

Hand Composite Employee Benefit Trust
Western Asset Long Duration Credit CIF
Independent Auditor's Report and Financial Statements
December 31, 2015



Hand Composite Employee Benefit Trust

December 31, 2015

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of the selected fund, Western Asset Long Duration Credit CIF, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2015, and the related statements of operations and changes in net assets for the period May 2, 2015 (inception) through December 31, 2015, 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 Long Duration Credit CIF, as of December 31, 2015, and the results of its operations and changes in its net assets for the period May 2, 2015 (inception) through December 31, 2015, 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 are presented for purposes of additional analysis and are 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
June 2, 2016

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

	<u>Western Asset Long Duration Credit CIF</u>
Assets	
Investments, at cost	\$ <u>87,710,431</u>
Investments, at fair value	\$ 87,807,937
Receivable from broker - variation margin on open futures contracts	3,156
Deposits with brokers for open futures contracts	224,021
Receivable for:	
Dividend and interest	1,087,643
Investment advisor waived fees	<u>84,056</u>
Total assets	<u>\$ 89,206,813</u>
Liabilities	
Management fee payable	\$ 104,001
Accounts payable and accrued liabilities	<u>33,789</u>
Total liabilities	<u>\$ 137,790</u>
Net assets held for participants:	
Class R	\$ 77,829,073
Class R-INT	<u>11,239,950</u>
Total net assets held for participants	<u>\$ 89,069,023</u>
Units outstanding:	
Class R	8,163,755
Class R-INT	<u>1,177,972</u>
Total units outstanding	<u>9,341,727</u>
Net asset value per unit:	
Class R	<u>\$ 9.53</u>
Class R-INT	<u>\$ 9.54</u>

Hand Composite Employee Benefit Trust
Schedule of Investments
Western Asset Long Duration Credit CIF
December 31, 2015

Number of Shares		Cost	Fair Value
<u>Short Term Investments</u>			
282,801	State Street Institutional Liquid Reserves Fund, Premier Class .225%	\$ 282,801	\$ 282,801
	Total Short Term Investments	0.32% 282,801	282,801
<u>Preferred Stocks</u>			
<i>Consumer Discretionary</i>			
7,800	Citigroup Capital XIII	204,600	202,722
	Total Consumer Discretionary	0.23% 204,600	202,722
<i>Financials</i>			
27,700	GMAC Capital Trust I Series 2	693,309	702,472
1,126	State Street Corp. Series D	28,176	31,168
	Total Financials	0.84% 721,485	733,640
<i>Industrials</i>			
3,200	Delphi Financial Group, Inc.	79,968	79,500
	Total Industrials	0.09% 79,968	79,500
	Total Preferred Stocks	1.16% 1,006,053	1,015,862

Principal Amount		Cost	Fair Value
<u>Corporate Bonds</u>			
<i>Consumer Discretionary</i>			
\$ 100,000	21st Century Fox America, Inc. Company Guarantee 6.65% 11/15/2037	121,225	116,206
510,000	21st Century Fox America, Inc. Company Guarantee 6.90% 08/15/2039	606,789	603,117
210,000	Baylor College of Medicine Secured 5.259% 11/15/2046	220,679	217,731
210,000	California Institute of Technology Sr Unsecured 4.70% 11/01/2111	208,079	202,000
180,000	Carlyle Holdings II Finance LLC Sr Secured 144A 5.625% 03/30/2043	195,744	191,185
450,000	Citigroup Capital III Company Guarantee 7.625% 12/01/2036	539,473	549,918
60,000	Cleveland Clinic Foundation Unsecured 4.858% 01/01/2114	60,000	58,180
20,000	Coach, Inc. Sr Unsecured 4.25% 04/01/2025	19,896	19,004
50,000	Comcast Corp. Company Guarantee 4.65% 07/15/2042	50,775	50,880
380,000	Comcast Corp. Company Guarantee 6.40% 05/15/2038	379,200	471,657
340,000	Comcast Corp. Company Guarantee 6.40% 03/01/2040	390,231	421,981
260,000	Comcast Corp. Company Guarantee 6.45% 03/15/2037	329,158	323,590
70,000	Comcast Corp. Company Guarantee 6.95% 08/15/2037	95,166	91,342
110,000	Comcast Corp. Company Guarantee 7.05% 03/15/2033	150,119	141,922
250,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank BA Company Guarantee 5.25% 08/04/2045	248,884	261,972
410,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank BA Company Guarantee 5.75% 12/01/2043	429,010	458,307
220,000	Credit Agricole S.A. Jr Subordinated 144A 8.375% 10/13/2019	210,762	246,400
100,000	Deutsche Telekom International Finance BV Company Guarantee 8.75% 06/15/2030	142,767	138,644
90,000	DISH DBS Corp. Company Guarantee 5.875% 11/15/2024	90,000	80,100
360,000	Ford Motor Co. Sr Unsecured 4.75% 01/15/2043	350,383	339,347
250,000	Ford Motor Co. Sr Unsecured 7.45% 07/16/2031	310,420	308,503
10,000	General Motors Co. Sr Unsecured 4.875% 10/02/2023	10,516	10,227
540,000	General Motors Co. Sr Unsecured 6.25% 10/02/2043	587,320	570,529
180,000	General Motors Co. Sr Unsecured 5.20% 04/01/2045	180,293	168,791
10,000	General Motors Financial Co., Inc. Company Guarantee 3.45% 04/10/2022	9,633	9,593
70,000	General Motors Financial Co., Inc. Company Guarantee 4.25% 05/15/2023	70,000	69,240

