured 2.40% 08/08/2026	529,091	500,689
	20,000 Microsoft Corp. Sr Unsecured 3.45% 08/08/2036	19,918	19,007
	20,000 National Semiconductor Corp. Sr Unsecured 6.60% 06/15/2017	20,066	20,497
	200,000 Oracle Corp. Sr Unsecured 1.20% 10/15/2017	199,900	200,047
	200,000 SFR Group S.A. Sr Secured 144A 7.375% 05/01/2026	201,515	205,000
	400,000 Visa, Inc. Sr Unsecured 4.30% 12/14/2045	407,436	422,206
	WEA Finance LLC / Westfield UK & Europe Finance PLC Company Guarantee 144A 3.75%		
	300,000 09/17/2024	299,104	303,338
	Total Information Technology	2.45% 6,502,124	6,586,073
<i>Materials</i>			
	100,000 ArcelorMittal Sr Unsecured 8.00% 10/15/2039	79,257	109,734
	164,000 Barrick Gold Corp. Sr Unsecured 4.10% 05/01/2023	160,931	168,238
	510,000 Bharti Airtel Ltd. Sr Unsecured 144A 4.375% 06/10/2025	507,816	502,959
	40,000 Ecolab, Inc. Sr Unsecured 4.35% 12/08/2021	40,543	43,226
	160,000 Enso PLC Sr Unsecured 4.70% 03/15/2021	148,805	153,907
	170,000 Freeport-McMoRan, Inc. Company Guarantee 4.00% 11/14/2021	169,889	165,750
	32,000 Freeport-McMoRan, Inc. Company Guarantee 144A 6.50% 11/15/2020	32,868	32,880
	46,000 Freeport-McMoRan, Inc. Company Guarantee 144A 6.875% 02/15/2023	49,292	48,300
	180,000 GlaxoSmithKline Capital PLC Company Guarantee 2.85% 05/08/2022	178,208	181,446
	200,000 Nordea Bank AB Subordinated 144A 4.25% 09/21/2022	204,736	208,339
	280,000 OCP S.A. Sr Unsecured 144A 4.50% 10/22/2025	272,539	267,506
	10,000 Potash Corp. of Saskatchewan, Inc. Sr Unsecured 4.875% 03/30/2020	10,262	10,631
	400,000 Southern Copper Corp. Sr Unsecured 5.25% 11/08/2042	393,280	366,472
	Total Materials	0.84% 2,248,426	2,259,388
<i>Telecommunication Services</i>			
	670,000 AT&T, Inc. Sr Unsecured 3.40% 05/15/2025	673,173	645,761
	30,000 AT&T, Inc. Sr Unsecured 4.45% 05/15/2021	32,059	31,727
	344,000 AT&T, Inc. Sr Unsecured 4.50% 03/09/2048	349,715	309,109
	30,000 AT&T, Inc. Sr Unsecured 5.50% 02/01/2018	31,085	31,170

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i><u>Corporate Bonds (continued)</u></i>			
<i>Telecommunication Services (continued)</i>			
\$	120,000 British Telecommunications PLC Sr Unsecured 9.125% 12/15/2030	\$ 143,452	\$ 183,082
	100,000 CenturyLink, Inc. Sr Unsecured Series Q 6.15% 09/15/2019	104,739	107,000
	70,000 Rogers Communications, Inc. Company Guarantee 6.80% 08/15/2018	70,702	75,477
	230,000 Sprint Communications, Inc. Company Guarantee 144A 9.00% 11/15/2018	247,129	253,575
	260,000 Sprint Corp. Company Guarantee 7.625% 02/15/2025	241,642	273,325
	20,000 Verizon Communications, Inc. Sr Unsecured 2.45% 11/01/2022	19,993	19,318
	470,000 Verizon Communications, Inc. Sr Unsecured 5.15% 09/15/2023	501,582	519,699
	284,000 Verizon Communications, Inc. Sr Unsecured 6.55% 09/15/2043	354,453	354,710
	Total Telecommunication Services	1.04% 2,769,724	2,803,953
<i>Utilities</i>			
	420,000 AES Corp. Sr Unsecured 5.50% 04/15/2025	408,244	420,000
	160,000 Duke Energy Carolinas LLC 5.30% 02/15/2040	164,792	189,786
	720,000 FirstEnergy Corp. Sr Unsecured Series C 7.375% 11/15/2031	793,964	928,007
	460,000 Pacific Gas & Electric Co. Sr Unsecured 6.05% 03/01/2034	566,368	575,675
	Total Utilities	0.79% 1,933,368	2,113,468
	Total Corporate Bonds	27.17% 71,982,943	72,912,485
<i><u>Floating Rate Loans</u></i>			
<i>Consumer Discretionary</i>			
	512,336 1011778 B.C. Unlimited Liability Company Term Loan B2 3.75% 12/10/2021	511,446	516,178
	372,082 Academy, Ltd. 2015 Term Loan B 5.00% 07/01/2022	370,563	343,246
	389,025 Albertsons LLC USD 2016 Term Loan B4 3.75% 08/22/2021	390,852	393,037
	130,000 Albertsons LLC USD 2016 Term Loan B6 4.061% 06/22/2023	130,781	131,788
	65,421 Aristocrat Technologies, Inc. 2016 Term Loan B 3.631% 10/20/2021	65,576	66,042
	259,350 Boyd Gaming Corporation Term Loan B2 3.756% 09/15/2023	260,605	261,565
	342,963 CSC Holdings LLC 2016 Term Loan 3.876% 10/11/2024	346,243	346,392
	172,034 Dollar Tree, Inc. Term Loan B3 3.25% 07/06/2022	173,275	173,252
	3,707 Hilton Worldwide Finance LLC Term Loan B1 3.50% 10/26/2020	3,441	3,735
	393,924 Neiman Marcus Group Ltd., Inc. 2020 Term Loan 4.25% 10/25/2020	393,554	342,356
	379,544 Party City Holdings, Inc. 2016 Term Loan 3.82% 08/19/2022	378,763	381,619
	652,594 PetSmart, Inc. Term Loan B2 4.00% 03/11/2022	654,001	654,596
	245,368 Univision Communications, Inc. Term Loan C3 4.00% 03/01/2020	244,709	246,211
	520,000 UPC Financing Partnership USD Term Loan AN 4.08% 08/31/2024	518,730	524,940
	129,426 Ziggo Financing Partnership USD Term Loan B1 3.50% 01/15/2022	129,034	129,772
	76,702 Ziggo Financing Partnership USD Term Loan B2A 3.50% 01/15/2022	76,470	76,908
	23,833 Ziggo Financing Partnership USD Term Loan B3 3.70% 01/15/2022	23,761	23,897
	Total Consumer Discretionary	1.72% 4,671,804	4,615,534
<i>Consumer Staples</i>			
	194,136 Keurig Green Mountain, Inc. USD Term Loan B 5.313% 03/03/2023	190,635	196,886
	103,763 Reynolds Group Holdings, Inc. 2016 USD Term Loan 4.25% 02/05/2023	104,153	104,825
	Total Consumer Staples	0.11% 294,788	301,711

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i><u>Floating Rate Loans (continued)</u></i>			
<i>Energy</i>			
\$ 287,328	Murray Energy Corp. Term Loan B2 8.25% 04/16/2020	\$ 281,229	\$ 273,321
	Total Energy	0.10% 281,229	273,321
<i>Financials</i>			
291,000	Syncreon Global Finance (US), Inc. Term Loan B 5.25% 10/28/2020	290,120	259,960
	Total Financials	0.10% 290,120	259,960
<i>Health Care</i>			
422,171	DPx Holdings B.V. 2014 USD Incremental Term Loan 4.25% 03/11/2021	421,166	424,634
497,475	Jaguar Holding Company II 2015 Term Loan B 4.25% 08/18/2022	499,403	501,931
463,977	MPH Acquisition Holdings LLC 2016 Term Loan B 5.00% 06/07/2023	466,097	471,765
476,400	Select Medical Corp. Series F Term Loan B 6.00% 03/03/2021	468,227	484,141
1,830	Valeant Pharmaceuticals International, Inc. Term Loan B F1 5.50% 04/01/2022	1,830	1,831
	Total Health Care	0.70% 1,856,723	1,884,302
<i>Industrials</i>			
520,000	American Airlines, Inc. New Term Loan 3.256% 06/27/2020	520,408	522,275
147,348	Brickman Group Ltd. LLC 1st Lien Term Loan 4.00% 12/18/2020	147,164	147,454
497,487	T-Mobile USA, Inc. Term Loan B 3.52% 11/09/2022	501,087	502,640
326,568	XPO Logistics, Inc. Term Loan B2 4.25% 11/01/2021	326,568	330,405
	Total Industrials	0.56% 1,495,227	1,502,774
<i>Information Technology</i>			
90,197	First Data Corp. 2016 USD Term Loan 3.756% 03/24/2021	90,261	91,043
186,591	First Data Corporation USD 2016 Repriced Term Loan 3.756% 07/10/2022	186,815	188,550
	Total Information Technology	0.10% 277,076	279,593
<i>Telecommunication Services</i>			
441,131	Virgin Media Investment Holdings Limited USD Term Loan I 2.75% 01/31/2025	440,028	442,785
	Total Telecommunication Services	0.17% 440,028	442,785
<i>Utilities</i>			
1,270,000	Energy Future Intermediate Holding Co. LLC 2016 DIP Term Loan 4.25% 06/30/2017	1,270,685	1,277,303
	Total Utilities	0.48% 1,270,685	1,277,303
	Total Floating Rate Loans	4.04% 10,877,680	10,837,283
<i><u>Foreign Government</u></i>			
<i>Argentina</i>			
210,000	Argentine Government International Bond Sr Unsecured 144A 7.125% 07/06/2036	215,486	199,763
230,000	Argentine Government International Bond Sr Unsecured 144A 7.50% 04/22/2026	230,000	241,500
150,000	Argentine Government International Bond Sr Unsecured 144A 7.625% 04/22/2046	143,675	150,000
	Total Argentina	0.22% 589,161	591,263

