

Hand Composite Employee Benefit Trust
Western Asset Global Strategic Fixed Income CIF
Independent Auditor's Report and Financial Statements
December 31, 2017



Hand Composite Employee Benefit Trust
December 31, 2017

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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 Global Strategic Fixed Income CIF, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2017, and 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 Global Strategic Fixed Income CIF, as of December 31, 2017, 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 25, 2018

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2017

	Western Asset Global Strategic Fixed Income CIF
Assets	
Investments, at cost	\$ 94,489,431
Investments, at fair value	\$ 95,598,480
Cash	9,180
Cash denominated in foreign currencies (cost - \$744,636)	709,679
Unrealized gain on foreign currency forward exchange contracts	188,813
Deposits with brokers for Centrally Cleared Swap contracts	217,000
Foreign currency collateral for open futures contracts, at value (cost - \$256,322)	286,243
Foreign currency collateral for Centrally Cleared Swap contracts, at value (cost - \$118)	122
OTC swaps, at value (net premiums paid - \$0)	508,913
Receivable for:	
Investment securities sold	61,383
Capital shares sold	16,592
Dividends and interest	988,766
Investment advisor waived fees	20,047
Total assets	\$ 98,605,218
Liabilities	
Payable for investment securities purchased	\$ 4,267,397
Payable for capital shares redeemed	255,223
Management fee payable	32,982
Written options, at value (premiums received - \$108,641)	24,477
Payable to broker - variation margin on open futures contracts	5,259
Payable to broker - variation margin on Centrally Cleared Swap contracts	8,795
Deposits from brokers for open futures contracts	662
Accrued foreign capital gains tax	4,281
Unrealized loss on foreign currency forward exchange contracts	192,713
Accounts payable and accrued liabilities	42,205
Total liabilities	\$ 4,833,994
Net assets held for participants:	
Class R1	\$ 9,993,718
Class R3	83,777,506
Total net assets held for participants	\$ 93,771,224
Units outstanding:	
Class R1	887,311
Class R3	7,442,357
Total units outstanding	8,329,668
Net asset value per unit:	
Class R1	\$ 11.26
Class R3	\$ 11.26

Hand Composite Employee Benefit Trust
Schedule of Investments
Western Asset Global Strategic Fixed Income CIF
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Number of Shares		Cost	Fair Value
<u>Short Term Investment</u>			
6,302,922	State Street Institutional U.S. Government Money Market Fund, Premier Class 1.22%	\$ 6,302,922	\$ 6,302,922
Total Short Term Investment		6.59%	6,302,922
<u>Exchange Traded Fund</u>			
148,450	PowerShares Senior Loan Portfolio	3,445,121	3,420,288
Total Exchange Traded Fund		3.58%	3,445,121
<u>Preferred Stocks</u>			
<u>Energy</u>			
1,200	Sanchez Energy Corp. Series A	31,320	22,200
9,300	Sanchez Energy Corp. Series B	355,526	179,211
Total Energy		0.21%	386,846
Total Preferred Stocks		0.21%	386,846
Principal Amount†		Cost	Fair Value
<u>Collateralized Mortgage Obligations</u>			
\$ 600,000	Federal Home Loan Mortgage Corp. Series 2014-HQ3, Class M3 6.302% 10/25/2024	\$ 613,061	\$ 663,636
329,281	Federal Home Loan Mortgage Corp. Series 2015-DNA2, Class B 9.102% 12/25/2027	329,280	406,947
440,968	Federal Home Loan Mortgage Corp. Series 2015-DNA2, Class M2 4.152% 12/25/2027	446,130	450,323
425,549	Federal Home Loan Mortgage Corp. Series 2015-DNA3, Class M2 4.402% 04/25/2028	435,932	440,417
570,000	Federal Home Loan Mortgage Corp. Series 2016-DNA2, Class M3 6.202% 10/25/2028	586,679	654,604
30,514	Federal Home Loan Mortgage Corp. Series 3422, Class AI, IO, REMIC .25% 01/15/2038	286	281
99,813	Federal Home Loan Mortgage Corp. Series 4415, Class IO, IO, REMIC 1.941% 04/15/2041	6,731	4,590
115,165	Federal National Mortgage Association Series 2005-88, Class IP, IO, REMIC 1.348% 10/25/2035	4,008	7,058
111,530	Federal National Mortgage Association Series 2006-118, Class IP1, IO, REMIC 2.118% 12/25/2036	3,268	9,924
107,322	Federal National Mortgage Association Series 2006-118, Class IP2, IO, REMIC 1.591% 12/25/2036	1,347	7,012
81,319	Federal National Mortgage Association Series 2006-28, Class 1P, IO, REMIC 1.465% 04/25/2036	6,987	6,450
97,255	Federal National Mortgage Association Series 2006-59, Class IP, IO, REMIC 2.131% 07/25/2036	2,656	8,749
89,360	Government National Mortgage Association Series 2013-150, Class IA, IO .847% 11/20/2042	6,460	3,191
403,475	Homestar Mortgage Acceptance Corp. Series 2004-3, Class M2 2.852% 07/25/2034	380,086	401,051
Total Collateralized Mortgage Obligations		3.20%	2,822,911
Number of Shares		Cost	Fair Value
<u>Common Stocks</u>			
<u>Energy</u>			
1,671	Sanchez Energy Corp.	8,288	8,873
Total Energy		0.01%	8,288
<u>Materials</u>			
8,033	Berry Pete Corp.	104,429	78,322
Total Materials		0.08%	104,429
Total Common Stocks		0.09%	112,717