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2015

Principal Amount		Cost	Fair Value		
<i>Corporate Bonds (continued)</i>					
<i>Consumer Discretionary (continued)</i>					
\$	150,000	Glencore Finance Canada Ltd. Company Guarantee 144A 2.70% 10/25/2017	\$ 138,422	\$ 137,250	
	110,000	Goodyear Tire & Rubber Co. Company Guarantee 5.125% 11/15/2023	110,486	112,750	
	200,000	Grupo Televisa S.A.B. Sr Unsecured 5.00% 05/13/2045	193,149	171,961	
	60,000	Highmark, Inc. Sr Unsecured 144A 6.125% 05/15/2041	59,612	59,506	
	50,000	Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp. Company Guarantee 5.625% 10/15/2021	52,007	51,812	
	270,000	Home Depot, Inc. Sr Unsecured 4.40% 03/15/2045	266,563	279,060	
	340,000	Johnson Controls, Inc. Sr Unsecured 4.625% 07/02/2044	335,127	288,147	
	90,000	Johnson Controls, Inc. Sr Unsecured 4.95% 07/02/2064	89,815	73,102	
	250,000	Liberty Mutual Insurance Co. Subordinated 144A 7.875% 10/15/2026	313,619	301,219	
	10,000	Lowe's Cos., Inc. Sr Unsecured 4.65% 04/15/2042	9,959	10,577	
	280,000	Lowe's Cos., Inc. Sr Unsecured 5.80% 04/15/2040	292,322	335,521	
	80,000	LYB International Finance BV Company Guarantee 5.25% 07/15/2043	77,634	76,807	
	130,000	Massachusetts Institute of Technology Unsecured 4.678% 07/01/2114	130,000	134,127	
	20,000	Massachusetts Institute of Technology Unsecured 5.60% 07/01/2111	24,130	24,466	
	110,000	McDonald's Corp. Sr Unsecured 4.70% 12/09/2035	109,648	109,593	
	150,000	McDonald's Corp. Sr Unsecured 4.875% 12/09/2045	150,000	150,914	
	230,000	Monongahela Power Co. 144A 5.40% 12/15/2043	229,589	256,040	
	230,000	Nordstrom, Inc. Sr Unsecured 5.00% 01/15/2044	228,482	237,722	
	40,000	Nordstrom, Inc. Sr Unsecured 6.95% 03/15/2028	53,142	48,909	
	40,000	Northwestern University Unsecured 4.643% 12/01/2044	40,000	44,953	
	20,000	Orange S.A. Sr Unsecured 9.00% 03/01/2031	28,069	28,229	
	10,000	President and Fellows of Harvard College Unsecured 3.619% 10/01/2037	10,000	9,740	
	80,000	Stanford University Unsecured 3.563% 06/01/2044	80,000	74,814	
	180,000	Target Corp. Sr Unsecured 4.00% 07/01/2042	176,211	175,748	
	90,000	Time Warner Cable, Inc. Company Guarantee 6.55% 05/01/2037	98,317	91,079	
	100,000	Time Warner Cable, Inc. Company Guarantee 6.75% 06/15/2039	107,458	100,360	
	550,000	Time Warner Cable, Inc. Company Guarantee 7.30% 07/01/2038	556,763	596,287	
	20,000	Toll Brothers Finance Corp. Company Guarantee 5.625% 01/15/2024	20,277	20,700	
	200,000	UBM PLC Sr Unsecured 144A 5.75% 11/03/2020	197,123	213,747	
	100,000	University of Chicago Unsecured 4.151% 10/01/2045	100,000	99,413	
	120,000	Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 6.375% 10/15/2020	108,768	115,800	
	110,000	Viacom, Inc. Sr Unsecured 5.25% 04/01/2044	97,352	90,761	
	20,000	Walt Disney Co. Sr Unsecured 4.375% 08/16/2041	20,328	20,737	
	200,000	Wynn Macau Ltd. Sr Unsecured 144A 5.25% 10/15/2021	201,254	176,000	
		Total Consumer Discretionary	12.34%	10,712,148	10,838,217
<i>Consumer Staples</i>					
	30,000	Altria Group, Inc. Company Guarantee 4.25% 08/09/2042	29,630	27,526	
	70,000	Altria Group, Inc. Company Guarantee 5.375% 01/31/2044	69,705	75,295	
	150,000	Altria Group, Inc. Company Guarantee 9.95% 11/10/2038	211,271	240,430	
	320,000	Altria Group, Inc. Company Guarantee 10.20% 02/06/2039	453,848	524,753	
	120,000	CVS Health Corp. Sr Unsecured 4.875% 07/20/2035	118,156	123,899	
	210,000	CVS Health Corp. Sr Unsecured 5.125% 07/20/2045	209,563	221,221	
	210,000	CVS Health Corp. Sr Unsecured 5.30% 12/05/2043	218,768	225,557	
	100,000	CVS Health Corp. Sr Unsecured 5.75% 05/15/2041	107,669	112,220	
	180,000	CVS Health Corp. Sr Unsecured 6.125% 09/15/2039	179,418	210,183	
	100,000	Kraft Foods Group, Inc. Company Guarantee 5.00% 06/04/2042	99,303	100,689	
	20,000	Kraft Heinz Foods Co. Company Guarantee 144A 5.00% 07/15/2035	19,813	20,490	
	200,000	Kraft Heinz Foods Co. Company Guarantee 144A 5.20% 07/15/2045	201,265	208,982	
	90,000	Kraft Heinz Foods Co. Company Guarantee 144A 7.125% 08/01/2039	112,678	109,581	
	140,000	Kroger Co. Company Guarantee 6.90% 04/15/2038	140,935	172,978	
	30,000	PepsiCo, Inc. Sr Unsecured 3.60% 08/13/2042	29,516	27,161	
	190,000	PepsiCo, Inc. Sr Unsecured 4.25% 10/22/2044	187,446	188,519	
	140,000	PepsiCo, Inc. Sr Unsecured 4.875% 11/01/2040	139,740	149,589	

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2015

Principal Amount		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Consumer Staples (continued)</i>			
\$	190,000 Pernod Ricard S.A. Sr Unsecured 144A 5.50% 01/15/2042	\$ 187,452	\$ 191,406
	280,000 Philip Morris International, Inc. Sr Unsecured 3.875% 08/21/2042	273,361	255,753
	120,000 Philip Morris International, Inc. Sr Unsecured 4.25% 11/10/2044	118,149	115,888
	120,000 Philip Morris International, Inc. Sr Unsecured 4.875% 11/15/2043	121,880	126,868
	150,000 Procter & Gamble Co. Sr Unsecured 5.55% 03/05/2037	145,362	182,289
	290,000 Reynolds American, Inc. Company Guarantee 4.75% 11/01/2042	287,426	276,799
	340,000 Reynolds American, Inc. Company Guarantee 5.85% 08/15/2045	348,014	377,992
	90,000 Reynolds American, Inc. Company Guarantee 7.25% 06/15/2037	88,685	110,183
	50,000 Reynolds American, Inc. Company Guarantee 8.125% 05/01/2040	63,738	61,332
	80,000 Tyson Foods, Inc. Company Guarantee 4.875% 08/15/2034	79,989	81,649
	150,000 Tyson Foods, Inc. Company Guarantee 5.15% 08/15/2044	155,456	156,630
	320,000 Wal-Mart Stores, Inc. Sr Unsecured 4.00% 04/11/2043	318,908	310,748
	60,000 Wal-Mart Stores, Inc. Sr Unsecured 4.30% 04/22/2044	60,055	61,168
	30,000 Wal-Mart Stores, Inc. Sr Unsecured 4.75% 10/02/2043	29,794	32,267
	680,000 Wal-Mart Stores, Inc. Sr Unsecured 6.50% 08/15/2037	736,282	878,319
	240,000 Whole Foods Market, Inc. Sr Unsecured 144A 5.20% 12/03/2025	239,673	239,645
	Total Consumer Staples	7.06% 5,782,948	6,198,009
<i>Energy</i>			
	50,000 Anadarko Petroleum Corp. Sr Unsecured 4.50% 07/15/2044	46,271	38,279
	120,000 Anadarko Petroleum Corp. Sr Unsecured 7.95% 06/15/2039	174,586	128,222
	130,000 Apache Corp. Sr Unsecured 4.75% 04/15/2043	137,659	108,640
	200,000 Apache Corp. Sr Unsecured 5.10% 09/01/2040	196,465	170,963
	140,000 Apache Corp. Sr Unsecured 5.25% 02/01/2042	136,204	124,099
	50,000 Apache Corp. Sr Unsecured 6.00% 01/15/2037	59,041	48,292
	130,000 Baker Hughes, Inc. Sr Unsecured 5.125% 09/15/2040	129,450	128,590
	570,000 Berkshire Hathaway Energy Co. Sr Unsecured 6.125% 04/01/2036	585,626	664,702
	280,000 BHP Billiton Finance USA Ltd. Company Guarantee 5.00% 09/30/2043	295,430	251,665
	400,000 BHP Billiton Finance USA Ltd. Company Guarantee 144A 6.75% 10/19/2075	403,203	386,000
	100,000 Cameron International Corp. Sr Unsecured 5.125% 12/15/2043	99,104	98,501
	70,000 Cenovus Energy, Inc. Sr Unsecured 4.45% 09/15/2042	69,850	51,034
	190,000 Chesapeake Energy Corp. Company Guarantee 3.25% 03/15/2016	183,010	181,925
	50,000 Columbia Pipeline Group, Inc. Company Guarantee 144A 5.80% 06/01/2045	49,887	43,894
	50,000 ConocoPhillips Company Guarantee 6.50% 02/01/2039	61,460	52,690
	50,000 Continental Resources, Inc. Company Guarantee 4.90% 06/01/2044	50,984	30,149
	240,000 Devon Energy Corp. Sr Unsecured 5.00% 06/15/2045	236,965	181,897
	130,000 Devon Energy Corp. Sr Unsecured 5.60% 07/15/2041	129,751	98,258
	230,000 Devon Energy Corp. Sr Unsecured 5.85% 12/15/2025	228,052	223,685
	140,000 Devon Energy Corp. Sr Unsecured 7.95% 04/15/2032	168,403	144,670
	198,000 Ecopetrol S.A. Sr Unsecured 5.875% 05/28/2045	195,128	140,580
	770,000 Ecopetrol S.A. Sr Unsecured 5.375% 06/26/2026	765,006	656,425
	80,000 ENSCO International, Inc. Company Guarantee 7.20% 11/15/2027	65,232	65,944
	8,000 Freepport-McMoran Oil & Gas LLC / FCX Oil & Gas, Inc. Company Guarantee 6.50% 11/15/2020	8,373	5,160
	230,000 Halliburton Co. Sr Unsecured 4.75% 08/01/2043	229,533	215,921
	210,000 Halliburton Co. Sr Unsecured 4.85% 11/15/2035	210,382	206,296
	190,000 Halliburton Co. Sr Unsecured 5.00% 11/15/2045	190,424	187,823
	190,000 Kerr-McGee Corp. Company Guarantee 6.95% 07/01/2024	208,964	204,118
	230,000 Lukoil International Finance BV Company Guarantee 144A 4.563% 04/24/2023	230,000	206,137
	200,000 Lukoil International Finance BV Company Guarantee 144A 6.125% 11/09/2020	209,791	203,410
	20,000 Memorial Sloan-Kettering Cancer Center Sr Unsecured Series 2015 4.20% 07/01/2055	19,928	19,254
	20,000 Nationwide Mutual Insurance Co. Subordinated 144A 9.375% 08/15/2039	30,519	29,029
	130,000 Noble Energy, Inc. Sr Unsecured 5.25% 11/15/2043	129,268	104,873
	20,000 Oasis Petroleum, Inc. Company Guarantee 6.875% 03/15/2022	17,106	12,800
	250,000 Occidental Petroleum Corp. Sr Unsecured 4.625% 06/15/2045	248,261	242,497