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i><u>Foreign Government (continued)</u></i>			
<i>Brazil</i>			
BRL	\$ 9,718,000 Brazil Notas do Tesouro Nacional 10.00% 01/01/2021	\$ 2,880,571	\$ 2,875,446
BRL	4,783,000 Brazil Notas do Tesouro Nacional 10.00% 01/01/2023	1,240,619	1,382,632
	500,000 Brazilian Government International Bond Sr Unsecured 5.00% 01/27/2045	419,268	405,600
	460,000 Brazilian Government International Bond Sr Unsecured 5.625% 01/07/2041	427,828	409,262
	Total Brazil	1.89% 4,968,286	5,072,940
<i>Colombia</i>			
	400,000 Colombia Government International Bond Sr Unsecured 5.625% 02/26/2044	421,738	412,000
	Total Colombia	0.15% 421,738	412,000
<i>Indonesia</i>			
	210,000 Indonesia Government International Bond Sr Unsecured REGS 3.75% 04/25/2022	204,030	210,786
	520,000 Indonesia Government International Bond Sr Unsecured REGS 5.125% 01/15/2045	595,976	518,833
	Total Indonesia	0.27% 800,006	729,619
<i>Mexico</i>			
MXN	21,353,000 Mexican Bonos 6.50% 06/09/2022	1,584,343	994,526
MXN	59,526,300 Mexican Bonos Sr Unsecured 7.75% 11/13/2042	4,390,298	2,828,417
	910,000 Mexico Government International Bond Sr Unsecured 5.55% 01/21/2045	961,691	930,475
	Total Mexico	1.77% 6,936,332	4,753,418
<i>Peru</i>			
	240,000 Peruvian Government International Bond Sr Unsecured 5.625% 11/18/2050	270,067	271,800
	Total Peru	0.10% 270,067	271,800
<i>Poland</i>			
PLN	890,000 Poland Government Bond 2.00% 04/25/2021	223,928	205,642
PLN	2,690,000 Poland Government Bond 2.50% 07/25/2026	658,756	584,007
PLN	12,470,000 Poland Government Bond 3.25% 07/25/2025	3,406,492	2,924,333
	550,000 Republic of Poland Government International Bond Sr Unsecured 4.00% 01/22/2024	566,572	562,517
	Total Poland	1.60% 4,855,748	4,276,499
<i>Portugal</i>			
	410,000 Portugal Government International Bond Sr Unsecured 144A 5.125% 10/15/2024	411,875	396,675
	Total Portugal	0.15% 411,875	396,675
<i>Russia</i>			
RUB	72,270,000 Russian Federal Bond 7.05% 01/19/2028	969,397	1,077,018
RUB	33,890,000 Russian Federal Bond 8.15% 02/03/2027	502,662	550,241
	Total Russia	0.61% 1,472,059	1,627,259
	Total Foreign Government	6.76% 20,725,272	18,131,473

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
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Principal Amount†		Cost	Fair Value
<i><u>Asset-Backed Securities</u></i>			
\$ 1,440,248	Airspeed Ltd. Series 2007-1A, Class G1, 144A .974% 06/15/2032	\$ 1,213,635	\$ 1,125,194
	Asset Backed Securities Corp. Home Equity Loan Trust Series 2003-HE7, Class M1 1.513%		
1,369,160	12/15/2033	1,302,088	1,290,066
1,320,000	Community Funding CLO Series 2015-1A, Class A, 144A 5.75% 11/01/2027	1,320,000	1,235,784
	Greenpoint Manufactured Housing Pass-Through Certificates Series 2001-2, Class IA2 4.037%		
150,000	02/20/2032	132,537	135,458
	Greenpoint Manufactured Housing Pass-Through Certificates Series 2001-2, Class IIA2 4.038%		
225,000	03/13/2032	198,736	202,383
160,000	Hertz Vehicle Financing LLC Series 2013-1A, Class A2, 144A 1.83% 08/25/2019	159,971	158,885
1,521,593	JG Wentworth XXXV LLC Series 2015-2A, Class A, 144A 3.87% 03/15/2058	1,520,448	1,482,308
2,145,601	MASTR Asset Backed Securities Trust Series 2007-NCW, Class A1, 144A 1.056% 05/25/2037	1,968,499	1,813,874
	549,254 SBA Small Business Investment Cos. Series 2016-10A, Class 1 2.507% 03/10/2026	549,254	547,662
1,196,197	SLM Student Loan Trust Series 2008-5, Class A4 2.582% 07/25/2023	1,206,897	1,202,858
1,298,690	SLM Student Loan Trust Series 2012-3, Class A 1.406% 12/26/2025	1,259,376	1,264,321
	349,778 SLM Student Loan Trust Series 2013-M1, Class M1, 144A 3.50% 10/28/2029	344,702	341,686
1,370,000	Structured Asset Investment Loan Trust Series 2005-HE3, Class M1 1.476% 09/25/2035	1,274,029	1,276,267
Total Asset-Backed Securities		4.50%	12,450,172
<i><u>Collateralized Mortgage Obligations</u></i>			
	1 Alternative Loan Trust Series 2005-38, Class A3 1.106% 09/25/2035	1	1
367,677	Alternative Loan Trust Series 2006-OA22, Class A1 .916% 02/25/2047	260,509	308,706
1,260,079	American Home Mortgage Investment Trust Series 2005-1, Class 1A2 1.144% 06/25/2045	1,207,569	1,207,010
588,922	Banc of America Funding Corp. Series 2015-R3, Class 3A1, 144A 1.301% 04/29/2047	572,224	575,865
2,980,000	Banc of America Funding Corp. Series 2015-R4, Class 4A2, 144A 4.50% 01/01/2030	2,980,000	2,849,723
	Chevy Chase Funding LLC Mortgage-Backed Certificates Series 2004-3A, Class A1, 144A 1.006%		
679,294	08/25/2035	619,565	606,216
160,360	Citigroup Mortgage Loan Trust, Inc. Series 2005-5, Class 1A5 3.346% 08/25/2035	129,064	131,918
	9,878 CSMC Series 2015-8R, Class 2A1, 144A 4.50% 06/27/2036	9,837	9,844
1,329,201	Federal Home Loan Mortgage Corp. Series 2015-DNA2, Class B 8.306% 12/25/2027	1,329,201	1,401,370
1,529,819	Federal Home Loan Mortgage Corp. Series 2015-DNA3, Class B 10.106% 04/25/2028	1,529,802	1,655,603
291,750	Federal Home Loan Mortgage Corp. Series 3281, Class AI, IO, REMIC 5.726% 02/15/2037	50,732	55,063
14,624	Federal Home Loan Mortgage Corp. Series 3621, Class SB, IO, REMIC 5.526% 01/15/2040	4,028	2,613
614,024	Federal Home Loan Mortgage Corp. Series 3947, Class SG, IO, REMIC 5.246% 10/15/2041	196,722	102,296
1,074,990	Federal Home Loan Mortgage Corp. Series 4092, Class AI, IO, REMIC 3.00% 09/15/2031	89,503	107,423
1,577,194	Federal Home Loan Mortgage Corp. Series 4096, Class PI, IO, REMIC 2.50% 08/15/2027	113,079	137,647
310,604	Federal Home Loan Mortgage Corp. Series 4099, Class ST, IO, REMIC 5.296% 08/15/2042	76,603	60,387
218,052	Federal Home Loan Mortgage Corp. Series 4210, Class Z, REMIC 3.00% 05/15/2043	184,855	208,495
357,026	Federal Home Loan Mortgage Corp. Series 4239, Class IO, IO, REMIC 3.50% 06/15/2027	45,111	38,956
157,949	Federal Home Loan Mortgage Corp. Series 4310, Class SA, IO, REMIC 5.246% 02/15/2044	30,377	27,004
324,488	Federal Home Loan Mortgage Corp. Series 4335, Class SW, IO, REMIC 5.296% 05/15/2044	67,202	58,983
1,022,959	Federal Home Loan Mortgage Corp. Series 4415, Class IO, IO, REMIC 2.11% 04/15/2041	80,423	61,320
158,396	Federal Home Loan Mortgage Corp. Series R007, Class ZA, REMIC 6.00% 05/15/2036	177,766	177,974
429,739	Federal National Mortgage Association Series 2005-29, Class ZA, REMIC 5.50% 04/25/2035	478,053	474,265
666,363	Federal National Mortgage Association Series 2006-115, Class EI, IO, REMIC 5.884% 12/25/2036	125,770	129,466
293,206	Federal National Mortgage Association Series 2010-150, Class SK, IO, REMIC 5.774% 01/25/2041	60,754	49,529
135,230	Federal National Mortgage Association Series 2011-59, Class NZ, REMIC 5.50% 07/25/2041	145,184	154,583
488,048	Federal National Mortgage Association Series 2011-87, Class SG, IO, REMIC 5.794% 04/25/2040	74,298	71,690
310,662	Federal National Mortgage Association Series 2011-96, Class SA, IO, REMIC 5.794% 10/25/2041	37,506	54,807
631,437	Federal National Mortgage Association Series 2012-118, Class CI, IO, REMIC 3.50% 12/25/2039	95,370	81,662
49,539	Federal National Mortgage Association Series 2012-28, Class B, REMIC 6.50% 06/25/2039	56,417	54,650
144,799	Federal National Mortgage Association Series 2012-46, Class BA, REMIC 6.00% 05/25/2042	162,874	164,108
94,371	Federal National Mortgage Association Series 2012-51, Class B, REMIC 7.00% 05/25/2042	109,908	108,323
48,094	Federal National Mortgage Association Series 2012-70, Class YS, IO, REMIC 5.894% 02/25/2041	10,070	7,019
125,190	Federal National Mortgage Association Series 2012-74, Class SA, IO, REMIC 5.894% 03/25/2042	14,629	22,092
35,642	Federal National Mortgage Association Series 2012-75, Class NS, IO, REMIC 5.844% 07/25/2042	7,024	6,958