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Schedule of Investments (Continued)
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Principal Amount †		Cost	Fair Value		
<u>Corporate Bonds</u>					
<u>Consumer Discretionary</u>					
\$	400,000	Adient Global Holdings Ltd. Company Guarantee REGS 4.875% 08/15/2026	\$ 401,844	\$ 411,000	
GBP	140,000	Co-operative Group Holdings 2011 Ltd. Company Guarantee REGS 7.50% 07/08/2026	231,017	233,812	
	250,000	Cooperatieve Rabobank U.A. Company Guarantee 4.375% 08/04/2025	249,697	263,901	
	130,000	DISH DBS Corp. Company Guarantee 5.875% 07/15/2022	132,330	130,650	
	220,000	DISH DBS Corp. Company Guarantee 5.875% 11/15/2024	224,177	214,225	
	250,000	Dollar Tree, Inc. Company Guarantee 5.75% 03/01/2023	257,221	261,875	
	350,000	General Motors Co. Sr Unsecured 6.25% 10/02/2043	425,662	414,564	
	90,000	Goodyear Tire & Rubber Co. Company Guarantee 5.125% 11/15/2023	91,908	93,905	
	200,000	Guitar Center, Inc. Sr Secured REGS 6.50% 04/15/2019	195,300	185,000	
	620,000	Hanesbrands, Inc. Company Guarantee REGS 4.875% 05/15/2026	614,184	635,500	
	250,000	Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp. Company Guarantee 4.875% 04/01/2027	264,660	261,563	
	300,000	IHO Verwaltungs GmbH Sr Secured REGS 4.75% 09/15/2026	294,705	304,500	
	431,000	Jo-Ann Stores Holdings, Inc. Sr Unsecured REGS 9.75% 10/15/2019	422,320	422,380	
	100,000	Lennar Corp. Company Guarantee 4.50% 04/30/2024	100,000	102,530	
	200,000	Lions Gate Entertainment Corp. Company Guarantee REGS 4.35% 11/01/2024	206,675	211,250	
	260,000	MarkWest Energy Partners L.P. / MarkWest Energy Finance Corp. Company Guarantee 4.875% 12/01/2024	263,540	280,254	
	150,000	MGM Growth Properties Operating Partnership L.P. / MGP Finance Co-Issuer, Inc. Company Guarantee 3.82% 09/01/2026	145,573	149,250	
	150,000	MGM Resorts International Company Guarantee 6.625% 12/15/2021	156,763	164,580	
	420,000	NCL Corp. Ltd. Sr Unsecured REGS 4.75% 12/15/2021	426,801	434,700	
	430,000	OCP S.A. Sr Unsecured REGS 4.50% 10/22/2025	427,995	430,307	
	210,000	Targa Resources Partners L.P. / Targa Resources Partners Finance Corp. Company Guarantee 4.25% 11/15/2023	198,666	207,638	
	330,000	Taylor Morrison Communities, Inc. / Taylor Morrison Holdings II, Inc. Company Guarantee REGS 5.625% 03/01/2024	341,923	345,262	
	160,000	Time Warner Cable LLC Sr Secured 5.875% 11/15/2040	154,149	173,599	
	20,000	Time Warner Cable LLC Sr Secured 7.30% 07/01/2038	23,107	25,069	
GBP	150,000	Virgin Media Finance PLC Company Guarantee REGS 6.375% 10/15/2024	235,711	216,456	
GBP	150,000	Vue International Bidco PLC Sr Secured REGS 7.875% 07/15/2020	233,771	206,421	
	575,000	XPO Logistics, Inc. Company Guarantee REGS 6.125% 09/01/2023	594,520	608,062	
		Total Consumer Discretionary	7.73%	7,314,219	7,388,253
<u>Consumer Staples</u>					
	70,000	Alliance One International, Inc. Secured 9.875% 07/15/2021	63,508	64,400	
	90,000	CVS Health Corp. Sr Unsecured 5.125% 07/20/2045	91,902	103,148	
	50,000	Kraft Heinz Foods Co. Company Guarantee 3.95% 07/15/2025	51,889	51,644	
	50,000	Kraft Heinz Foods Co. Company Guarantee 5.20% 07/15/2045	55,248	55,001	
	210,000	Lamb Weston Holdings, Inc. Company Guarantee REGS 4.875% 11/01/2026	214,328	219,450	
	22,000	Reynolds American, Inc. Company Guarantee 3.25% 06/12/2020	21,998	22,354	
		Total Consumer Staples	0.54%	498,873	515,997
<u>Energy</u>					
	400,000	Anadarko Petroleum Corp. Sr Unsecured 4.50% 07/15/2044	414,485	398,605	
	80,000	Apache Corp. Sr Unsecured 4.25% 01/15/2044	69,976	77,502	
	180,000	Calumet Specialty Products Partners L.P. / Calumet Finance Corp. Sr Secured REGS 11.50% 01/15/2021	202,825	204,300	
	200,000	Chesapeake Energy Corp. Company Guarantee 6.125% 02/15/2021	181,926	202,500	
	121,000	Chesapeake Energy Corp. Secured REGS 8.00% 12/15/2022	128,929	130,529	
	150,000	DCP Midstream Operating L.P. Company Guarantee 4.95% 04/01/2022	152,590	155,812	
	180,000	Devon Energy Corp. Sr Unsecured 5.00% 06/15/2045	178,339	200,798	
	10,000	Devon Energy Corp. Sr Unsecured 5.60% 07/15/2041	10,122	11,787	
	250,000	EP Energy LLC / Everest Acquisition Finance, Inc. Secured REGS 8.00% 02/15/2025	187,353	182,500	
	220,000	Hertz Corp. Company Guarantee 5.875% 10/15/2020	211,453	220,550	
	200,000	Intelsat Jackson Holdings S.A. Company Guarantee 7.25% 10/15/2020	193,028	188,000	
	460,000	KCA Deutag UK Finance PLC Sr Secured REGS 7.25% 05/15/2021	435,736	446,200	