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Energy (continued)</i>			
\$ 95,000	Petrobras Global Finance BV Company Guarantee 6.875% 01/20/2040	\$ 93,678	\$ 61,750
100,000	Petroleos Mexicanos Company Guarantee 6.375% 01/23/2045	100,599	84,638
590,000	Petroleos Mexicanos Company Guarantee 6.50% 06/02/2041	673,525	510,055
80,000	Pride International, Inc. Company Guarantee 6.875% 08/15/2020	73,413	74,280
50,000	Pride International, Inc. Company Guarantee 7.875% 08/15/2040	57,617	39,112
30,000	Range Resources Corp. Company Guarantee 144A 4.875% 05/15/2025	30,000	22,800
270,000	Schlumberger Holdings Corp. Sr Unsecured 144A 4.00% 12/21/2025	269,825	266,430
420,000	Shell International Finance BV Company Guarantee 4.375% 05/11/2045	417,355	396,508
80,000	Shell International Finance BV Company Guarantee 6.375% 12/15/2038	79,582	94,576
400,000	Southern Natural Gas Co. LLC Company Guarantee 8.00% 03/01/2032	425,020	392,794
440,000	Vale Overseas Ltd. Company Guarantee 6.875% 11/21/2036	410,903	307,578
40,000	Williams Cos., Inc. Sr Unsecured 4.55% 06/24/2024	39,903	27,783
70,000	Williams Cos., Inc. Sr Unsecured 7.75% 06/15/2031	83,093	49,574
62,000	Williams Cos., Inc. Sr Unsecured 7.875% 09/01/2021	72,469	55,800
	Total Energy	9.16% 9,026,298	8,040,100
<i>Financials</i>			
200,000	ABN AMRO Bank N.V. Subordinated 144A 4.75% 07/28/2025	199,482	198,031
110,000	Allstate Corp. Jr Subordinated 6.50% 05/15/2067	99,294	121,000
125,000	American International Group, Inc. Jr Subordinated 6.25% 03/15/2087	103,273	136,563
60,000	American International Group, Inc. Sr Unsecured 4.50% 07/16/2044	60,652	55,485
180,000	Anthem, Inc. Sr Unsecured 6.375% 06/15/2037	168,687	213,452
290,000	Bank of America Corp. Jr Subordinated Series AA 6.10% 03/17/2025	290,000	293,988
360,000	Bank of America Corp. Jr Subordinated Series X 6.25% 09/05/2024	360,564	360,900
430,000	Bank of America Corp. Jr Subordinated Series Z 6.50% 10/23/2024	430,000	453,112
530,000	Bank of America Corp. Sr Unsecured 5.00% 01/21/2044	528,884	553,156
150,000	Bank of America Corp. Subordinated 4.00% 01/22/2025	148,233	146,839
410,000	Bank of America Corp. Subordinated 4.20% 08/26/2024	409,825	406,793
110,000	Bank of America Corp. Subordinated 7.75% 05/14/2038	145,999	149,246
200,000	Barclays Bank PLC Subordinated 7.625% 11/21/2022	210,519	227,750
200,000	Barclays PLC Jr Subordinated 8.25% 12/15/2018	202,411	212,940
220,000	BNP Paribas S.A. Company Guarantee 144A 4.375% 09/28/2025	217,954	215,451
150,000	Citigroup, Inc. Jr Subordinated Series M 6.30% 05/15/2024	150,000	146,250
310,000	Citigroup, Inc. Jr Subordinated Series P 5.95% 05/15/2025	310,000	298,375
450,000	Citigroup, Inc. Subordinated 4.45% 09/29/2027	449,744	447,021
530,000	Citigroup, Inc. Subordinated 5.50% 09/13/2025	543,082	575,312
375,000	Citigroup, Inc. Subordinated 6.125% 08/25/2036	348,144	426,345
10,000	Citigroup, Inc. Subordinated 6.625% 06/15/2032	11,647	11,801
130,000	City of Hope Sr Secured Series 2013 5.623% 11/15/2043	130,000	146,185
300,000	Fibria Overseas Finance Ltd. Company Guarantee 5.25% 05/12/2024	300,787	285,000
907,000	GE Capital International Funding Co. Company Guarantee 144A 4.418% 11/15/2035	922,766	925,577
180,000	Goldman Sachs Group, Inc. Sr Unsecured 4.75% 10/21/2045	178,356	178,808
430,000	Goldman Sachs Group, Inc. Sr Unsecured 4.80% 07/08/2044	427,929	427,507
370,000	Goldman Sachs Group, Inc. Sr Unsecured 6.25% 02/01/2041	367,613	441,337
190,000	Goldman Sachs Group, Inc. Subordinated 4.25% 10/21/2025	189,111	188,548
530,000	Goldman Sachs Group, Inc. Subordinated 5.15% 05/22/2045	520,635	514,835
650,000	Goldman Sachs Group, Inc. Subordinated 6.75% 10/01/2037	619,529	759,808
130,000	Hiland Partners L.P. / Hiland Partners Finance Corp. Company Guarantee 144A 7.25% 10/01/2020	137,371	131,300
770,000	HSBC Holdings PLC Jr Subordinated 6.375% 09/17/2024	770,000	760,375
270,000	HSBC Holdings PLC Subordinated 4.25% 08/18/2025	267,852	267,950
730,000	HSBC Holdings PLC Subordinated 5.25% 03/14/2044	739,023	757,466
200,000	HSBC Holdings PLC Subordinated 6.50% 09/15/2037	254,752	239,943
180,000	Intercontinental Exchange, Inc. Company Guarantee 3.75% 12/01/2025	179,970	180,495
200,000	Intesa Sanpaolo S.p.A. Subordinated 144A 5.017% 06/26/2024	200,000	196,770