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<i>Collateralized Mortgage Obligations (continued)</i>			
\$ 238,152	Federal National Mortgage Association Series 2013-9, Class BC, REMIC 6.50% 07/25/2042	\$ 281,089	\$ 271,707
550,401	Federal National Mortgage Association Series 2013-9, Class CB, REMIC 5.50% 04/25/2042	623,297	611,005
1,001,827	Federal National Mortgage Association Series 2014-47, Class AI, IO, REMIC 2.133% 08/25/2044	81,119	69,108
70,000	Federal National Mortgage Association Series 2014-C03, Class 1M2 3.756% 07/25/2024	69,920	70,190
200,000	Federal National Mortgage Association Series 2014-C04, Class 2M2 5.756% 11/25/2024	200,000	216,736
75,024	Federal National Mortgage Association Series 2015-55, Class IO, IO, REMIC 1.81% 08/25/2055	4,086	4,482
348,499	Federal National Mortgage Association Series 2015-56, Class AS, IO, REMIC 5.394% 08/25/2045	77,214	87,776
9,782,791	Federal National Mortgage Association Series 2015-M7, Class X2, IO .526% 12/25/2024	340,671	330,572
311,816	Federal National Mortgage Association Series 409, Class C13, IO, STRIPS 3.50% 11/25/2041	68,224	59,948
521,663	Federal National Mortgage Association Series 409, Class C17, IO, STRIPS 4.00% 11/25/2041	123,254	106,636
576,973	Federal National Mortgage Association Series 409, Class C2, IO, STRIPS 3.00% 04/25/2027	53,929	49,649
138,667	Federal National Mortgage Association Series 409, Class C22, IO, STRIPS 4.50% 11/25/2039	23,207	27,946
27,935	Government National Mortgage Association Series 2010-31, Class GS, IO, REMIC 5.761% 03/20/2039	3,591	2,621
59,501	Government National Mortgage Association Series 2010-42, Class BS, IO, REMIC 5.741% 04/20/2040	14,065	9,172
54,160	Government National Mortgage Association Series 2010-85, Class HS, IO, REMIC 5.911% 01/20/2040	7,130	7,960
435,491	Government National Mortgage Association Series 2010-H10, Class FC, REMIC 1.606% 05/20/2060	445,403	439,996
784,164	Government National Mortgage Association Series 2010-H20, Class AF, REMIC .86% 10/20/2060	784,163	775,663
141,604	Government National Mortgage Association Series 2011-H09, Class AF, REMIC 1.03% 03/20/2061	141,588	140,952
2,716,424	Government National Mortgage Association Series 2012-34, Class SA, IO, REMIC 5.311% 03/20/2042	536,827	516,709
2,300,147	Government National Mortgage Association Series 2012-43, Class SN, IO 5.893% 04/16/2042	524,464	534,371
747,997	Government National Mortgage Association Series 2012-66, Class CI, IO, REMIC 3.50% 02/20/2038	80,885	70,787
262,284	Government National Mortgage Association Series 2014-117, Class SJ, IO, REMIC 4.861% 08/20/2044	46,405	39,433
8,421,484	Government National Mortgage Association Series 2014-130, Class IB, IO, REMIC .911% 08/16/2054	520,225	465,545
1,388,061	Government National Mortgage Association Series 2014-176, Class IA, IO, REMIC 4.00% 11/20/2044	490,132	248,742
1,138,599	JP Morgan Resecuritization Trust Series 2014-6, Class 1A1, 144A .744% 07/27/2036	1,092,357	1,101,522
992,540	JP Morgan Resecuritization Trust Series 2014-6, Class 3A1, 144A .744% 07/27/2046	953,461	958,988
237,394	La Hipotecaria Panamanian Mortgage Trust Series 2007-1GA, Class A, 144A 4.00% 12/23/2036	217,512	231,459
322,358	Luminent Mortgage Trust Series 2006-6, Class A1 .956% 10/25/2046	232,337	275,242
290,990	MASTR Adjustable Rate Mortgages Trust Series 2007-R5, Class A1, 144A 3.012% 11/25/2035	254,997	217,757
1,718,912	Nomura Resecuritization Trust Series 2015-5R, Class 3A1, 144A .844% 02/26/2046	1,662,020	1,643,619
768,696	Nomura Resecuritization Trust Series 2015-6R, Class 3A1, 144A .724% 05/26/2046	735,869	741,958
223,249	Residential Asset Securitization Trust Series 2007-A7, Class A3 6.00% 07/25/2037	175,791	153,696
196,175	WaMu Mortgage Pass-Through Certificates Series 2004-AR11, Class A 2.839% 10/25/2034	187,830	197,123
306,343	WaMu Mortgage Pass-Through Certificates Trust Series 2006-AR14, Class 2A3 2.625% 11/25/2036	269,812	261,112
83,433	Washington Mutual MSC Mortgage Pass-Through Certificates Series 2004-RA2, Class 2A 7.00% 07/25/2033	82,743	90,079
255,190	Wells Fargo Alternative Loan Trust Series 2007-PA2, Class 2A1 1.186% 06/25/2037	185,081	186,925
	Total Collateralized Mortgage Obligations	8.34% 22,722,728	22,380,755

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<i><u>Mortgage-Backed Securities</u></i>			
\$	210,000 Citigroup Commercial Mortgage Trust Series 2014-GC25, Class AS 4.017% 10/10/2047	\$ 215,869	\$ 217,854
	690,000 Citigroup Commercial Mortgage Trust Series 2015-GC27, Class A5 3.137% 02/10/2048	681,813	688,930
	380,000 Citigroup Commercial Mortgage Trust Series 2015-GC29, Class D, 144A 3.11% 04/10/2048	316,002	262,165
	30,000 COMM Mortgage Trust Series 2013-CR12, Class AM 4.30% 10/10/2046	30,812	31,817
	30,000 COMM Mortgage Trust Series 2013-CR12, Class B 4.762% 10/10/2046	30,813	32,254
	10,000 COMM Mortgage Trust Series 2013-CR12, Class C 5.083% 10/10/2046	10,124	10,344
	240,000 COMM Mortgage Trust Series 2015-DC1, Class B 4.035% 02/10/2048	246,782	238,526
	70,000 COMM Mortgage Trust Series 2015-DC1, Class C 4.353% 02/10/2048	70,845	66,204
	20,000 Commercial Mortgage Pass-Through Certificates Series 2012-CR3, Class A3 2.822% 10/15/2045	20,388	20,247
	Commercial Mortgage Pass-Through Certificates Series 2012-CR3, Class XA, IO 2.076%		
3,403,144	10/15/2045	269,674	258,917
	200,000 Commercial Mortgage Pass-Through Certificates Series 2014-CR14, Class AM 4.526% 02/10/2047	214,635	214,629
1,450,000	CSMC Trust 2.378% 12/22/2018	1,444,637	1,449,771
	100,000 CSMC Trust Series 2014-USA, Class A2, 144A 3.953% 09/15/2037	102,704	102,047
	260,000 CSMC Trust Series 2015-GLPA, Class A, 144A 3.881% 11/15/2037	267,425	272,380
	900,000 CSMC Trust Series 2016-BDWN, Class A, 144A 3.439% 02/15/2029	900,000	907,408
	12 Federal Home Loan Mortgage Corp. 2.839% 07/01/2037	802	13
	232,042 Federal Home Loan Mortgage Corp. 3.50% 11/01/2042	244,278	239,059
	79,055 Federal Home Loan Mortgage Corp. 3.50% 12/01/2042	83,235	81,446
	168,176 Federal Home Loan Mortgage Corp. 3.50% 01/01/2043	176,976	173,260
	78,750 Federal Home Loan Mortgage Corp. 3.50% 01/01/2043	82,916	81,131
	88,337 Federal Home Loan Mortgage Corp. 3.50% 02/01/2043	93,013	91,011
	89,449 Federal Home Loan Mortgage Corp. 3.50% 02/01/2043	94,183	92,156
1,214,856	Federal Home Loan Mortgage Corp. 3.50% 03/01/2043	1,264,239	1,251,464
	351,276 Federal Home Loan Mortgage Corp. 3.50% 05/01/2043	373,167	361,658
3,501,510	Federal Home Loan Mortgage Corp. 3.50% 03/01/2045	3,660,028	3,607,179
	79,846 Federal Home Loan Mortgage Corp. 4.00% 10/01/2025	82,934	83,994
	69,976 Federal Home Loan Mortgage Corp. 4.00% 10/01/2042	76,869	74,141
	162,400 Federal Home Loan Mortgage Corp. 4.00% 04/01/2043	167,153	172,161
	75,483 Federal Home Loan Mortgage Corp. 4.00% 06/01/2043	77,902	79,958
	79,417 Federal Home Loan Mortgage Corp. 4.00% 06/01/2043	81,962	84,184
	149,242 Federal Home Loan Mortgage Corp. 4.00% 07/01/2043	154,584	158,818
	144,063 Federal Home Loan Mortgage Corp. 4.00% 07/01/2043	148,862	152,669
	84,752 Federal Home Loan Mortgage Corp. 4.00% 08/01/2043	86,774	89,852
	344,359 Federal Home Loan Mortgage Corp. 4.50% 06/01/2038	375,013	370,914
	841,132 Federal Home Loan Mortgage Corp. 4.50% 12/01/2043	900,582	920,601
	81,689 Federal Home Loan Mortgage Corp. 4.50% 12/01/2043	87,463	89,401
	661,759 Federal Home Loan Mortgage Corp. 4.50% 02/01/2044	708,558	724,330
	176,617 Federal Home Loan Mortgage Corp. 4.50% 03/01/2044	189,110	193,331
	70,765 Federal Home Loan Mortgage Corp. 4.50% 11/01/2044	77,828	76,679
	303,122 Federal Home Loan Mortgage Corp. 5.00% 03/01/2038	323,116	329,846
	303,025 Federal Home Loan Mortgage Corp. 5.00% 06/01/2041	337,722	334,389
	63,118 Federal Home Loan Mortgage Corp. 5.50% 04/01/2038	62,847	70,385
	68,335 Federal Home Loan Mortgage Corp. 5.50% 12/01/2038	73,975	76,573
	58,521 Federal Home Loan Mortgage Corp. 5.50% 12/01/2038	62,356	65,292
	160,814 Federal Home Loan Mortgage Corp. 6.00% 10/01/2036	179,110	183,965
	33,903 Federal Home Loan Mortgage Corp. 6.50% 09/01/2039	37,278	38,623
	68,113 Federal Home Loan Mortgage Corp. 6.50% 09/01/2039	74,535	76,932
	256,483 Federal Home Loan Mortgage Corp. Series K006, Class AX1, IO .989% 01/25/2020	5,084	6,435
	454,018 Federal Home Loan Mortgage Corp. Series K008, Class X1, IO 1.621% 06/25/2020	15,571	18,498
	453,962 Federal Home Loan Mortgage Corp. Series K015, Class X1, IO 1.614% 07/25/2021	2,886	27,744
	111,967 Federal Home Loan Mortgage Corp. Series K016, Class X1, IO 1.54% 10/25/2021	5,269	6,778
6,000,000	Federal Home Loan Mortgage Corp. TBA 3.00% 01/01/2047	5,964,340	5,957,846
	210,376 Federal National Mortgage Association 2.50% 10/01/2042	214,061	201,251
	66,450 Federal National Mortgage Association 3.00% 09/01/2042	69,200	66,431
	891,865 Federal National Mortgage Association 3.50% 06/01/2045	930,376	919,362