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<u>Corporate Bonds (continued)</u>			
<i>Energy (continued)</i>			
\$	280,000 Kinder Morgan, Inc. Company Guarantee REGS 5.625% 11/15/2023	\$ 298,556	\$ 309,149
	260,000 Lukoil International Finance BV Company Guarantee REGS 4.75% 11/02/2026	264,887	272,675
	30,000 Occidental Petroleum Corp. Sr Unsecured 4.625% 06/15/2045	29,775	34,009
	240,000 Oversea-Chinese Banking Corp., Ltd. Subordinated REGS 4.25% 06/19/2024	242,320	249,188
	190,000 Petrobras Global Finance BV Company Guarantee 5.375% 01/27/2021	185,838	197,600
	90,000 Petrobras Global Finance BV Company Guarantee 6.85% 06/05/2115	71,737	86,625
	220,000 QEP Resources, Inc. Sr Unsecured 5.25% 05/01/2023	218,276	222,609
	130,000 QEP Resources, Inc. Sr Unsecured 5.625% 03/01/2026	131,297	131,788
	250,000 Rose Rock Midstream L.P. / Rose Rock Finance Corp. Company Guarantee 5.625% 11/15/2023	246,038	243,750
	240,000 RSP Permian, Inc. Company Guarantee 6.625% 10/01/2022	247,481	251,700
	350,000 Sabine Pass Liquefaction LLC Sr Secured 5.75% 05/15/2024	368,753	389,018
	200,000 Sanchez Energy Corp. Company Guarantee 6.125% 01/15/2023	172,911	169,000
	150,000 Shell International Finance BV Company Guarantee 4.00% 05/10/2046	157,695	159,758
	30,000 Shell International Finance BV Company Guarantee 4.55% 08/12/2043	31,449	34,122
	40,000 Summit Midstream Holdings LLC / Summit Midstream Finance Corp. Company Guarantee 5.50% 08/15/2022	38,643	40,000
	90,000 Vale Overseas Ltd. Company Guarantee 6.25% 08/10/2026	90,000	104,265
	170,000 Vale Overseas Ltd. Company Guarantee 6.875% 11/10/2039	152,587	208,462
	380,000 Whiting Petroleum Corp. Company Guarantee 1.25% 04/01/2020	346,289	349,600
	230,000 William Lyon Homes, Inc. Company Guarantee 7.00% 08/15/2022	234,668	236,900
	670,000 Williams Cos., Inc. Sr Unsecured 8.75% 03/15/2032	820,800	884,400
	130,000 WPX Energy, Inc. Sr Unsecured 5.25% 09/15/2024	128,070	129,552
	250,000 WPX Energy, Inc. Sr Unsecured 8.25% 08/01/2023	278,844	283,750
	Total Energy	7.75% 7,123,676	7,407,003
<i>Financials</i>			
	350,000 ARD Finance S.A. Sr Secured 7.125% 09/15/2023	357,440	365,750
	320,000 Bank of America Corp. Jr Subordinated Series Z 6.50% 10/23/2024	333,211	363,600
	20,000 Bank of America Corp. Sr Unsecured 5.00% 01/21/2044	21,888	24,160
	70,000 Bank of America Corp. Sr Unsecured 3.875% 08/01/2025	69,900	73,838
	100,000 Bank of America Corp. Subordinated 4.00% 01/22/2025	99,362	104,036
	90,000 Bank of America Corp. Subordinated 4.20% 08/26/2024	91,081	94,776
	600,000 Citigroup, Inc. Jr Subordinated Series M 6.30% 05/15/2024	606,499	642,750
	160,000 Citigroup, Inc. Jr Subordinated Series P 5.95% 05/15/2025	159,976	170,400
	105,000 Citigroup, Inc. Sr Unsecured 4.65% 07/30/2045	104,887	119,508
	101,000 Citigroup, Inc. Sr Unsecured 8.125% 07/15/2039	144,437	161,492
	347,000 Citigroup, Inc. Subordinated 5.30% 05/06/2044	391,360	409,695
	110,000 Citigroup, Inc. Subordinated 4.40% 06/10/2025	109,737	116,109
	60,000 CoreCivic, Inc. Company Guarantee 4.625% 05/01/2023	58,473	61,350
	120,000 CoreCivic, Inc. Company Guarantee 5.00% 10/15/2022	114,906	125,400
	650,000 Goldman Sachs Group, Inc. Subordinated 6.75% 10/01/2037	835,076	870,118
	30,000 Goldman Sachs Group, Inc. Subordinated 5.15% 05/22/2045	29,936	34,789
	200,000 Goodman HK Finance Company Guarantee REGS 4.375% 06/19/2024	203,071	209,026
	240,000 HSBC Holdings PLC Subordinated 4.25% 08/18/2025	250,524	248,886
	30,000 Iron Mountain, Inc. Company Guarantee 6.00% 08/15/2023	31,139	31,350
	230,000 Itau CorpBanca Sr Unsecured REGS 3.875% 09/22/2019	231,772	234,510
	250,000 Itau Unibanco Holding S.A. Sr Unsecured REGS 2.85% 05/26/2018	248,572	250,250
	150,000 JPMorgan Chase & Co. Subordinated 3.625% 12/01/2027	149,763	151,616
	200,000 Lloyds Banking Group PLC Jr Subordinated 7.50% 06/27/2024	205,471	226,750
	400,000 Lloyds Banking Group PLC Subordinated 4.65% 03/24/2026	408,032	422,362
GBP	150,000 Nationwide Building Society Jr Subordinated REGS 6.875% 06/20/2019	228,269	212,017
	750,000 Quicken Loans, Inc. Company Guarantee REGS 5.75% 05/01/2025	727,120	776,258
	200,000 Royal Bank of Scotland Group PLC Jr Subordinated 8.625% 08/15/2021	199,801	225,250
	220,000 Royal Bank of Scotland Group PLC Subordinated 5.125% 05/28/2024	221,147	233,347
GBP	200,000 Santander UK Group Holdings PLC Jr Subordinated REGS 7.375% 06/24/2022	309,525	297,141
	190,000 Wells Fargo & Co. Subordinated 4.30% 07/22/2027	189,680	202,313