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Financials (continued)</i>			
\$	20,000 JPMorgan Chase & Co. Sr Unsecured 4.85% 02/01/2044	\$ 19,917	\$ 21,324
	30,000 JPMorgan Chase & Co. Sr Unsecured 5.40% 01/06/2042	29,951	33,734
	110,000 JPMorgan Chase & Co. Subordinated 4.25% 10/01/2027	109,627	109,737
	560,000 JPMorgan Chase & Co. Subordinated 4.95% 06/01/2045	552,766	559,892
	170,000 JPMorgan Chase & Co. Subordinated 5.625% 08/16/2043	168,591	184,994
	200,000 Lloyds Banking Group PLC Subordinated 144A 5.30% 12/01/2045	199,732	203,992
	150,000 M&T Bank Corp. Jr Subordinated 6.875% 06/15/2016	150,466	150,000
	40,000 Mayo Clinic Series 2013 4.00% 11/15/2047	40,000	37,773
	325,000 MetLife, Inc. Jr Subordinated 6.40% 12/15/2066	280,442	355,063
	50,000 Morgan Stanley Sr Unsecured 4.30% 01/27/2045	48,197	47,705
	200,000 Morgan Stanley Sr Unsecured 7.25% 04/01/2032	215,385	262,111
	120,000 Morgan Stanley Subordinated 4.35% 09/08/2026	119,293	120,392
	350,000 Royal Bank of Scotland Group PLC Subordinated 5.125% 05/28/2024	350,562	354,604
	160,000 Royal Bank of Scotland Group PLC Subordinated 6.10% 06/10/2023	161,807	171,911
	240,000 Royal Bank of Scotland N.V. Subordinated Series B 7.75% 05/15/2023	268,872	276,426
	330,000 Santander Holdings USA, Inc. Sr Unsecured 4.50% 07/17/2025	329,873	335,922
	430,000 Santander UK Group Holdings PLC Subordinated 144A 5.625% 09/15/2045	433,637	429,570
	250,000 Santander UK PLC Subordinated 144A 5.00% 11/07/2023	268,201	260,238
	140,000 Security Capital Group, Inc. Sr Unsecured 7.70% 06/15/2028	182,564	190,610
	590,000 Standard Chartered PLC Subordinated 144A 5.70% 03/26/2044	605,684	590,476
	430,000 Synchrony Financial Sr Unsecured 4.25% 08/15/2024	432,547	424,179
	60,000 Synchrony Financial Sr Unsecured 4.50% 07/23/2025	59,788	59,858
	610,000 Teachers Insurance & Annuity Association of America Subordinated 144A 4.90% 09/15/2044	617,319	616,152
	60,000 Travelers Property Casualty Corp. Company Guarantee 7.75% 04/15/2026	81,984	78,555
	420,000 Voya Financial, Inc. Sr Unsecured 5.70% 07/15/2043	466,568	476,842
	100,000 Wells Fargo & Co. Sr Subordinated Series S 5.90% 06/15/2024	100,000	100,875
	510,000 Wells Fargo & Co. Subordinated 4.10% 06/03/2026	510,582	514,791
	280,000 Wells Fargo & Co. Subordinated 4.30% 07/22/2027	279,366	286,030
	300,000 Wells Fargo & Co. Subordinated 4.65% 11/04/2044	292,108	291,863
	220,000 Wells Fargo & Co. Subordinated 4.90% 11/17/2045	218,327	221,962
	210,000 Wells Fargo & Co. Subordinated 5.375% 11/02/2043	209,386	224,752
	408,000 Wells Fargo & Co. Subordinated 5.606% 01/15/2044	425,094	453,247
	Total Financials	23.34% 19,822,724	20,497,294
<i>Health Care</i>			
	120,000 AbbVie, Inc. Sr Unsecured 4.50% 05/14/2035	118,748	117,552
	290,000 AbbVie, Inc. Sr Unsecured 4.70% 05/14/2045	289,411	283,465
	70,000 ACE INA Holdings, Inc. Company Guarantee 3.35% 05/03/2026	69,788	69,785
	210,000 ACE INA Holdings, Inc. Company Guarantee 4.35% 11/03/2045	210,140	213,388
	20,000 Aetna, Inc. Sr Unsecured 4.75% 03/15/2044	19,953	20,274
	80,000 Aetna, Inc. Sr Unsecured 6.75% 12/15/2037	77,410	100,723
	140,000 Air Canada Pass Through Trust Series 2013-1, Class C, 144A 6.625% 05/15/2018	140,342	140,437
	410,000 Amgen, Inc. Sr Unsecured 4.40% 05/01/2045	400,934	379,874
	80,000 Amgen, Inc. Sr Unsecured 5.15% 11/15/2041	79,344	81,219
	90,000 Amgen, Inc. Sr Unsecured 5.75% 03/15/2040	89,535	97,363
	140,000 Aon PLC Company Guarantee 4.75% 05/15/2045	139,560	138,401
	80,000 Argos Merger Sub, Inc. Sr Unsecured 144A 7.125% 03/15/2023	80,398	79,320
	150,000 Baxalta, Inc. Sr Unsecured 144A 5.25% 06/23/2045	149,971	150,506
	140,000 Becton Dickinson & Co. Sr Unsecured 4.685% 12/15/2044	149,942	141,247
	40,000 Becton Dickinson and Co. Sr Unsecured 4.875% 05/15/2044	43,883	40,407
	100,000 Celgene Corp. Sr Unsecured 4.625% 05/15/2044	98,752	94,459
	370,000 Celgene Corp. Sr Unsecured 5.00% 08/15/2045	369,910	371,438
	40,000 Express Scripts Holding Co. Company Guarantee 6.125% 11/15/2041	42,427	45,456
	150,000 Gilead Sciences, Inc. Sr Unsecured 4.50% 02/01/2045	149,131	146,725