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<i><u>Mortgaged-Backed Securities (continued)</u></i>			
\$	466,080 Federal National Mortgage Association 3.50% 12/01/2045	\$ 481,745	\$ 479,095
	3,267,558 Federal National Mortgage Association 3.50% 12/01/2045	3,419,619	3,351,533
	3,392,787 Federal National Mortgage Association 4.00% 11/01/2041	3,623,231	3,596,565
	66,746 Federal National Mortgage Association 4.00% 04/01/2042	73,163	70,466
	445,835 Federal National Mortgage Association 4.00% 04/01/2042	488,698	470,951
	136,683 Federal National Mortgage Association 4.00% 08/01/2042	145,889	144,962
	66,874 Federal National Mortgage Association 4.00% 09/01/2042	73,419	70,617
	286,216 Federal National Mortgage Association 4.00% 11/01/2042	306,330	303,550
	120,964 Federal National Mortgage Association 4.00% 12/01/2042	130,509	127,624
	61,305 Federal National Mortgage Association 4.00% 12/01/2042	67,219	64,689
	71,581 Federal National Mortgage Association 4.00% 01/01/2043	78,870	75,541
	70,489 Federal National Mortgage Association 4.00% 04/01/2043	72,844	74,728
	71,323 Federal National Mortgage Association 4.00% 06/01/2043	73,811	75,590
	70,942 Federal National Mortgage Association 4.00% 06/01/2043	73,309	75,115
	75,931 Federal National Mortgage Association 4.00% 06/01/2043	78,385	80,496
	147,083 Federal National Mortgage Association 4.00% 06/01/2043	152,214	155,926
	73,828 Federal National Mortgage Association 4.00% 07/01/2043	76,292	78,171
	148,426 Federal National Mortgage Association 4.00% 07/01/2043	153,606	157,350
	129,914 Federal National Mortgage Association 4.00% 07/01/2043	134,161	137,316
	80,489 Federal National Mortgage Association 4.00% 08/01/2043	82,853	85,381
	80,796 Federal National Mortgage Association 4.00% 08/01/2043	83,170	85,720
	3,156,955 Federal National Mortgage Association 4.00% 09/01/2043	3,378,729	3,355,783
	239,452 Federal National Mortgage Association 4.00% 01/01/2045	256,637	253,388
	1,695,284 Federal National Mortgage Association 4.00% 07/01/2045	1,823,973	1,796,337
	50,177 Federal National Mortgage Association 4.50% 04/01/2031	52,460	54,027
	159,351 Federal National Mortgage Association 4.50% 05/01/2031	166,612	171,549
	53,491 Federal National Mortgage Association 4.50% 06/01/2031	55,933	57,600
	77,836 Federal National Mortgage Association 4.50% 11/01/2031	82,430	83,845
	89,520 Federal National Mortgage Association 4.50% 12/01/2031	94,811	96,393
	328,264 Federal National Mortgage Association 4.50% 10/01/2041	347,461	353,181
	259,543 Federal National Mortgage Association 4.50% 10/01/2041	274,721	280,399
	64,739 Federal National Mortgage Association 4.50% 09/01/2042	70,037	70,739
	231,809 Federal National Mortgage Association 4.50% 09/01/2043	250,962	253,383
	284,060 Federal National Mortgage Association 4.50% 10/01/2043	305,820	305,586
	51,014 Federal National Mortgage Association 4.50% 10/01/2043	54,921	54,894
	162,365 Federal National Mortgage Association 4.50% 10/01/2043	175,784	177,513
	162,262 Federal National Mortgage Association 4.50% 11/01/2043	175,595	177,396
	161,367 Federal National Mortgage Association 4.50% 12/01/2043	174,676	176,414
	76,809 Federal National Mortgage Association 4.50% 01/01/2044	83,124	83,937
	237,674 Federal National Mortgage Association 4.50% 05/01/2044	255,908	255,630
	219,531 Federal National Mortgage Association 4.50% 06/01/2044	237,127	236,151
	147,336 Federal National Mortgage Association 4.50% 07/01/2044	160,528	159,848
	92,617 Federal National Mortgage Association 4.50% 08/01/2044	99,727	99,637
	853,246 Federal National Mortgage Association 4.50% 10/01/2044	930,187	925,088
	80,586 Federal National Mortgage Association 4.50% 01/01/2045	89,811	87,862
	563,741 Federal National Mortgage Association 4.50% 01/01/2045	626,790	611,701
	495,556 Federal National Mortgage Association 4.50% 02/01/2045	550,990	537,738
	248,181 Federal National Mortgage Association 4.50% 02/01/2045	276,597	270,587
	26,497 Federal National Mortgage Association 5.00% 07/01/2033	28,139	29,021
	29,155 Federal National Mortgage Association 5.00% 09/01/2033	30,965	32,020
	74,035 Federal National Mortgage Association 5.00% 10/01/2035	78,770	81,322
	78,396 Federal National Mortgage Association 5.00% 04/01/2038	84,490	85,355
	85,403 Federal National Mortgage Association 5.00% 05/01/2038	91,659	92,983
	83,620 Federal National Mortgage Association 5.00% 06/01/2038	90,115	91,042
	481,649 Federal National Mortgage Association 5.00% 08/01/2038	530,989	528,500
	43,586 Federal National Mortgage Association 5.50% 08/01/2038	46,865	48,929

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Principal Amount†		Cost	Fair Value
<i><u>Mortgage-Backed Securities (continued)</u></i>			
\$	18,561 Federal National Mortgage Association 6.00% 04/01/2033	\$ 20,660	\$ 21,263
	3,141 Federal National Mortgage Association 6.00% 02/01/2034	3,499	3,612
	48,063 Federal National Mortgage Association 6.00% 11/01/2035	53,656	55,286
	96,532 Federal National Mortgage Association 6.00% 08/01/2037	108,006	111,055
	108,591 Federal National Mortgage Association 6.00% 09/01/2039	121,812	126,272
	319,075 Federal National Mortgage Association 6.50% 05/01/2040	349,304	361,129
	2,070 Federal National Mortgage Association 7.00% 10/01/2037	2,343	2,266
	4,336 Federal National Mortgage Association 7.00% 12/01/2037	4,918	5,008
	2,389 Federal National Mortgage Association 7.00% 08/01/2038	2,706	2,673
	14,213 Federal National Mortgage Association 7.00% 11/01/2038	16,135	16,329
	4,965 Federal National Mortgage Association 7.00% 11/01/2038	5,626	5,261
	111,057 Federal National Mortgage Association 7.00% 02/01/2039	125,416	127,890
	9,566,534 Federal National Mortgage Association Series 2012-M14, Class X2, IO .496% 09/25/2022	217,495	210,820
	1,900,000 Federal National Mortgage Association TBA 2.50% 01/01/2032	1,900,297	1,903,006
	700,000 Federal National Mortgage Association TBA 3.00% 01/01/2032	718,484	718,320
	3,800,000 Federal National Mortgage Association TBA 3.00% 01/01/2047	3,784,030	3,774,972
	1,000,000 Federal National Mortgage Association TBA 4.50% 01/01/2047	1,076,859	1,075,586
	1,900,000 Federal National Mortgage Association TBA 5.00% 01/01/2047	2,079,609	2,069,812
	4,221,378 FREMF Mortgage Trust Series 2012-K20, Class X2A, IO, 144A .20% 05/25/2045	37,860	35,314
	800,476 GE Business Loan Trust Series 2006-2A, Class B, 144A .984% 11/15/2034	747,786	716,403
	323,629 Government National Mortgage Association 2.194% 11/20/2060	340,631	333,773
	258,272 Government National Mortgage Association 2.257% 07/20/2060	270,415	267,611
	2,930,675 Government National Mortgage Association 3.00% 08/20/2046	3,079,461	2,971,612
	72,492 Government National Mortgage Association 4.50% 01/20/2040	77,978	78,413
	95,599 Government National Mortgage Association 4.50% 05/20/2040	102,851	102,981
	28,136 Government National Mortgage Association 4.50% 01/20/2041	29,483	30,350
	690,224 Government National Mortgage Association 4.50% 03/20/2041	723,844	743,911
	104,504 Government National Mortgage Association 4.50% 07/20/2041	112,855	112,633
	33,304 Government National Mortgage Association 5.00% 04/15/2040	34,473	36,635
	64,799 Government National Mortgage Association 5.00% 05/15/2040	67,174	71,226
	105,854 Government National Mortgage Association 5.00% 07/20/2040	111,971	116,553
	44,034 Government National Mortgage Association 5.00% 09/20/2040	46,346	48,477
	377,673 Government National Mortgage Association 6.00% 09/20/2038	414,630	427,107
	25,482 Government National Mortgage Association 6.00% 05/20/2040	27,771	28,851
	40,953 Government National Mortgage Association 6.00% 08/20/2040	44,540	46,988
	49,915 Government National Mortgage Association 6.00% 01/20/2041	54,295	55,634
	78,324 Government National Mortgage Association 6.00% 02/20/2041	85,181	90,368
	73,531 Government National Mortgage Association 6.50% 10/20/2037	80,128	84,591
	Government National Mortgage Association Series 2013-178, Class IO, IO, REMIC .791%		
	528,092 06/16/2055	30,173	21,360
	Government National Mortgage Association Series 2013-85, Class IA, IO, REMIC .746%		
	4,871,975 03/16/2047	283,742	217,977
	4,500,000 Government National Mortgage Association TBA 3.00% 01/01/2047	4,541,494	4,556,338
	1,200,000 Government National Mortgage Association TBA 3.50% 01/01/2047	1,249,500	1,247,414
	480,000 GS Mortgage Securities Corp. Trust Series 2016-ICE2, Class D, 144A 6.454% 02/15/2033	480,000	496,091
	90,000 GS Mortgage Securities Trust 2013-GC16 B 5.161% 11/10/2046	92,544	98,887
	2,677,630 GS Mortgage Securities Trust Series 2014-GC20, Class XA, IO 1.157% 04/10/2047	155,876	150,670
	4,067,337 GS Mortgage Securities Trust Series 2015-GC28, Class XA, IO 1.156% 02/10/2048	255,011	246,650
	JP Morgan Chase Commercial Mortgage Securities Trust Series 2015-FL7, Class D, 144A 4.454%		
	400,000 05/15/2028	392,937	381,513
	60,000 JPMBB Commercial Mortgage Securities Trust Series 2013-C15, Class C 5.046% 11/15/2045	60,269	63,124
	700,000 JPMBB Commercial Mortgage Securities Trust Series 2014-C18, Class D, 144A 4.814% 02/15/2047	660,292	587,441
	250,000 JPMBB Commercial Mortgage Securities Trust Series 2014-C21, Class AS 3.997% 08/15/2047	256,944	260,211
	700,000 JPMBB Commercial Mortgage Securities Trust Series 2014-C21, Class D, 144A 4.66% 08/15/2047	643,271	561,373
	Morgan Stanley Bank of America Merrill Lynch Trust Series 2012-C6, Class E, 144A 4.648%		
	250,000 11/15/2045	248,126	240,066