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Principal Amount †		Cost	Fair Value
<u>Corporate Bonds (continued)</u>			
<i>Financials (continued)</i>			
\$	500,000 XPO CNW, Inc. Sr Unsecured 6.70% 05/01/2034	\$ 481,580	\$ 520,000
	Total Financials	8.35% 7,613,635	7,978,847
<i>Health Care</i>			
	250,000 AMAG Pharmaceuticals, Inc. Company Guarantee REGS 7.875% 09/01/2023	252,350	243,437
	230,000 Aramark Services, Inc. Company Guarantee 4.75% 06/01/2026	241,076	233,450
	79,000 Becton Dickinson and Co. Sr Unsecured 4.875% 05/15/2044	86,368	84,428
	250,000 BioScrip, Inc. Company Guarantee 8.875% 02/15/2021	213,342	226,250
	120,000 Centene Corp. Sr Unsecured 4.75% 05/15/2022	121,484	124,500
	340,000 Centene Corp. Sr Unsecured 4.75% 01/15/2025	333,679	345,950
	20,000 DaVita, Inc. Company Guarantee 5.00% 05/01/2025	19,691	19,994
	90,000 Genesis Energy L.P. / Genesis Energy Finance Corp. Company Guarantee 5.625% 06/15/2024	84,699	87,750
	90,000 Genesis Energy L.P. / Genesis Energy Finance Corp. Company Guarantee 6.00% 05/15/2023	90,000	91,125
	160,000 HCA, Inc. Company Guarantee 5.375% 02/01/2025	163,403	165,600
	20,000 HCA, Inc. Company Guarantee 5.875% 02/15/2026	21,126	21,150
	110,000 HCA, Inc. Sr Secured 4.75% 05/01/2023	112,102	113,300
	110,000 HCA, Inc. Sr Secured 5.25% 06/15/2026	114,274	116,600
	260,000 HCA, Inc. Sr Secured 5.50% 06/15/2047	262,067	259,350
	30,000 Pactiv LLC Sr Unsecured 8.375% 04/15/2027	33,948	34,350
	20,000 Scientific Games International, Inc. Company Guarantee 6.625% 05/15/2021	20,721	20,650
	90,000 Scientific Games International, Inc. Company Guarantee 10.00% 12/01/2022	96,753	98,775
	80,000 Tenet Healthcare Corp. Sr Unsecured 8.125% 04/01/2022	84,504	81,400
	120,000 VICI Properties 1 LLC / VICI FC, Inc. Sr Secured 4.847% 10/15/2022	121,001	120,000
	Total Health Care	2.60% 2,472,588	2,488,059
<i>Industrials</i>			
	50,000 Actavis Funding SCS Company Guarantee 3.45% 03/15/2022	49,955	50,803
	30,000 Actavis Funding SCS Company Guarantee 4.55% 03/15/2035	30,853	31,745
	24,000 Actavis Funding SCS Company Guarantee 4.75% 03/15/2045	23,961	25,549
	150,000 AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust Company Guarantee 5.00% 10/01/2021 Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 4.908% 07/23/2025	151,308	159,898
	120,000 CTR Partnership L.P. / CareTrust Capital Corp. Company Guarantee 5.25% 06/01/2025	126,248	127,582
	160,000 MPT Operating Partnership L.P. / MPT Finance Corp. Company Guarantee 5.00% 10/15/2027	160,000	163,200
	50,000 MPT Operating Partnership L.P. / MPT Finance Corp. Company Guarantee 5.25% 08/01/2026	50,049	50,938
	186,000 MPT Operating Partnership L.P. / MPT Finance Corp. Company Guarantee 5.25% 08/01/2026	177,447	192,510
	500,000 Navios Maritime Acquisition Corp. / Navios Acquisition Finance US, Inc. Sr Secured REGS 8.125% 11/15/2021	461,723	423,750
	410,000 Park Aerospace Holdings Ltd. Company Guarantee REGS 5.50% 02/15/2024	428,004	406,925
	110,000 Park-Ohio Industries, Inc. Company Guarantee 6.625% 04/15/2027	117,261	118,525
	250,000 Teck Resources Ltd. Company Guarantee 5.20% 03/01/2042	226,594	247,500
	200,000 United Rentals North America, Inc. Company Guarantee 4.875% 01/15/2028	201,290	201,000
	40,000 United Rentals North America, Inc. Company Guarantee 4.625% 10/15/2025	40,000	40,300
	160,000 United Rentals North America, Inc. Company Guarantee 5.50% 05/15/2027	160,727	168,400
	180,000 Windstream Services LLC Company Guarantee 5.50% 10/15/2020	168,657	152,100
	Total Industrials	2.68% 2,574,077	2,560,725
<i>Information Technology</i>			
	20,000 CHS/Community Health Systems, Inc. Company Guarantee 8.00% 11/15/2019	19,691	16,900
	10,000 CHS/Community Health Systems, Inc. Sr Secured 6.25% 03/31/2023	10,069	9,000
	200,000 CSC Holdings LLC Company Guarantee REGS 6.625% 10/15/2025	215,747	216,496
	190,000 Match Group, Inc. Sr Unsecured 6.375% 06/01/2024	205,956	205,913
	369,000 NRG REMA LLC Pass- Through Trust Series C 9.681% 07/02/2026	395,978	217,710
	250,000 SFR Group S.A. Sr Secured REGS 6.00% 05/15/2022	250,338	253,125