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value		
<i>Corporate Bonds (continued)</i>					
<i>Health Care (continued)</i>					
\$	350,000	Gilead Sciences, Inc. Sr Unsecured 4.75% 03/01/2046	\$ 349,872	\$ 354,209	
	100,000	Gilead Sciences, Inc. Sr Unsecured 4.80% 04/01/2044	99,809	100,394	
	50,000	Gilead Sciences, Inc. Sr Unsecured 5.65% 12/01/2041	49,888	56,966	
	150,000	Humana, Inc. Sr Unsecured 4.625% 12/01/2042	151,933	140,962	
	190,000	Humana, Inc. Sr Unsecured 4.95% 10/01/2044	189,096	188,748	
	140,000	Johns Hopkins University Sr Unsecured Series 2013 4.083% 07/01/2053	140,000	137,460	
	120,000	Johnson & Johnson Sr Unsecured 4.50% 09/01/2040	126,867	132,192	
	10,000	Johnson & Johnson Sr Unsecured 4.85% 05/15/2041	11,525	11,438	
	20,000	Johnson & Johnson Sr Unsecured 5.95% 08/15/2037	21,041	25,832	
	30,000	McKesson Corp. Sr Unsecured 6.00% 03/01/2041	29,567	34,537	
	70,000	Medtronic, Inc. Company Guarantee 4.50% 03/15/2042	69,888	70,279	
	280,000	Medtronic, Inc. Company Guarantee 4.625% 03/15/2045	281,097	288,807	
	40,000	Medtronic, Inc. Company Guarantee 5.55% 03/15/2040	39,920	46,069	
	160,000	Pfizer, Inc. Sr Unsecured 4.40% 05/15/2044	159,543	162,488	
	50,000	Prudential Financial, Inc. Sr Unsecured 5.70% 12/14/2036	55,131	56,558	
	30,000	Telefonica Emisiones SAU Company Guarantee 7.045% 06/20/2036	26,455	36,052	
	40,000	Texas Health Resources Secured 4.33% 11/15/2055	40,000	38,295	
	520,000	Time Warner, Inc. Company Guarantee 7.70% 05/01/2032	644,951	649,044	
	109,157	United Airlines Pass Through Trust Series 2013-1, Class B 5.375% 02/15/2023	109,157	112,704	
	100,000	United Airlines Pass Through Trust Series 2014-2, Class B 4.625% 03/03/2024	100,000	100,250	
	100,000	UnitedHealth Group, Inc. Sr Unsecured 4.625% 07/15/2035	100,100	103,812	
	80,000	UnitedHealth Group, Inc. Sr Unsecured 4.625% 11/15/2041	79,018	81,197	
	140,000	UnitedHealth Group, Inc. Sr Unsecured 4.75% 07/15/2045	140,052	147,461	
	130,000	UnitedHealth Group, Inc. Sr Unsecured 6.50% 06/15/2037	121,134	163,190	
	110,000	UnitedHealth Group, Inc. Sr Unsecured 6.875% 02/15/2038	116,032	143,867	
	160,000	Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 5.375% 03/15/2020	142,233	150,400	
	70,000	Wyeth LLC Company Guarantee 5.95% 04/01/2037	67,024	83,232	
	170,000	Zoetis, Inc. Sr Unsecured 4.70% 02/01/2043	168,774	148,409	
		Total Health Care	7.38%	6,349,686	6,476,891
<i>Industrials</i>					
	100,000	Actavis Funding SCS Company Guarantee 4.55% 03/15/2035	95,694	97,186	
	420,000	Actavis Funding SCS Company Guarantee 4.75% 03/15/2045	417,831	409,519	
	218,303	American Airlines Pass Through Trust Series 2013-2 Class B, 144A 5.60% 01/15/2022	218,303	222,669	
	150,000	Barrick North America Finance LLC Company Guarantee 5.70% 05/30/2041	144,519	100,566	
	50,000	Barrick North America Finance LLC Company Guarantee 5.75% 05/01/2043	50,693	36,163	
	130,000	Barrick PD Australia Finance Pty Ltd. Company Guarantee 5.95% 10/15/2039	130,097	88,723	
	170,000	Blackstone Holdings Finance Co. LLC Company Guarantee 144A 5.00% 06/15/2044	167,630	173,567	
	50,000	Boeing Co. Sr Unsecured 5.875% 02/15/2040	61,895	63,010	
	120,000	Boeing Co. Sr Unsecured 6.125% 02/15/2033	124,499	151,154	
	220,000	Burlington Northern Santa Fe LLC Sr Unsecured 4.55% 09/01/2044	218,859	212,379	
	190,000	Burlington Northern Santa Fe LLC Sr Unsecured 4.90% 04/01/2044	195,715	194,973	
	250,000	Burlington Northern Santa Fe LLC Sr Unsecured 4.95% 09/15/2041	249,683	254,850	
	140,000	Burlington Northern Santa Fe LLC Sr Unsecured 5.05% 03/01/2041	139,492	144,858	
	160,000	Caterpillar, Inc. Sr Unsecured 4.75% 05/15/2064	160,137	154,121	
	160,000	Catholic Health Initiatives Secured 4.35% 11/01/2042	159,734	149,649	
	80,000	Catholic Health Initiatives Unsecured 4.20% 08/01/2023	79,830	84,710	
	710,000	CCO Safari II LLC Sr Secured 144A 6.484% 10/23/2045	727,823	711,164	
	290,000	Credit Suisse Group AG Jr Subordinated 144A 6.25% 12/18/2024	290,000	289,782	
	730,000	Credit Suisse Group Funding Guernsey Ltd. Company Guarantee 144A 4.875% 05/15/2045	720,323	719,843	
	70,000	CSX Corp. Sr Unsecured 3.95% 05/01/2050	69,374	59,207	
	140,000	CSX Corp. Sr Unsecured 4.75% 05/30/2042	139,222	139,497	
	50,000	CSX Corp. Sr Unsecured 5.50% 04/15/2041	55,698	55,077	
	80,000	Delphi Financial Group, Inc. Sr Unsecured 7.875% 01/31/2020	79,996	93,004	

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<i>Corporate Bonds (continued)</i>			
<i>Industrials (continued)</i>			
\$	450,000 Eaton Corp. Company Guarantee 4.15% 11/02/2042	\$ 443,228	\$ 414,956
	20,000 Florida East Coast Holdings Corp. Company Guarantee 144A 9.75% 05/01/2020	20,020	13,600
	110,000 General Electric Capital Corp. Company Guarantee 5.875% 01/14/2038	135,007	134,592
	317,000 General Electric Capital Corp. Company Guarantee 6.15% 08/07/2037	363,222	397,961
	10,000 General Electric Capital Corp. Company Guarantee 6.375% 11/15/2067	10,251	10,443
	291,000 General Electric Capital Corp. Company Guarantee 6.875% 01/10/2039	377,625	396,654
	200,000 General Electric Co. Sr Unsecured 4.125% 10/09/2042	200,973	195,357
	120,000 General Electric Co. Sr Unsecured 4.50% 03/11/2044	120,083	123,496
	30,000 Hess Corp. Sr Unsecured 7.30% 08/15/2031	34,880	29,785
	140,000 Hess Corp. Sr Unsecured 7.875% 10/01/2029	164,652	152,928
	240,000 ILFC E-Capital Trust I Limited Guarantee 144A 4.49% 12/21/2065	187,829	218,400
	110,000 ILFC E-Capital Trust II Limited Guarantee 144A 4.74% 12/21/2065	107,476	101,200
	160,000 Interface Security Systems Holdings, Inc. / Interface Security Systems LLC Secured 9.25% 01/15/2018	163,027	156,800
	330,000 KKR Group Finance Co. III LLC Company Guarantee 144A 5.125% 06/01/2044	327,558	323,186
	120,000 Lockheed Martin Corp. Sr Unsecured 4.50% 05/15/2036	117,756	121,488
	360,000 Lockheed Martin Corp. Sr Unsecured 4.70% 05/15/2046	354,677	368,774
	40,000 Republic Services, Inc. Company Guarantee 5.70% 05/15/2041	39,775	44,743
	20,000 Republic Services, Inc. Company Guarantee 6.086% 03/15/2035	23,517	23,402
	240,000 Republic Services, Inc. Company Guarantee 6.20% 03/01/2040	258,924	281,246
	130,000 Rockwell Collins, Inc. Sr Unsecured 4.80% 12/15/2043	131,576	139,248
	250,000 Time Warner Entertainment Co. L.P. Company Guarantee 8.375% 07/15/2033	329,585	294,927
	250,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 4.45% 08/01/2042	251,330	167,295
	140,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 5.40% 08/15/2041	139,087	106,327
	120,000 Union Pacific Corp. Sr Unsecured 4.375% 11/15/2065	115,248	111,237
	340,000 United Technologies Corp. Sr Unsecured 4.50% 06/01/2042	344,331	342,393
	470,000 Wachovia Capital Trust III Limited Guarantee 5.57% 02/01/2016	411,873	452,727
	130,000 Waste Management, Inc. Company Guarantee 7.75% 05/15/2032	183,523	173,915
	Total Industrials	11.28% 10,054,080	9,902,751
<i>Information Technology</i>			
	40,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 4.625% 02/01/2044	41,505	39,758
	150,000 Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 6.375% 01/15/2040	161,510	179,224
	270,000 ConocoPhillips Holding Co. Sr Unsecured 6.95% 04/15/2029	302,186	309,256
	20,000 DIRECTV Holdings LLC / DIRECTV Financing Co., Inc. Company Guarantee 5.15% 03/15/2042	18,932	18,647
	40,000 Enterprise Products Operating LLC Company Guarantee 5.95% 02/01/2041	39,731	36,742
	240,000 Enterprise Products Operating LLC Company Guarantee 6.125% 10/15/2039	235,966	219,244
	60,000 Fresenius Medical Care US Finance II, Inc. Company Guarantee 144A 4.125% 10/15/2020	60,000	60,600
	70,000 Fresenius Medical Care US Finance II, Inc. Company Guarantee 144A 4.75% 10/15/2024	70,278	68,250
	120,000 Glencore Finance Canada Ltd. Company Guarantee 144A 6.00% 11/15/2041	118,554	87,000
	80,000 Glencore Finance Canada Ltd. Company Guarantee 144A 6.90% 11/15/2037	93,583	64,000
	260,000 Harris Corp. Sr Unsecured 4.854% 04/27/2035	261,135	255,828
	270,000 Harris Corp. Sr Unsecured 5.054% 04/27/2045	261,708	264,375
	90,000 Hewlett Packard Enterprise Co. Company Guarantee 144A 6.35% 10/15/2045	89,939	85,441
	20,000 Intel Corp. Sr Unsecured 4.90% 07/29/2045	19,984	21,139
	150,000 Microsoft Corp. Sr Unsecured 4.45% 11/03/2045	149,484	154,683
	30,000 Microsoft Corp. Sr Unsecured 4.75% 11/03/2055	30,381	31,074
	180,000 NCL Corp. Ltd. Sr Unsecured 144A 5.25% 11/15/2019	180,000	183,938
	210,000 QUALCOMM, Inc. Sr Unsecured 4.80% 05/20/2045	189,063	186,587
	70,000 Toledo Hospital Sr Unsecured 4.982% 11/15/2045	70,000	73,578
	270,000 Visa, Inc. Sr Unsecured 4.15% 12/14/2035	269,636	272,586
	500,000 Visa, Inc. Sr Unsecured 4.30% 12/14/2045	499,166	507,279
	450,000 WEA Finance LLC / Westfield UK & Europe Finance PLC Company Guarantee 144A 4.75% 09/17/2044	444,177	440,907
	Total Information Technology	4.05% 3,606,918	3,560,136