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
December 31, 2016

Principal Amount†		Cost	Fair Value
<u>Mortgage-Backed Securities (continued)</u>			
\$ 50,000	Morgan Stanley Bank of America Merrill Lynch Trust Series 2013-C10, Class A4 4.084% 07/15/2046	\$ 51,690	\$ 53,421
21,000	Morgan Stanley Bank of America Merrill Lynch Trust Series 2013-C7, Class AS 3.214% 02/15/2046	21,554	21,110
70,000	Wells Fargo Commercial Mortgage Trust Series 2013-LC12, Class B 4.296% 07/15/2046	72,487	74,065
20,000	Wells Fargo Commercial Mortgage Trust Series 2014-LC16, Class A5 3.817% 08/15/2050	20,853	20,953
250,000	Wells Fargo Commercial Mortgage Trust Series 2014-LC18, Class AS 3.808% 12/15/2047	257,031	255,397
220,000	Wells Fargo Commercial Mortgage Trust Series 2015-LC20, Class AS 3.467% 04/15/2050	226,258	220,416
1,230,000	Wells Fargo Commercial Mortgage Trust Series 2015-NXS1, Class A5 3.148% 05/15/2048	1,264,956	1,234,413
1,300,000	Wells Fargo Commercial Mortgage Trust Series 2015-NXS1, Class A5 3.406% 05/15/2048	1,336,953	1,300,984
1,130,000	Wells Fargo Commercial Mortgage Trust Series 2015-NXS1, Class C 3.848% 05/15/2048	1,129,959	1,062,686
1,280,000	Wells Fargo Commercial Mortgage Trust Series 2015-NXS1, Class D 4.104% 05/15/2048	1,195,410	1,011,208
5,101,342	Wells Fargo Commercial Mortgage Trust Series 2015-NXS1, Class XA, IO 1.194% 05/15/2048	347,347	335,589
1,048,191	WF-RBS Commercial Mortgage Trust Series 2012-C7, Class XA, IO, 144A 1.50% 06/15/2045	60,793	63,300
3,815,670	WF-RBS Commercial Mortgage Trust Series 2014-C20, Class XA, IO 1.174% 05/15/2047	215,402	210,595
Total Mortgage-Backed Securities		28.37%	77,003,760
<u>Municipals</u>			
175,000	Northstar Education Finance Inc. 2.223% 01/29/2046	147,303	157,686
Total Municipals		0.06%	147,303
<u>U.S. Government & Agency Obligations</u>			
<u>U.S. Government Agencies</u>			
125,946	Federal National Mortgage Association 4.00% 06/01/2043	129,877	133,059
760,000	Federal National Mortgage Association 6.625% 11/15/2030	1,031,720	1,057,225
3,470,000	Federal National Mortgage Association Subordinated .00% 10/09/2019	3,200,742	3,290,612
290,000	Tennessee Valley Authority Sr Unsecured 5.25% 09/15/2039	336,023	364,238
Total U.S. Government Agencies		1.80%	4,698,362
<u>U.S. Government Obligations</u>			
1,205,409	Treasury Inflation Protected Security 2.375% 01/15/2025	1,357,443	1,384,058
671,010	Treasury Inflation Protected Security 2.125% 02/15/2040	836,127	831,053
1,454,846	Treasury Inflation Protected Security .75% 02/15/2042	1,375,534	1,377,335
115,650	Treasury Inflation Protected Security .625% 02/15/2043	101,925	105,883
242,834	Treasury Inflation Protected Security 2.125% 02/15/2041	290,539	302,295
321,520	Treasury Inflation Protected Security 1.375% 02/15/2044	333,030	350,878
1,026,490	Treasury Inflation Protected Security .75% 02/15/2045	912,884	965,866
489,259	Treasury Inflation Protected Security .375% 07/15/2025	479,749	486,601
2,500,882	Treasury Inflation Protected Security .125% 07/15/2026	2,429,685	2,418,355
10,202	Treasury Inflation Protected Security 1.00% 02/15/2046	10,409	10,245
1,978,567	Treasury Inflation Protected Security .125% 04/15/2021	1,978,990	1,989,890
5,430,000	Treasury Inflation Protected Security 2.125% 11/30/2023	5,401,366	5,393,939
3,140,000	Treasury Inflation Protected Security 2.25% 12/31/2023	3,133,131	3,141,473
3,820,000	United States Treasury Bond 3.00% 11/15/2044	3,848,638	3,773,595
2,680,000	United States Treasury Bond 2.875% 05/15/2043	2,811,122	2,588,607
9,340,000	United States Treasury Bond 3.00% 05/15/2045	9,629,349	9,213,760

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
December 31, 2016

Principal Amount†		Cost	Fair Value
<i><u>U.S. Government & Agency Obligations (continued)</u></i>			
<i>U.S. Government Obligations (continued)</i>			
\$ 270,000	United States Treasury Note 2.375% 08/15/2024	\$ 273,055	\$ 271,255
30,000	United States Treasury Note 1.375% 09/30/2020	29,849	29,660
320,000	United States Treasury Note 1.625% 06/30/2020	323,456	320,150
	Total U.S. Government Obligations	13.03% 35,556,281	34,954,898
	Total U.S. Government & Agency Obligations	14.83% 40,254,643	39,800,032
<hr/>			
Contracts		Cost	Fair Value
<i><u>Call Options Purchased</u></i>			
4	Canadian Dollar Futures, Call @ \$75.00	2,853	3,400
4	Japanese Yen Futures, Call @ 152.50 ^{JPY}	1,054	342
10	United States Treasury 10-Year Notes Futures, Call @ \$123.00	7,923	15,313
11	United States Treasury 10-Year Notes Futures, Call @ \$123.50	6,520	12,719
12	United States Treasury Long-Term Bonds Futures, Call @ \$149.00	20,226	31,875
1,440,000	United States Dollar/Japanese Yen, Call @ 105.92 ^{JPY}	29,002	132,068
	Total Call Options Purchased	0.07% 67,578	195,717
<i><u>Put Options Purchased</u></i>			
4	Japanese Yen Futures, Put @ \$94.00	6,563	41,000
200	United States Treasury 5-Year Notes Futures, Put @ \$103.00	2,213	200
1,000	United States Treasury 5-Year Notes Futures, Put @ \$105.00	11,063	1,000
	Total Put Options Purchased	0.02% 19,839	42,200
	Total Investments	100.00% \$ 271,942,507	\$ 268,343,086

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

Abbreviations used in this table:

BRL	Brazilian Real
JPY	Japanese Yen
MXN	Mexican Peso
PLN	Polish Zloty
RUB	Russian Ruble

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Core Plus Bond CIF
December 31, 2016