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<u>Corporate Bonds (continued)</u>			
<i>Information Technology (continued)</i>			
\$	250,000 SFR Group S.A. Sr Secured REGS 7.375% 05/01/2026	\$ 255,703	\$ 256,562
	30,000 Verint Systems, Inc. Sr Unsecured 1.50% 06/01/2021	29,531	29,138
	500,000 ZF North America Capital, Inc. Company Guarantee REGS 4.75% 04/29/2025	513,814	529,375
	Total Information Technology	1.81% 1,896,827	1,734,219
<i>Materials</i>			
	250,000 ArcelorMittal Sr Unsecured 7.50% 10/15/2039	273,283	320,000
	390,000 Freeport-McMoRan, Inc. Company Guarantee 5.45% 03/15/2043	363,564	389,513
	320,000 Hudbay Minerals, Inc. Company Guarantee REGS 7.625% 01/15/2025	344,623	350,400
	250,000 Suzano Austria GmbH Company Guarantee REGS 5.75% 07/14/2026	255,880	271,400
	560,000 Valeant Pharmaceuticals International, Inc. Company Guarantee REGS 6.125% 04/15/2025	439,627	512,400
	330,000 Yamana Gold, Inc. Company Guarantee 4.95% 07/15/2024	304,171	345,224
	Total Materials	2.29% 1,981,148	2,188,937
<i>Telecommunication Services</i>			
	250,000 Altice Financing S.A. Sr Secured REGS 6.625% 02/15/2023	250,193	261,775
	250,000 HC2 Holdings, Inc. Sr Secured REGS 11.00% 12/01/2019	246,614	254,063
	10,000 Sprint Capital Corp. Company Guarantee 8.75% 03/15/2032	11,680	11,350
	575,000 Sprint Corp. Company Guarantee 7.875% 09/15/2023	579,842	612,375
GBP	100,000 Telefonica Europe BV Company Guarantee REGS 6.75% 11/26/2020	158,803	149,090
	80,000 Verizon Communications, Inc. Sr Unsecured 4.522% 09/15/2048	78,494	78,772
	Total Telecommunication Services	1.43% 1,325,626	1,367,425
<i>Utilities</i>			
	250,000 AES Corp. Sr Unsecured 7.375% 07/01/2021	271,641	280,625
GBP	150,000 Anglian Water Osprey Financing PLC Sr Secured REGS 5.00% 04/30/2023	229,628	217,408
GBP	140,000 Enel S.p.A. Jr Subordinated REGS 7.75% 09/10/2075	228,230	217,516
	500,000 FirstEnergy Corp. Sr Unsecured Series C 7.375% 11/15/2031	622,227	674,350
	200,000 ICICI Bank Ltd. Sr Unsecured REGS 4.80% 05/22/2019	205,176	205,264
	Total Utilities	1.67% 1,556,902	1,595,163
	Total Corporate Bonds	36.85% 34,357,571	35,224,628
<u>Floating Rate Loans</u>			
<i>Consumer Discretionary</i>			
	73,776 1011778 B.C. Unlimited Liability Company Term Loan B3 3.94% 02/16/2024	74,167	73,730
	237,411 Academy, Ltd. 2015 Term Loan B 5.569% 07/01/2022	210,438	185,181
	210,000 Almonde, Inc. USD 1st Lien Term Loan 4.98% 06/13/2024	211,045	210,508
	209,468 American Axle and Manufacturing, Inc. Term Loan B 3.00% 04/06/2024	210,778	209,678
	198,500 American Builders & Contractors Supply Co., Inc. 2017 Term Loan B 4.07% 10/31/2023	199,445	199,265
	221,963 Aristocrat Leisure Limited 2017 Term Loan B 3.36% 10/20/2021	223,009	221,921
	199,500 Bass Pro Group LLC Term Loan B 6.57% 09/25/2024	198,379	198,315
	210,000 Caesars Resort Collection LLC 2017 1st Lien Term Loan B 2.75% 09/27/2024	211,575	210,840
	215,000 CBS Radio, Inc. 2017 Term Loan B 4.74% 11/17/2024	215,601	215,967
	79,196 Charter Communications Operating LLC 2017 Term Loan B 2.00% 04/13/2025	79,097	79,233
	67,200 Davis Vision Incorporated 1st Lien Term Loan B 4.00% 11/01/2024	67,872	67,704
	213,580 Flex Acquisition Company, Inc. 1st Lien Term Loan 4.34% 12/29/2023	215,821	214,559
	206,488 Golden Nugget, Inc. 2017 Incremental Term Loan 4.86% 10/04/2023	208,077	207,852
	79,201 Hilton Worldwide Finance LLC Term Loan B2 3.55% 10/25/2023	79,630	79,579
	210,000 Intrawest Resorts Holdings, Inc. Term Loan B1 4.25% 07/31/2024	212,100	211,225
	79,001 Leslie's Poolmart, Inc. 2016 Term Loan 5.37% 08/16/2023	79,527	78,737