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Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<i><u>Corporate Bonds (continued)</u></i>			
<i>Materials</i>			
\$ 450,000	Alcoa, Inc. Sr Unsecured 5.125% 10/01/2024	\$ 465,471	\$ 409,500
160,000	Alcoa, Inc. Sr Unsecured 5.87% 02/23/2022	162,913	156,000
210,000	BAE Systems Holdings, Inc. Company Guarantee 144A 4.75% 10/07/2044	209,847	204,369
110,000	Barrick Gold Corp. Sr Unsecured 5.25% 04/01/2042	105,502	74,085
200,000	Bharti Airtel International Netherlands BV Company Guarantee 144A 5.35% 05/20/2024	204,632	209,957
60,000	Cox Communications, Inc. Sr Unsecured 144A 6.45% 12/01/2036	60,794	57,779
220,000	Ecolab, Inc. Sr Unsecured 5.50% 12/08/2041	239,119	239,362
310,000	EnSCO PLC Sr Unsecured 5.75% 10/01/2044	297,479	204,349
30,000	Freeport-McMoRan, Inc. Company Guarantee 2.15% 03/01/2017	27,136	27,450
80,000	Freeport-McMoRan, Inc. Company Guarantee 2.30% 11/14/2017	65,798	68,200
120,000	Freeport-McMoRan, Inc. Company Guarantee 2.375% 03/15/2018	96,743	93,600
50,000	Freeport-McMoRan, Inc. Company Guarantee 3.55% 03/01/2022	29,004	29,000
70,000	GlaxoSmithKline Capital, Inc. Company Guarantee 6.375% 05/15/2038	69,789	89,391
30,000	Glencore Funding LLC Company Guarantee 144A 4.625% 04/29/2024	29,888	21,726
70,000	Monsanto Co. Sr Unsecured 3.60% 07/15/2042	69,900	50,649
130,000	Potash Corp. of Saskatchewan, Inc. Sr Unsecured 5.625% 12/01/2040	132,851	136,562
190,000	Southern Copper Corp. Sr Unsecured 5.25% 11/08/2042	186,639	137,129
150,000	Southern Copper Corp. Sr Unsecured 6.75% 04/16/2040	151,332	128,301
90,000	Teck Resources Ltd. Company Guarantee 6.25% 07/15/2041	97,954	39,600
190,000	Yamana Gold, Inc. Company Guarantee 4.95% 07/15/2024	190,133	161,117
	Total Materials	2.89% 2,892,924	2,538,126
<i>Telecommunication Services</i>			
230,000	America Movil S.A.B. de C.V. Company Guarantee 6.125% 11/15/2037	210,197	248,954
350,000	AT&T, Inc. Sr Unsecured 3.40% 05/15/2025	345,138	336,381
40,000	AT&T, Inc. Sr Unsecured 4.35% 06/15/2045	36,653	34,219
240,000	AT&T, Inc. Sr Unsecured 4.50% 05/15/2035	239,321	221,967
760,000	AT&T, Inc. Sr Unsecured 5.55% 08/15/2041	837,631	763,702
200,000	BPCE S.A. Subordinated 144A 5.15% 07/21/2024	199,656	201,681
290,000	British Telecommunications PLC Sr Unsecured 9.625% 12/15/2030	407,685	423,155
60,000	Partners Healthcare System, Inc. Company Guarantee Series 2015 4.117% 07/01/2055	60,000	54,169
60,000	Rogers Communications, Inc. Company Guarantee 3.625% 12/15/2025	59,554	59,016
110,000	Rogers Communications, Inc. Company Guarantee 7.50% 08/15/2038	124,655	142,393
200,000	Turk Telekomunikasyon AS Sr Unsecured 144A 4.875% 06/19/2024	198,451	189,224
946,000	Verizon Communications, Inc. Sr Unsecured 5.012% 08/21/2054	756,401	866,149
260,000	Verizon Communications, Inc. Sr Unsecured 5.05% 03/15/2034	259,810	259,043
70,000	Verizon Communications, Inc. Sr Unsecured 6.00% 04/01/2041	84,487	75,613
180,000	Verizon Communications, Inc. Sr Unsecured 6.40% 09/15/2033	179,824	205,070
1,415,000	Verizon Communications, Inc. Sr Unsecured 6.55% 09/15/2043	1,572,990	1,679,902
	Total Telecommunication Services	6.56% 5,572,453	5,760,638
<i>Utilities</i>			
210,000	CenterPoint Energy Houston Electric LLC Sr Secured 4.50% 04/01/2044	211,235	216,645
40,000	Connecticut Light & Power Co. Sr Secured 4.30% 04/15/2044	40,000	40,175
130,000	Dominion Resources, Inc. Sr Unsecured Series B 5.95% 06/15/2035	149,922	144,327
10,000	Duke Energy Carolinas LLC Sr Unsecured 4.00% 09/30/2042	9,922	9,635
340,000	Duke Energy Carolinas LLC Sr Unsecured 6.10% 06/01/2037	422,248	411,135
150,000	Duke Energy Indiana, Inc. Series UUU 4.20% 03/15/2042	149,726	147,028
190,000	Duke Energy Progress LLC Sr Secured 4.375% 03/30/2044	190,650	192,994
50,000	Exelis, Inc. Company Guarantee 5.55% 10/01/2021	50,161	54,830
440,000	Exelon Corp. Sr Unsecured 5.625% 06/15/2035	415,936	469,571
430,000	FirstEnergy Corp. Sr Unsecured Series C 7.375% 11/15/2031	470,908	523,733