SCHEDULE OF WRITTEN OPTIONS

Security	Expiration Date	Strike Price	Contracts	Value
Euro-Bund, Put	1/27/17	162.00 ^{EUR}	7	\$ 2,653
Japanese Yen Futures, Call	1/6/17	91.00 ^{JPY}	11	69
Japanese Yen Futures, Call	1/6/17	90.00 ^{JPY}	4	75
Japanese Yen Futures, Call	1/6/17	89.00 ^{JPY}	14	700
Japanese Yen Futures, Call	1/6/17	87.00 ^{JPY}	14	4,725
Japanese Yen Futures, Call	2/3/17	89.00 ^{JPY}	14	8,225
Japanese Yen Futures, Call	2/3/17	88.00 ^{JPY}	9	7,650
Japanese Yen Futures, Call	3/3/17	89.00 ^{JPY}	11	10,588
Japanese Yen Futures, Put	1/6/17	86.00 ^{JPY}	22	17,600
Japanese Yen Futures, Put	2/3/17	84.00 ^{JPY}	13	9,750
Japanese Yen Futures, Put	3/3/17	84.00 ^{JPY}	1	1,187
U.S. Dollar/Mexican Peso, Put	1/23/17	17.95 ^{MXN}	4,940,000	15
U.S. Dollar/Mexican Peso, Put	2/14/17	19.91 ^{MXN}	2,290,000	10,969
United States Dollar/Brazilian Real, Put	2/15/17	3.55 ^{BRL}	1,290,000	103,290
United States Treasury 10-Year Notes Futures, Call	1/27/17	\$ 126.00	6	844
United States Treasury 10-Year Notes Futures, Call	1/27/17	126.50	9	844
United States Treasury 10-Year Notes Futures, Call	1/27/17	125.00	45	16,172
United States Treasury 10-Year Notes Futures, Call	2/24/17	127.50	29	4,531
United States Treasury 10-Year Notes Futures, Call	2/24/17	126.00	8	3,000
United States Treasury 10-Year Notes Futures, Call	1/27/17	124.00	64	53,000
United States Treasury 10-Year Notes Futures, Call	1/27/17	124.50	13	7,312
United States Treasury 10-Year Notes Futures, Call	2/24/17	127.00	30	6,094
United States Treasury 10-Year Notes Futures, Call	2/24/17	125.00	21	14,438
United States Treasury 10-Year Notes Futures, Put	1/27/17	124.00	12	6,562
United States Treasury 10-Year Notes Futures, Put	1/27/17	123.00	32	8,000
United States Treasury 5-Year Notes Futures, Call	1/27/17	120.00	91	1,422
United States Treasury 5-Year Notes Futures, Call	1/27/17	117.75	150	53,906
United States Treasury 5-Year Notes Futures, Call	2/24/17	117.75	43	23,852
United States Treasury 5-Year Notes Futures, Call	1/27/17	118.50	24	2,625
United States Treasury 5-Year Notes Futures, Call	1/27/17	117.50	15	7,500
United States Treasury 5-Year Notes Futures, Call	2/24/17	120.00	29	1,586
United States Treasury Long-Term Bonds Futures, Call	1/27/17	151.00	31	46,500
United States Treasury Long-Term Bonds Futures, Call	1/27/17	150.00	24	48,750
United States Treasury Long-Term Bonds Futures, Call	1/27/17	154.00	19	9,500
United States Treasury Long-Term Bonds Futures, Call	1/27/17	152.00	3	3,234
United States Treasury Long-Term Bonds Futures, Call	1/27/17	153.00	6	4,500
United States Treasury Long-Term Bonds Futures, Call	2/24/17	156.00	9	6,328
United States Treasury Long-Term Bonds Futures, Put	1/27/17	148.00	7	5,031
TOTAL WRITTEN OPTIONS (Premiums received - \$531,729)				\$ 513,027

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2016

	Western Asset Core Plus Bond CIF
Income	
Interest (net of foreign withholding taxes of \$26,213)	\$ 16,026,385
Dividends	21,247
Total income	16,047,632
Expenses	
Trustee and administrative	339,033
Class R1 expenses	1,404,506
Total expenses before reimbursement	1,743,539
Reimbursement of fees	(96,274)
Net expenses	1,647,265
Net Investment Income	14,400,367
Net Realized Gains (Losses) on Investments, Options Written, Futures Contracts, Swap Contracts, Investments Sold Short and Foreign Currency	
Net realized losses on investments	(3,238,937)
Net realized gains on options written	5,075,284
Net realized gains on futures contracts	1,560,302
Net realized losses on swap contracts	(599,769)
Net realized losses on investments sold short	(128,551)
Net realized losses on foreign currency transactions	(114,294)
Net realized gains on foreign currency forward exchange contracts	1,442,228
Net realized and unrealized gains	3,996,263
Change in Net Unrealized Appreciation (Depreciation) on:	
Investments	11,306,082
Options written	(154,911)
Futures contracts	(707,975)
Swap contracts	598,264
Investments sold short	(10,637)
Foreign currencies	(35,639)
Foreign currency forward exchange contracts	(1,649,858)
Change in net unrealized appreciation (depreciation)	9,345,326
Net realized and unrealized gains on investments, options written, futures contracts, swap contracts, investments sold short and foreign currency	13,341,589
Net Increase in Net Assets Resulting From Operations	\$ 27,741,956

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2016

	Western Asset Core Plus Bond CIF
Operations	
Net investment income	\$ 14,400,367
Net realized gains	3,996,263
Change in net unrealized appreciation (depreciation)	<u>9,345,326</u>
Net increase in net assets from operations	27,741,956
Net Decrease in Net Assets From Participant Unit Transactions	<u>(240,217,223)</u>
Decrease in Net Assets	(212,475,267)
Net Assets	
Beginning of year	<u>463,872,118</u>
End of year	<u><u>\$ 251,396,851</u></u>

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

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 103 portfolios (the Funds); the financial statements of one of those funds, the Western Asset Core Plus Bond 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.

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, 2016

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, 2016, resulting from changes in the exchange rates.

Futures Contracts

The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This is known as the "initial margin" and subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. The daily changes in contract value are recorded as unrealized gains or losses in the statement of operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

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.

Written Options

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus the option exercise price and the Fund's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Fund from the exercise of the written put option to form the Fund's basis in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Fund.

The risk in writing a covered call option is that the Fund may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Fund is exposed to the risk of loss if the market price of the underlying security increases. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

Purchased Options

When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Fund realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Swap Agreements

The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with other portfolio transactions. Swap agreements are privately negotiated in the over-the-counter market ("OTC Swaps") or may be executed on a registered exchange ("Centrally Cleared Swaps"). Unlike Centrally Cleared Swaps, the Fund has credit exposure to the counterparties of OTC Swaps.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, is recorded as a receivable or payable for variation margin on the statement of assets and liabilities. Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the schedule of investments and restricted cash, if any, is identified on the statement of assets and liabilities. Risks may exceed amounts recorded in the statement of assets and liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, and the possible lack of liquidity with respect to the swap agreements.

OTC swap payments received or made at the beginning of the measurement period are reflected as a premium or deposit, respectively, on the statement of assets and liabilities. These upfront payments are amortized over the life of the swap and are recognized as realized gain or loss in the statement of operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the statement of operations.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of December 31, 2016, the Fund did not hold any credit default swaps to sell protection.

For average notional amounts of swaps held during the year ended December 31, 2016, see Note 11.

Credit Default Swaps

The Fund enters into credit default swap ("CDS") contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (i.e., to reduce risk where the Fund has exposure to an issuer) or to

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are disclosed in the notes to financial statements and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized on the statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2016

Interest Rate Swaps

The Fund enters into interest rate swap contracts to manage its exposure to interest rate risk. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate, or receive a fixed rate and pay a floating rate, on a notional principal amount. Interest rate swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss in the statement of operations. When a swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the original cost and the settlement amount of the closing transaction.

The risks of interest rate swaps include changes in market conditions that will affect the value of the contract or changes in the present value of the future cash flow streams and the possible inability of the counterparty to fulfill its obligations under the agreement. The Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that that amount is positive. This risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

Swaptions

The Fund purchases and writes swaption contracts to manage exposure to an underlying instrument. The Fund may also purchase or write swaptions to manage exposure to fluctuations in interest rates or to enhance yield. Swaption contracts written by the Fund represent an option that gives the purchaser the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date. Swaption contracts purchased by the Fund represent an option that gives the Fund the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date.

When the Fund writes a swaption, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the swaption written. If the swaption expires, the Fund realizes a gain equal to the amount of the premium received.

When the Fund purchases a swaption, an amount equal to the premium paid by the Fund is recorded as an investment on the statement of assets and liabilities, the value of which is marked-to-market daily to reflect the current market value of the swaption purchased. If the swaption expires, the Fund realizes a loss equal to the amount of the premium paid.

Swaptions are marked-to-market daily based upon quotations from market makers. Changes in the value of the swaption are reported as unrealized gains or losses in the statement of operations.

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December 31, 2016

Short Sales

The Fund may sell a security that it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of a short sale. The Fund is also subject to the risk that it may be unable to reacquire a security to terminate a short position except at a price substantially in excess of the last quoted price. The Fund's borrowing agreements with broker-dealers are not subject to master netting or similar agreements or collateral agreements.

Investment Income and Distribution of Income

Dividend income less foreign taxes withheld, if any, is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment income is allocated ratably on the valuation dates among all participants. No distributions are made to participants in the Fund until units owned are redeemed, at which time the market value of redeemed units is distributed. Investment income and realized gains (if any) earned by the Fund are reinvested, thereby increasing the respective unit values.

Valuation of Participants' Interest

Units of participation may be purchased or redeemed on the valuation dates at the fair value per unit on such valuation dates. The Fund is valued daily.

Federal Income Taxes

The Fund complies with the requirements under Section 501(a) of the IRC and 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 Western Asset Management Company.

Note 2: Futures Contracts

At December 31, 2016, the Fund had the following open futures contracts.