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Global Strategic Fixed Income CIF
December 31, 2017

Principal Amount †		Cost	Fair Value
<u>Floating Rate Loans (continued)</u>			
<i>Consumer Discretionary (continued)</i>			
\$	84,792 Lions Gate Entertainment Corp. 2017 Term Loan B 3.00% 12/08/2023	\$ 84,958	\$ 84,827
	208,364 MGM Growth Properties Operating Partnership LP 2016 Term Loan B 3.00% 04/25/2023	209,455	209,070
	210,000 Michaels Stores, Inc. 2016 Term Loan B1 3.75% 01/30/2023	210,000	209,956
	164,583 Party City Holdings, Inc. 2016 Term Loan 4.58% 08/19/2022	165,553	165,063
	49,421 Petco Animal Supplies, Inc. 2017 Term Loan B 4.38% 01/26/2023	49,694	37,344
	687,432 PetSmart, Inc. Term Loan B2 4.57% 03/11/2022	610,212	549,946
	219,450 Scientific Games International, Inc. 2017 Term Loan B4 3.25% 08/14/2024	219,259	221,199
	78,392 Seattle Spinco, Inc. USD Term Loan B3 4.32% 06/21/2024	78,209	78,540
	76,725 Station Casinos LLC 2016 Term Loan B 4.06% 06/08/2023	77,053	76,831
	210,000 Unitymedia Finance LLC Term Loan B 2.25% 09/30/2025	210,788	210,075
	207,256 Univision Communications, Inc. Term Loan C5 4.32% 03/15/2024	207,041	206,453
	65,495 Virgin Media Bristol LLC 2017 USD Term Loan 2.50% 01/15/2026	65,331	65,472
	109,723 Vistra Operations Company LLC 2016 Term Loan B2 3.50% 12/14/2023	110,683	110,443
	Total Consumer Discretionary	5.11% 4,994,797	4,889,513
<i>Consumer Staples</i>			
	258,053 Albertsons, LLC USD 2017 Term Loan B6 4.46% 06/22/2023	260,418	252,441
	209,474 Post Holdings, Inc. 2017 Series A Incremental Term Loan 2.25% 05/24/2024	210,783	210,026
	Total Consumer Staples	0.48% 471,201	462,467
<i>Energy</i>			
	197,468 Jaguar Holding Company II 2017 Term Loan 4.44% 08/18/2022	197,908	197,641
	89,284 Murray Energy Corp. Term Loan B2 8.94% 04/16/2020	85,374	78,570
	Total Energy	0.29% 283,282	276,211
<i>Financials</i>			
	187,625 Ancestry.com Operations, Inc. 2017 1st Lien Term Loan 4.66% 10/19/2023	189,360	188,485
	197,505 Communications Sales & Leasing, Inc. 2017 Term Loan B 4.57% 10/24/2022	198,541	190,148
	11,608 MA FinanceCo. LLC USD Term Loan B3 4.32% 06/21/2024	11,581	11,631
	212,373 RPI Finance Trust Term Loan B6 3.69% 03/27/2023	213,981	213,169
	Total Financials	0.63% 613,463	603,433
<i>Health Care</i>			
	209,463 Air Medical Group Holdings, Inc. Term Loan B 4.25% 04/28/2022	209,201	208,378
	179,550 Albany Molecular Research, Inc. 2017 1st Lien Term Loan 4.82% 08/30/2024	181,712	176,857
	208,724 Change Healthcare Holdings, Inc. 2017 Term Loan B 4.32% 03/01/2024	208,873	208,953
	78,977 DaVita HealthCare Partners, Inc. Term Loan B 4.32% 06/24/2021	79,131	79,530
	247,505 HCA, Inc. Term Loan B8 3.82% 02/15/2024	249,640	248,935
	184,036 MPH Acquisition Holdings LLC 2016 Term Loan B 4.69% 06/07/2023	185,839	184,295
	209,475 Parexel International Corporation Term Loan B 2.75% 09/27/2024	210,784	210,348
	206,714 Quikrete Holdings, Inc. 2016 1st Lien Term Loan 4.32% 11/15/2023	208,286	206,972
	136,364 RadNet, Inc. Reprice Term Loan 5.11% 06/30/2023	136,040	136,875
	Total Health Care	1.74% 1,669,506	1,661,143
<i>Industrials</i>			
	49,871 Advantage Sales & Marketing, Inc. 2014 1st Lien Term Loan 4.63% 07/23/2021	47,739	48,572
	204,545 Air Canada 2017 Term Loan B 3.74% 10/06/2023	205,714	205,440
	207,900 American Airlines, Inc. 2017 Incremental Term Loan 2.00% 12/14/2023	207,900	207,770
	210,000 Aramark Services, Inc. 2017 Term Loan B1 2.00% 03/11/2025	211,750	210,962
	99,749 Avolon TLB Borrower 1 (Luxembourg) S.a.r.l. Term Loan B2 3.00% 04/03/2022	99,500	98,895