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (continued)</u>			
<u>Utilities (continued)</u>			
\$ 100,000	Oglethorpe Power Corp. Sr Secured 4.55% 06/01/2044	\$ 99,379	\$ 94,762
80,000	Ohio Edison Co. Sr Secured 8.25% 10/15/2038	120,774	110,958
230,000	Pacific Gas & Electric Co. Sr Unsecured 4.30% 03/15/2045	225,000	226,894
170,000	Pacific Gas & Electric Co. Sr Unsecured 4.50% 12/15/2041	169,423	169,432
80,000	Pacific Gas & Electric Co. Sr Unsecured 4.60% 06/15/2043	79,936	81,288
70,000	Pacific Gas & Electric Co. Sr Unsecured 4.75% 02/15/2044	69,705	72,740
220,000	Pacific Gas & Electric Co. Sr Unsecured 5.80% 03/01/2037	208,538	255,791
250,000	Pacific Gas & Electric Co. Sr Unsecured 6.05% 03/01/2034	304,858	294,560
130,000	Pennsylvania Electric Co. Sr Unsecured 144A 4.15% 04/15/2025	129,717	130,748
260,000	San Diego Gas & Electric Co. Sr Secured 4.30% 04/01/2042	259,034	262,872
170,000	Southern California Edison Co. Sr Secured 4.05% 03/15/2042	168,025	166,074
170,000	Southern California Edison Co. Sr Secured 4.50% 09/01/2040	182,805	177,309
180,000	Southern California Edison Co. Sr Secured 4.65% 10/01/2043	184,279	190,014
210,000	Virginia Electric & Power Co. Sr Unsecured 8.875% 11/15/2038	245,229	330,060
	Total Utilities	5.44% 4,557,410	4,773,575
	Total Corporate Bonds	89.50% 78,377,589	78,585,737
<u>Floating Rate Loans</u>			
<u>Consumer Discretionary</u>			
230,000	Dollar Tree, Inc. Term Loan B2 4.25% 07/06/2022	230,000	227,844
	Total Consumer Discretionary	0.26% 230,000	227,844
	Total Floating Rate Loans	0.26% 230,000	227,844
<u>Foreign Government</u>			
<u>Colombia</u>			
140,000	Colombia Government International Bond Sr Unsecured 6.125% 01/18/2041	180,140	135,100
	Total Colombia	0.15% 180,140	135,100
<u>Mexico</u>			
556,000	Mexico Government International Bond Sr Unsecured 4.75% 03/08/2044	553,850	506,516
170,000	Mexico Government International Bond Sr Unsecured 5.55% 01/21/2045	169,112	174,250
22,000	Mexico Government International Bond Sr Unsecured 6.05% 01/11/2040	25,186	24,090
	Total Mexico	0.80% 748,148	704,856
<u>Panama</u>			
430,000	Panama Government International Bond Sr Unsecured 4.30% 04/29/2053	358,477	366,037
	Total Panama	0.42% 358,477	366,037
<u>Turkey</u>			
440,000	Turkey Government International Bond Sr Unsecured 4.25% 04/14/2026	434,446	412,523
490,000	Turkey Government International Bond Sr Unsecured 4.875% 04/16/2043	451,619	431,200
	Total Turkey	0.96% 886,065	843,723

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2015

Principal Amount		Cost	Fair Value
<u><i>Foreign Government (continued)</i></u>			
<i>Uruguay</i>			
\$ 80,000	Uruguay Government International Bond Sr Unsecured 5.10% 06/18/2050	\$ 79,730	\$ 69,000
	Total Uruguay	0.08% 79,730	69,000
	Total Foreign Government	2.41% 2,252,560	2,118,716
<u><i>Asset-Backed Securities</i></u>			
250,312	CWABS, Inc. Asset-Backed Certificates Trust Series 2004-6, Class 1A1 .962% 12/25/2034	227,756	227,187
69,855	SLM Student Loan Trust Series 2005-4, Class B .50% 07/25/2040	60,699	58,473
125,940	SLM Student Loan Trust Series 2005-5, Class B .57% 10/25/2040	114,364	105,587
110,668	Terwin Mortgage Trust Series 2006-1, Class 1A3, 144A .802% 01/25/2037	96,296	105,722
	Total Asset-Backed Securities	0.57% 499,115	496,969
<u><i>Mortgage-Backed Securities</i></u>			
310,000	Colony Mortgage Capital Ltd. Series 2014-FL1, Class D, 144A 3.976% 04/08/2031	310,000	309,999
343,000	JP Morgan Chase Commercial Mortgage Securities Trust Series 2006-LDP9, Class AM 5.372% 05/15/2047	360,974	348,779
100,000	JPMBB Commercial Mortgage Securities Trust Series 2015-C31, Class D 4.119% 08/15/2048	80,496	74,397
96,322	Thornburg Mortgage Securities Trust Series 2004-3, Class A 1.162% 09/25/2044	90,003	88,932
100,000	Wells Fargo Commercial Mortgage Trust Series 2015-SG1, Class D 4.471% 12/15/2047	85,220	81,745
	Total Mortgage-Backed Securities	1.03% 926,693	903,852
<u><i>Municipals</i></u>			
220,000	City of Chicago IL Series B 6.314% 01/01/2044	224,486	210,472
90,000	Dallas Convention Center Hotel Development Corp. 7.088% 01/01/2042	114,418	115,915
60,000	Denver City & County School Dist. No 1 Series B, COPs 4.242% 12/15/2037	60,000	59,417
60,000	Grand Parkway Transportation Corp. Series E 5.184% 10/01/2042	60,000	71,708
30,000	JobsOhio Beverage System Series B 4.532% 01/01/2035	30,000	31,909
20,000	Los Angeles Department of Water & Power 6.574% 07/01/2045	20,000	27,286
70,000	Ohio State University Series A 4.80% 06/01/2111	69,295	66,996
370,000	Port Authority of New York & New Jersey 4.458% 10/01/2062	370,000	355,596
100,000	Port Authority of New York & New Jersey 4.823% 06/01/2045	100,000	102,427
130,000	San Diego County Regional Airport Authority Series B 5.594% 07/01/2043	130,435	140,591
180,000	San Diego County Water Authority Financing Corp. 6.138% 05/01/2049	232,157	234,639
220,000	State of California 7.30% 10/01/2039	239,874	307,910
230,000	State of California 7.55% 04/01/2039	310,006	334,077
270,000	State of Illinois 5.10% 06/01/2033	240,296	255,325
210,000	State of Illinois 5.65% 12/01/2038	217,936	196,730
20,000	State of Illinois 6.63% 02/01/2035	20,908	20,860
50,000	State of Illinois 7.35% 07/01/2035	59,550	54,802
280,000	University of California Series AD 4.858% 05/15/2112	285,918	266,104
80,000	University of California Series AG 4.062% 05/15/2033	79,806	80,637
70,000	University of California Series AG 4.262% 05/15/2039	70,000	70,863
20,000	University of California Series AN 4.765% 05/15/2044	20,000	20,359
130,000	University of California Series AQ 4.767% 05/15/2115	130,000	123,241
70,000	University of California Series J 4.131% 05/15/2045	70,000	68,933
	Total Municipals	3.66% 3,155,085	3,216,797

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2015

Principal Amount		Cost	Fair Value
<u><i>U.S. Government & Agency Obligations</i></u>			
<i>U.S. Government Obligations</i>			
\$ 280,000	United States Treasury Bond 2.875% 08/15/2045	\$ 272,886	\$ 271,939
130,000	United States Treasury Note 1.375% 10/31/2020	128,088	127,705
560,000	United States Treasury Note 2.25% 11/15/2024	579,561	559,715
	Total U.S. Government Obligations	1.09% 980,535	959,359
	Total U.S. Government & Agency Obligations	1.09% 980,535	959,359
	Total Investments	100.00% \$ 87,710,431	\$ 87,807,937

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

	<u>Western Asset Long Duration Credit CIF*</u>
Income	
Interest (net of foreign withholding taxes of \$43)	\$ 3,419,866
Dividends	<u>60,553</u>
Total income	<u>3,480,419</u>
Expenses	
Trustee and administrative	86,778
Class R expenses	<u>131,417</u>
Total expenses before reimbursement	218,195
Reimbursement of fees	<u>(84,056)</u>
Net expenses	<u>134,139</u>
Net Investment Income	<u>3,346,280</u>
Net Realized Gains on Investments and Futures Contracts	
Net realized gains on investments	286,577
Net realized gains on futures contracts	<u>109,714</u>
Net realized gains on Investments and Futures Contracts	<u>396,291</u>
Change in Net Unrealized Appreciation (Depreciation)	
Investments	97,506
Futures contracts	<u>82,030</u>
Change in net unrealized appreciation (depreciation)	<u>179,536</u>
Net realized and unrealized gains on Investments and Futures Contracts	<u>575,827</u>
Net Increase in Net Assets Resulting From Operations	<u><u>\$ 3,922,107</u></u>

*For the period March 2, 2015 (inception date) to December 31, 2015.