Hand Composite Employee Benefit Trust

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	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy:					
90-Day Eurodollar	24	06/17/17	\$ 5,922,878	\$ 5,927,700	\$ 4,822
90-Day Eurodollar	82	03/18/17	20,235,004	20,163,800	(71,204)
90-Day Eurodollar	19	12/18/17	4,691,399	4,655,000	(36,399)
British Pound	1	03/17/17	79,391	77,238	(2,153)
Canadian Dollar	79	03/17/17	6,019,267	5,878,785	(140,482)
Euro-BOBL	25	03/17/17	3,489,843	3,516,642	26,799
Euro-BTP	43	03/17/17	6,038,130	6,124,667	86,537
Mexican Peso	150	03/17/17	3,667,607	3,597,750	(69,857)
U.S. Treasury 5-Year Notes	1,336	03/17/17	157,257,460	157,199,188	(58,272)
U.S. Treasury Ultra Long-Term Bonds	88	03/17/17	14,038,441	14,102,000	63,559
					<u>(196,650)</u>
Contracts to Sell:					
90-Day Eurodollar	280	03/17/17	69,275,652	69,272,000	3,652
Australian Dollar	20	03/17/17	1,498,735	1,440,400	58,335
Euro-BUXL	3	03/17/17	537,984	547,968	(9,984)
Euro-Bund	73	03/17/17	12,437,895	12,613,857	(175,962)
Japanese 10-Year Bonds	7	03/17/17	8,991,696	8,998,332	(6,636)
U.S. Dollar/Eurodollar	24	03/17/17	3,205,203	3,172,200	33,003
U.S. Dollar/Japanese Yen	79	03/17/17	8,612,120	8,489,537	122,583
U.S. Treasury 2-Year Notes	50	03/17/17	10,817,025	10,834,375	(17,350)
U.S. Treasury 10-Year Notes	479	03/17/17	59,549,630	59,530,719	18,911
U.S. Treasury Long-Term Bonds	10	03/17/17	1,491,811	1,506,562	(14,751)
					<u>11,801</u>
Net unrealized appreciation (depreciation) on open futures contracts					<u>\$ (184,849)</u>

Note 3: Foreign Currency Forward Exchange Contracts

At December 31, 2016, the Fund had the following open forward foreign currency contracts.

	Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
GBP	\$ 1,460,000	USD \$ 1,814,108	Barclays Bank PLC	01/20/17	\$ (13,944)
USD	4,677,503	CNY 31,509,999	Barclays Bank PLC	01/20/17	146,338
CNY	4,340,000	USD 643,392	Citibank, N.A.	01/20/17	(19,296)
EUR	4,284,537	USD 4,809,050	Citibank, N.A.	01/20/17	(294,810)
EUR	116,537	USD 121,817	Citibank, N.A.	01/20/17	968
GBP	660,000	USD 822,487	Citibank, N.A.	01/20/17	(8,715)
INR	210,000,000	USD 3,110,650	Citibank, N.A.	01/20/17	(21,157)
JPY	1,089,386,000	USD 10,571,021	Citibank, N.A.	01/20/17	(1,240,861)

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Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
JPY	\$ 4,000,000	USD	\$ 36,602	Citibank, N.A.	01/20/17	\$ (2,343)
JPY	10,000,000	USD	90,538	Citibank, N.A.	01/20/17	(4,892)
JPY	35,000,000	USD	316,362	Citibank, N.A.	01/20/17	(16,601)
JPY	6,000,000	USD	52,161	Citibank, N.A.	01/20/17	(774)
JPY	10,000,000	USD	87,044	Citibank, N.A.	01/20/17	(1,398)
USD	1,787,690	BRL	5,945,500	Citibank, N.A.	01/20/17	(30,670)
USD	3,952,509	CAD	5,200,000	Citibank, N.A.	01/20/17	78,727
USD	1,007,489	CAD	1,350,000	Citibank, N.A.	01/20/17	1,796
USD	153,677	EUR	138,000	Citibank, N.A.	01/20/17	8,278
USD	159,960	EUR	150,000	Citibank, N.A.	01/20/17	1,918
USD	122,567	GBP	100,000	Citibank, N.A.	01/20/17	(732)
USD	1,048,077	JPY	111,299,594	Citibank, N.A.	01/20/17	94,840
USD	70,111	JPY	8,000,000	Citibank, N.A.	01/20/17	1,594
USD	738,287	MXN	14,136,714	Citibank, N.A.	01/20/17	57,893
USD	2,398,496	PLN	9,220,000	Citibank, N.A.	01/20/17	195,882
MXN	6,540,000	USD	334,941	JPMorgan Chase Bank, N.A.	01/20/17	(20,174)
USD	2,803,996	MXN	53,135,719	JPMorgan Chase Bank, N.A.	01/20/17	246,597
USD	637,644	CNY	4,344,159	Bank of America, N.A.	02/13/17	13,545
USD	2,361,650	EUR	2,118,347	Bank of America, N.A.	02/13/17	127,371
USD	46,785	EUR	42,000	Citibank, N.A.	02/13/17	2,486
USD	357,406	EUR	321,518	Citibank, N.A.	02/13/17	18,292
USD	112,523	EUR	104,000	Citibank, N.A.	02/13/17	2,832
MXN	12,888,393	USD	610,972	Citibank, N.A.	02/16/17	7,127
Total						<u>\$ (669,883)</u>

Abbreviations used in this table:

BRL	Brazilian Real
CAD	Canadian Dollar
CNY	Chinese Yuan Renminbi
EUR	Euro
GBP	British Pound
INR	Indian Rupee
JPY	Japanese Yen
MXN	Mexican Peso
PLN	Polish Zloty
USD	United States Dollar

Note 4: Swap Contracts

At December 31, 2016, the Fund had the following open swap contracts.

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Notes to Financial Statements

December 31, 2016

Centrally Cleared Interest Rate Swaps

Central Counterparty	Notional Amount*	Termination Date	Payments Made by the Fund†	Payments Received by the Fund†	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
Chicago Mercantile Exchange	\$ 9,640,000	10/17/19	3-Month LIBOR-BBA	1.138% semi-annually	\$ -	\$ (132,611)
Chicago Mercantile Exchange	8,010,000	06/13/21	3-Month LIBOR-BBA	1.185% semi-annually	-	(249,693)
Chicago Mercantile Exchange	12,200,000	08/31/22	1.897% semi-annually	3-Month LIBOR-BBA	-	96,945
Chicago Mercantile Exchange	10,812,000	11/30/22	1.900% semi-annually	3-Month LIBOR-BBA	387	104,332
Chicago Mercantile Exchange	11,710,000	05/15/23	1.267% semi-annually	3-Month LIBOR-BBA	4,326	595,844
Chicago Mercantile Exchange	4,880,000	06/13/26	1.580% semi-annually	3-Month LIBOR-BBA	653	315,187
Chicago Mercantile Exchange	222,220,000 JPY	05/09/46	0.641% semi-annually	6-Month Japanese LIBOR-BBA	-	110,049
Total					<u>\$ 5,366</u>	<u>\$ 840,053</u>

*Notional amount denominated in U.S. dollars, unless otherwise noted.

†Percentage shown is an annual percentage rate.

Abbreviation used in this table:

JPY Japanese Yen

Note 5: Written Options Rollforward

During the year ended December 31, 2016, written option transactions for the Fund were as follows:

	Number of Contracts/ Notional Amount	Premiums
Written options, outstanding as of December 31, 2015	\$ 3,071,718	\$ 601,021
Options written	10,859,961	5,690,561
Options closed	(703,621)	(2,177,384)
Options expired	(4,707,218)	(3,582,469)
Written options, outstanding as of December 31, 2016	<u>\$ 8,520,840</u>	<u>\$ 531,729</u>

Note 6: 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.

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During the year ended December 31, 2016, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

The following table indicates the fees charged to the Fund and the various classes of units within the Fund (as a percentage of net assets). These charges are calculated using the Fund's prior day's total net assets.

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
Western Asset Core Plus Bond CIF:				
Class R1	0.04%	0.30%	0.04%	0.38%
Class R-INT	0.04%	0.00%	0.04%	0.08%
Class R-LM	0.04%	0.00%	0.04%	0.08%

Note 7: Financial Highlights

	Western Asset Core Plus Bond CIF		
	Class R1	Class R-INT	Class R-LM*
Net asset value, beginning of year	\$ 15.00	\$ 15.05	\$ 16.27
Net investment income	0.48	0.53	0.12
Net realized and unrealized gains (losses)	0.39	0.39	(0.47)
Net increase (decrease) from investment operations	0.87	0.92	(0.35)
Net asset value, end of year	\$ 15.87	\$ 15.97	\$ 15.92
Total return	5.80%	6.11%	(2.15)%
Ratio to average net assets:			
Net investment income	3.04%	3.35%	3.10% **
Expenses without reimbursement	0.40%	0.07%	0.08% **
Expenses with reimbursement	0.37%	0.07%	0.06% **

*For the period September 30, 2016 (inception date) to December 31, 2016.

**Annualized.

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Note 8: Participant Unit Transactions

	Western Asset Core Plus Bond CIF	
	Units	Dollars
Class R1:		
Proceeds from sales of units	4,341,757	\$ 68,266,351
Cost of units redeemed	(20,049,275)	(318,849,806)
Net change in Class R1 from participant transactions	(15,707,518)	(250,583,455)
Class R-INT:		
Proceeds from sales of units	321,569	5,017,792
Cost of units redeemed	(928,049)	(14,701,075)
Net change in Class R-INT from participant transactions	(606,480)	(9,683,283)
Class R-LM*:		
Proceeds from sales of units	1,395,395	22,719,263
Cost of units redeemed	(166,290)	(2,669,748)
Net change in Class R-LM from participant transactions	1,229,105	20,049,515
Net decrease in net assets from participant transactions		\$ (240,217,223)

*For the period September 30, 2016 (inception date) to December 31, 2016.

Note 9: Disclosures About Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices in active markets for identical assets or liabilities that the Fund can access at the measurement date.

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.

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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.

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, 2016.

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.

Preferred Stock. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depository Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy.

U.S. Government and Agency Obligations. U.S. Government and agency 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 and agency obligations are categorized as Level 2 in the hierarchy.

Floating Rate Loans. The fair value of floating rate loans is generally valued using recently executed transactions, market price quotations (where observable), bid/ask quotes received by brokers specializing in floating rate loans and market observable credit default swap levels. Floating rate loans are categorized as Level 2 in the hierarchy.

Collateralized Mortgage Obligations, Corporate Bonds and Municipal Bonds. The fair value of collateralized mortgage obligations, corporate bonds and municipal bonds are 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. Collateralized mortgage obligations, corporate bonds and municipal bonds are categorized as Level 2 in the hierarchy.

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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.