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Global Strategic Fixed Income CIF
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Principal Amount †		Cost	Fair Value		
<u>Floating Rate Loans (continued)</u>					
<i>Industrials (continued)</i>					
\$	215,000	Beacon Roofing Supply, Inc. 2017 Term Loan B 2.25% 08/23/2024	\$ 216,344	\$ 215,461	
	37,922	Commercial Barge Line Company 2015 1st Lien Term Loan 10.32% 11/12/2020	36,429	21,331	
	198,503	Prime Security Services Borrower LLC 2016 1st Lien Term Loan 4.32% 05/02/2022	200,047	199,779	
	237,006	Reynolds Group Holdings, Inc. USD 2017 Term Loan 4.32% 02/05/2023	237,972	238,041	
	80,000	XPO Logistics, Inc. 2017 Term Loan B 3.60% 11/01/2021	80,556	80,392	
		Total Industrials	1.60%	1,543,951	1,526,643
<i>Information Technology</i>					
	99,000	CWGS Group LLC 2016 Term Loan 4.57% 11/08/2023	98,573	99,536	
	210,000	Dell, Inc. 2017 1st Lien Term Loan 3.25% 09/07/2023	210,262	209,848	
	209,210	First Data Corporation 2024 USD Term Loan 3.80% 04/26/2024	210,189	209,285	
	209,475	Western Digital Corporation 2017 Term Loan B3 2.00% 04/29/2023	210,261	210,217	
		Total Information Technology	0.76%	729,285	728,886
<i>Materials</i>					
	213,611	Berry Plastics Group, Inc. Term Loan M 3.82% 10/01/2022	214,885	214,346	
	59,700	BWAY Holding Company 2017 Term Loan B 4.60% 04/03/2024	59,429	59,905	
		Total Materials	0.29%	274,314	274,251
<i>Telecommunication Services</i>					
	190,000	CenturyLink, Inc. 2017 Term Loan B 6.00% 01/31/2025	189,111	183,079	
	170,000	Level 3 Financing, Inc. 2017 Term Loan B 3.70% 02/22/2024	169,621	169,929	
	105,455	Windstream Services LLC Repriced Term Loan B6 4.75% 03/29/2021	104,146	98,798	
		Total Telecommunication Services	0.47%	462,878	451,806
<i>Utilities</i>					
	198,000	UFC Holdings LLC 1st Lien Term Loan 4.81% 08/18/2023	199,284	198,866	
		Total Utilities	0.21%	199,284	198,866
		Total Floating Rate Loans	11.58%	11,241,961	11,073,219
<u>Foreign Government</u>					
<i>Argentina</i>					
ARS	11,880,000	Argentina POM Política Monetaria 28.75% 06/21/2020	713,716	684,541	
ARS	350,000	Argentine Bonos del Tesoro 21.20% 09/19/2018	19,620	19,403	
ARS	2,470,000	Argentine Bonos del Tesoro 22.75% 03/05/2018	165,066	131,764	
ARS	19,538,000	Argentine Bonos del Tesoro Unsecured 18.20% 10/03/2021	1,254,621	1,070,005	
	1,010,000	Argentine Government International Bond Sr Unsecured 6.875% 04/22/2021	1,066,459	1,099,890	
	400,000	Provincia de Buenos Aires Sr Unsecured REGS 7.875% 06/15/2027	417,141	443,928	
		Total Argentina	3.61%	3,636,623	3,449,531
<i>Australia</i>					
AUD	2,500,000	Australia Government Bond Sr Local Government Guarantee Unsecured REGS 2.75% 10/21/2019	1,978,618	1,976,869	
		Total Australia	2.07%	1,978,618	1,976,869
<i>Brazil</i>					
BRL	2,619,000	Brazil Notas do Tesouro Nacional 10.00% 01/01/2021	731,531	812,345	
BRL	95,000	Brazil Notas do Tesouro Nacional 10.00% 01/01/2027	28,239	28,333	