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

	Western Asset Long Duration Credit CIF*
Operations	
Net investment income	\$ 3,346,280
Net realized gains	396,291
Change in net unrealized appreciation (depreciation)	179,536
Net increase in net assets from operations	3,922,107
Net Increase in Net Assets From Participant Unit Transactions	85,146,916
Increase in Net Assets	89,069,023
Net Assets	
Beginning of period	—
End of period	\$ 89,069,023

*For the period March 2, 2015 (inception date) to December 31, 2015.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hand Composite Employee Benefit Trust ("HB&T" or "the Trust") was created in order to provide broad and uniform diversification programs for pension and profit sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 94 portfolios (the Funds); the financial statements of one of those funds, the Western Asset Long Duration Credit CIF (the Fund), are included in this report.

Each class of the Fund has equal rights as to earnings and assets except that each class bears different distribution, shareholder servicing and transfer agent expenses. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments and foreign currency are allocated to each class of units based on its relative net assets.

The Western Asset Long Duration Credit CIF's inception date was March 2, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of investment income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation

All investments in securities are recorded at their estimated fair value. Transfers in and out of Level 1 (quoted market prices), Level 2 (significant other observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Investment Transactions

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

Foreign Currency

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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

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

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.

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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 Funds comply with the requirements under Section 501(a) of the IRC and apportion all of their taxable income to their 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, 2015, the Fund held the following open futures contracts:

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy:					
U.S. Treasury 2-Year Notes	600,000	3/16	\$ 652,650	\$ 651,703	\$(947)
U.S. Treasury Long-Term Bonds	10,600,000	3/16	16,264,743	16,297,500	32,757
					<u>\$ 31,810</u>
Contracts to Sell:					
U.S. Treasury 5-Year Notes	11,700,000	3/16	13,868,065	13,843,477	24,588
U.S. Treasury 10-Year Notes	8,600,000	3/16	10,863,533	10,827,937	35,596
U.S. Treasury Ultra Long-Term Bonds	800,000	3/16	1,259,536	1,269,500	(9,964)
					<u>\$ 50,220</u>
					<u>\$ 82,030</u>

Note 3: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund has also entered into investment advisory and service agreements with a third party advisor. These fees compensate the advisor for the services it provides and for expenses borne by the advisor under the agreement.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

During the period ended December 31, 2015, 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 Long Duration Credit CIF:				
Class R	0.04%	0.20%	0.11%	0.35%
Class R-INT	0.04%	0.00%	0.11%	0.15%

Note 4: Financial Highlights

	Western Asset Long Duration Credit CIF	
	Class R¹	Class R-INT²
Net asset value, beginning of period	\$ 10.00	\$ 9.37
Net investment income	0.38	0.24
Net realized and unrealized losses	(0.85)	(0.07)
Net increase (decrease) from investment operations	(0.47)	0.17
Net asset value, end of period	\$ 9.53	\$ 9.54
Total return	(4.70)%	1.81%
Ratio to average net assets ³ :		
Net investment income	4.67%	4.93%
Expenses without reimbursement	0.33%	0.07%
Expenses with reimbursement	0.20%	0.05%

¹ For the period March 2, 2015 (inception date) to December 31, 2015.

² For the period July 1, 2015 (inception date) to December 31, 2015.

³ Annualized.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Note 5: Participant Unit Transactions

	Western Asset Long Duration Credit CIF	
	Units	Dollars
Class R¹:		
Proceeds from sales of units	8,163,755	\$ 74,109,316
Net change in Class R from participant transactions	8,163,755	74,109,316
Class R-INT²:		
Proceeds from sales of units	1,177,972	11,037,600
Net change in Class R-INT from participant transactions	1,177,972	11,037,600
Net increase in total net assets from participant transactions		\$ 85,146,916

¹ For the period March 2, 2015 (inception date) to December 31, 2015.

² For the period July 1, 2015 (inception date) to December 31, 2015.

Note 6: Disclosures About Fair Value of Financial Instruments

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

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets and liabilities 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 and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the period ended December 31, 2015.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

Short Term Investments. Short term investments, including money market funds, for which market quotations are readily available, are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

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.

Corporate Bonds and Municipal Bonds. The fair value of 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. Corporate bonds and municipal bonds 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.

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 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.

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

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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Western Asset Long Duration Credit CIF				
Financial Instruments - Assets:				
Short Term Investments	\$ 282,801	\$ 282,801	\$ —	\$ —
Preferred Stocks	1,015,862	1,015,862	—	—
Corporate Bonds	78,585,737	—	78,585,737	—
Floating Rate Loans	227,844	—	227,844	—
Foreign Government	2,118,716	—	2,118,716	—
Asset-backed Securities	496,969	—	496,969	—
Mortgage-backed Securities	903,852	—	903,852	—
Municipals	3,216,797	—	3,216,797	—
U.S. Government and Agency Obligations	959,359	—	959,359	—
Total Financial Instruments - Assets	\$ 87,807,937	\$ 1,298,663	\$ 86,509,274	\$ 0
Derivative Instruments - Assets:				
Futures Contracts	\$ 92,941	\$ 92,941	\$ —	\$ —
Total Derivative Instruments - Assets	\$ 92,941	\$ 92,941	\$ 0	\$ 0
Derivative Instruments - Liabilities:				
Futures Contracts	\$ 10,911	\$ 10,911	\$ —	\$ —
Total Derivative Instruments - Liabilities	\$ 10,911	\$ 10,911	\$ 0	\$ 0

Note 7: Risk Factors

Investment Securities Risk

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

Foreign Securities Risk

Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money. In

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

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.

Currency Risk

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

Note 8: Derivative instruments and hedging activities

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

<u>Asset Derivatives¹</u>	
	<u>Interest Rate Risk</u>
Futures contracts ²	<u>\$ 92,941</u>

<u>Liability Derivatives¹</u>	
	<u>Interest Rate Risk</u>
Futures contracts ²	<u>\$ 10,911</u>

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

² 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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2015

The following tables provide information about the effect of derivatives and hedging activities on the Fund's statement of operations for the period ended December 31, 2015. 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 on Derivatives Recognized	
	Interest Rate Risk
Futures contracts	\$ 109,714
Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized	
	Interest Rate Risk
Futures contracts	\$ 82,030

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

	Average Market Value
Futures contracts (to buy)	\$11,837,484
Futures contracts (to sell)	12,911,938

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

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities¹	Collateral Received	Net Amount
Futures contracts ²	\$ 3,156	-	\$ 3,156

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 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.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales
Western Asset Long Duration Credit CIF
December 31, 2015

Purchases	
Investment Class	Cost
Preferred Stocks	\$ 447,468
Corporate Bonds	38,846,117
Floating Rate Loans	230,000
Foreign Government	434,144
Collateralized Mortgage Obligations	165,349
Municipals	300,000
U.S. Government and Agency Obligations	10,232,833
	10,232,833
Total Investments Purchased	\$ 50,655,911

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Preferred Stocks	\$ 436,946	\$ 434,739	\$ 2,207
Asset-Backed Securities	419,124	407,210	11,914
Corporate Bonds	21,538,322	20,976,821	561,501
Foreign Government	595,850	808,030	(212,180)
Collateralized Mortgage Obligations	420,710	434,378	(13,668)
Municipals	419,535	403,101	16,434
U.S. Government and Agency Obligations	11,226,828	11,312,023	(85,195)
	11,226,828	11,312,023	(85,195)
Total Investments Sold	\$ 35,057,315	\$ 34,776,302	\$ 281,013