Asset-Backed Securities and Mortgage-Backed Securities. These securities are valued using models that incorporate observable data, such as prepayments, delinquencies, yields, bids, offers, collateral seasoning and other factors. Deal specific scenarios are derived from historical performance information and loan level details. These securities are categorized as Level 2 in the hierarchy.

Call and Put Options. Options are marked-to-market based on quoted market prices in active markets. If recent market transactions are not available, observable market quotations are obtained from brokers specializing in options. Options are generally categorized as Level 2 in the hierarchy.

Foreign Currency Exchange Contracts. Foreign currency exchange contracts that are actively traded are valued based on quoted prices from the exchanges and are categorized in Level 1 of the hierarchy.

Future Contracts. Futures contracts are marked-to-market on the daily fluctuations between the contract price and the market value of the underlying, as reported on a recognized exchange. Futures contracts are categorized as Level 1 in the hierarchy.

Interest Rate Swaps. The Fund enters into interest rate swap contracts to manage its exposure to interest rate risk. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate, or receive a fixed rate and pay a floating rate, on a notional principal amount. Interest rate swaps are categorized as Level 2 in the hierarchy. Interest rate swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss in the statement of operations. When a swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the original cost and the settlement amount of the closing transaction.

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, 2016.

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	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)
Western Asset Core Plus Bond CIF				
Financial Instruments - Assets:				
Short Term Investment	\$ 15,379,467	\$ 15,379,467	\$ -	\$ -
Preferred Stocks	305,582	305,582	-	-
Corporate Bonds	72,912,485	-	72,908,353	4,132
Floating Rate Loans	10,837,283	-	10,664,031	173,252
Foreign government	18,131,473	-	18,131,473	-
Asset-backed Securities	12,076,746	-	10,840,962	1,235,784
Collateralized Mortgage Obligations	22,380,755	-	22,149,296	231,459
Mortgage-backed Securities	76,123,660	-	76,123,660	-
Municipals	157,686	-	157,686	-
U.S. Government and Agency Obligations	39,800,032	-	39,800,032	-
Call Options Purchased	195,717	63,649	132,068	-
Put Options Purchased	42,200	42,200	-	-
Total Financial Instruments - Assets	<u>\$ 268,343,086</u>	<u>\$ 15,790,898</u>	<u>\$ 250,907,561</u>	<u>\$ 1,644,627</u>
Derivative Instruments - Assets:				
Futures Contracts	\$ 418,201	\$ 418,201	\$ -	\$ -
Foreign Currency Exchange Contracts	1,006,484	-	1,006,484	-
Centrally Cleared Interest Rate Swaps	1,222,357	-	1,222,357	-
Total Derivative Instruments- Assets	<u>\$ 2,647,042</u>	<u>\$ 418,201</u>	<u>\$ 2,228,841</u>	
Derivative Instruments - Liabilities:				
Options Written	\$ 513,027	\$ 398,753	\$ 114,274	\$ -
Futures Contracts	603,050	533,193	69,857	-
Foreign Currency Exchange Contracts	1,676,367	-	1,676,367	-
Centrally Cleared Interest Rate Swaps	382,304	-	382,304	-
Total Liabilities	<u>\$ 3,174,748</u>	<u>\$ 931,946</u>	<u>\$ 2,242,802</u>	

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of assets and liabilities using significant unobservable (Level 3) inputs.

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Notes to Financial Statements
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	Corporate Bonds and Notes	Floating Rate Loans	Asset-backed Securities	Collateralized Mortgage Obligations
Balance as of December 31, 2015	\$ 8	\$ -	\$ 2,349,210	\$ 283,967
Included in net income:				
Net realized gains	-	-	-	4,480
Change in unrealized appreciation (depreciation) on securities	(2,094)	(23)	(84,051)	(5,462)
Premium amortization	6,218	(49)	-	843
Purchases	-	173,324	-	-
Sales	-	-	(1,029,375)	(52,369)
	<u>\$ 4,132</u>	<u>\$ 173,252</u>	<u>\$ 1,235,784</u>	<u>\$ 231,459</u>
Balance, December 31, 2016				
Total gains or losses for the period included in net income attributable to the change in unrealized gains or losses related to assets and liabilities still held at December 31, 2016	<u>\$ (2,094)</u>	<u>\$ 23</u>	<u>\$ (84,216)</u>	<u>\$ (5,462)</u>

Note 10: 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.

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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 11: 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, 2016.

	Asset Derivatives⁽¹⁾		
	Interest Rate Risk	Foreign Exchange Risk	Total
Purchased options ⁽²⁾	\$ 61,107	\$ 176,810	\$ 237,917
Futures contracts ⁽³⁾	204,280	213,921	418,201
Centrally cleared swap contracts ⁽⁴⁾	1,222,357	-	1,222,357
Forward foreign currency contracts	-	1,006,484	1,006,484
Total	<u>\$ 1,487,744</u>	<u>\$ 1,397,215</u>	<u>\$ 2,884,959</u>
	Liability Derivatives⁽¹⁾		
	Interest Rate Risk	Foreign Exchange Risk	Total
Written options	\$ 338,184	\$ 174,843	\$ 513,027
Futures contracts ⁽³⁾	390,558	212,492	603,050
Centrally cleared swap contracts ⁽⁴⁾	382,304	-	382,304
Forward foreign currency contracts	-	1,676,367	1,676,367
Total	<u>\$ 1,111,046</u>	<u>\$ 2,063,702</u>	<u>\$ 3,174,748</u>

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- (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).
 (2) Market value of purchased options is reported in Investments at value in the statement of assets and liabilities.
 (3) Includes cumulative appreciation (depreciation) of futures contracts as reported in the footnotes. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.
 (4) Includes cumulative appreciation (depreciation) of centrally cleared swap contracts as reported in the footnotes. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

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, 2016. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

	Amount of Realized Gain (Loss) on Derivatives Recognized			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Purchased options ⁽¹⁾	\$ (1,859,702)	\$ (702,334)	\$ (37,455)	\$ (2,599,491)
Written options	4,301,423	773,861	-	5,075,284
Futures contracts	1,816,932	(256,630)	-	1,560,302
Swap contracts	(1,347,665)	747,896	-	(599,769)
Forward foreign currency contracts	-	1,442,228	-	1,442,228
Total	\$ 2,910,988	\$ 2,005,021	\$ (37,455)	\$ 4,878,554

(1) Net realized gain (loss) from purchased options is reported in net realized gain (loss) from investment transactions in the statement of operations.

	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized			
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Total
Purchased options ⁽¹⁾	\$ (159,440)	\$ 138,051	\$ 23,702	\$ 2,313
Written options	(124,919)	(29,992)	-	(154,911)
Futures contracts	(765,063)	57,088	-	(707,975)
Swap contracts	561,656	-	36,608	598,264
Forward foreign currency contracts	-	(1,649,858)	-	(1,649,858)
Total	\$ (487,766)	\$ (1,484,711)	\$ 60,310	\$ (1,912,167)

(1) The change in unrealized appreciation (depreciation) from purchased options is reported in the change in net unrealized appreciation (depreciation) from investments in the statement of operations.

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	Average Market Value
Purchased options	\$ 292,357
Written options	479,239
Futures contracts (to buy)	341,880,029
Futures contracts (to sell)	339,089,318
Forward foreign currency contracts (to buy)	25,406,942
Forward foreign currency contracts (to sell)	28,319,165
Average Notional Balance	
Interest rate swap contracts	\$ 308,139,297
Credit default swap contracts (to buy protection)*	325,733
Credit default swap contracts (to sell protection)*	16,088,778

*At December 31, 2016, there were no open positions held in this derivative.

The following table presents, by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at December 31, 2016:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities⁽¹⁾	Collateral Received	Net Amount
Purchased options ⁽²⁾	\$ 237,917	\$ -	\$ 237,917
Futures contracts ⁽³⁾	63,487	-	63,487
Forward foreign currency contracts	1,006,484	-	1,006,484
Total	\$ 1,307,888	\$ 0	\$ 1,307,888

The following table presents, by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at December 31, 2016.

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	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities⁽¹⁾	Collateral Pledged⁽⁴⁾⁽⁵⁾	Net Amount
Written options	\$ 513,027	\$ -	\$ 513,027
Centrally cleared swap contracts ⁽³⁾	98,236	(98,236)	-
Forward foreign currency contracts	<u>1,676,367</u>	<u>-</u>	<u>1,676,367</u>
Total	<u>\$ 2,287,630</u>	<u>\$ (98,236)</u>	<u>\$ 2,189,394</u>

(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.

(2) Market value of purchased options is shown in Investments at value in the statement of assets and liabilities.

(3) Amount represents the current day's variation margin as reported in the statement of assets and liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table.

(4) Gross amounts are not offset in the statement of assets and liabilities.

(5) In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
Year Ended December 31, 2016

Purchases	
Investment Class	Cost
Asset-backed Securities	\$ 5,711,021
Collateralized Mortgage Obligations	9,245,041
Corporate Bonds	47,788,343
Floating Rate Loans	14,899,145
Foreign Government	11,433,323
Mortgage-backed Securities	645,441,691
U.S. Government and Agency Obligations	327,956,335
	<u>327,956,335</u>
Total Investments Purchased	<u>\$ 1,062,474,899</u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Preferred Stocks	\$ 8,141	\$ 8,060	\$ 81
Asset-backed Securities	6,958,109	6,866,412	91,697
Collateralized Mortgage Obligations	41,924,626	41,770,193	154,433
Corporate Bonds	129,649,635	127,776,362	1,873,273
Floating Rate Loans	13,475,336	13,454,682	20,654
Foreign Government	16,788,955	16,772,251	16,704
Mortgage-backed Securities	676,152,619	676,455,247	(302,628)
U.S. Government and Agency Obligations	360,501,884	360,070,142	431,742
	<u>360,501,884</u>	<u>360,070,142</u>	<u>431,742</u>
Total Investments Sold	<u>\$ 1,245,459,305</u>	<u>\$ 1,243,173,349</u>	<u>\$ 2,285,956</u>