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Global Strategic Fixed Income CIF
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Principal Amount †		Cost	Fair Value
<u>Foreign Government (continued)</u>			
<i>Brazil (continued)</i>			
\$	1,010,000 Brazilian Government International Bond Sr Unsecured 6.00% 04/07/2026	\$ 1,097,419	\$ 1,128,675
	Total Brazil	2.06% 1,857,189	1,969,353
<i>Canada</i>			
	250,000 Province of British Columbia Canada Sr Unsecured 2.00% 10/23/2022	248,368	245,138
	500,000 Province of Ontario Canada Sr Unsecured 2.50% 09/10/2021	505,658	500,480
	Total Canada	0.78% 754,026	745,618
<i>Ecuador</i>			
	200,000 Ecuador Government International Bond Sr Unsecured REGS 10.75% 03/28/2022	200,000	233,750
	Total Ecuador	0.25% 200,000	233,750
<i>Egypt</i>			
	210,000 Egypt Government International Bond Sr Unsecured REGS 6.125% 01/31/2022	216,255	219,671
	Total Egypt	0.23% 216,255	219,671
<i>Ghana</i>			
	210,000 Ghana Government International Bond Sr Unsecured REGS 8.125% 01/18/2026	215,532	233,327
	Total Ghana	0.24% 215,532	233,327
<i>Honduras</i>			
	210,000 Honduras Government International Bond Sr Unsecured REGS 6.25% 01/19/2027	219,769	224,091
	Total Honduras	0.23% 219,769	224,091
<i>Indonesia</i>			
	1,950,000 Indonesia Government International Bond Sr Unsecured REGS 5.25% 01/17/2042	1,950,227	2,182,770
	IDR 12,345,000,000 Indonesia Treasury Bond Sr Unsecured 7.00% 05/15/2027	937,413	953,570
	IDR 10,940,000,000 Indonesia Treasury Bond Sr Unsecured 8.375% 09/15/2026	918,033	911,048
	IDR 342,000,000 Indonesia Treasury Bond Sr Unsecured 8.375% 03/15/2034	28,387	28,106
	Total Indonesia	4.26% 3,834,060	4,075,494
<i>Jamaica</i>			
	200,000 Jamaica Government International Bond Sr Unsecured 6.75% 04/28/2028	204,792	226,500
	Total Jamaica	0.24% 204,792	226,500
<i>Kazakhstan</i>			
	410,000 Kazakhstan Government International Bond Sr Unsecured REGS 5.125% 07/21/2025	408,757	456,527
	Total Kazakhstan	0.48% 408,757	456,527
<i>Mexico</i>			
MXN	7,380,000 Mexican Bonos 7.50% 06/03/2027	423,436	370,999
MXN	21,930,000 Mexican Bonos 8.00% 11/07/2047	1,333,222	1,137,917
MXN	11,920,000 Mexican Bonos Sr Unsecured 8.50% 11/18/2038	778,885	649,879
	240,000 Mexico Government International Bond Sr Unsecured 3.60% 01/30/2025	243,542	243,240

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Global Strategic Fixed Income CIF
December 31, 2017

Principal Amount †		Cost	Fair Value
<u>Foreign Government (continued)</u>			
<i>Mexico (continued)</i>			
\$	1,850,000 Mexico Government International Bond Sr Unsecured 4.75% 03/08/2044	\$ 1,792,170	\$ 1,870,350
	Total Mexico	4.47%	4,571,255
<i>New Zealand</i>			
NZD	3,300,000 New Zealand Government Bond Sr Unsecured REGS 3.00% 04/15/2020	2,468,953	2,395,812
	Total New Zealand	2.51%	2,468,953
<i>Nigeria</i>			
	210,000 Nigeria Government International Bond Sr Unsecured REGS 7.875% 02/16/2032	232,516	237,174
	Total Nigeria	0.25%	232,516
<i>Russia</i>			
RUB	128,868,000 Russian Federal Bond - OFZ 7.05% 01/19/2028	1,992,573	2,174,151
	Total Russia	2.27%	1,992,573
<i>Turkey</i>			
TRY	750,000 Turkey Government Bond 10.60% 02/11/2026	214,160	183,864
	Total Turkey	0.19%	214,160
	Total Foreign Government	24.14%	23,005,078
			23,074,117
<u>Asset-Backed Securities</u>			
	293,836 Argent Securities, Inc. Series 2003-W6, Class AV1 2.412% 01/25/2034	250,365	285,356
	522,822 Bear Stearns Asset-Backed Securities Trust Series 2002-1, Class 2A 2.192% 12/25/2034	497,109	512,259
	223,089 Countrywide Asset-Backed Certificates Series 2007-4, Class A4W 4.811% 04/25/2047	224,342	216,667
	210,098 CWHEQ Revolving Home Equity Loan Trust Series 2007-A, Class A 1.597% 04/15/2037	186,114	197,630
	237,465 First Franklin Mortgage Loan Trust Series 2004-FF7, Class M1 2.422% 09/25/2034	229,751	236,467
	446,684 GSAMP Trust Series 2003-HE2, Class A3C 2.592% 08/25/2033	428,993	443,191
	880,000 Merrill Lynch Mortgage Investors Trust Series 2006-FF1, Class M5 1.942% 08/25/2036	828,253	863,098
	750,000 New Century Home Equity Loan Trust Series 2005-4, Class M4 2.182% 09/25/2035	516,925	669,182
	149,876 Option One Mortgage Loan Trust Series 2002-3, Class A2 2.092% 08/25/2032	139,053	146,623
	99,935 Panhandle-Plains Higher Education Authority, Inc. Series 2011-1, Class A2 2.285% 07/01/2024	100,121	100,052
	372,754 SBA Small Business Investment Cos. Series 2017-10A, Class 1 2.845% 03/10/2027	372,754	376,045
	451,097 SLC Student Loan Trust 2008-1 Series 2008-1, Class A4A 3.189% 12/15/2032	465,583	465,620
	280,000 SLM Private Credit Student Loan Trust Series 2005-B, Class A4 1.919% 06/15/2039	252,535	265,636
	600,000 SLM Private Credit Student Loan Trust Series 2007-A, Class A4A 1.829% 12/16/2041	540,433	567,176
	350,000 SLM Student Loan Trust Series 2008-6, Class A4 2.467% 07/25/2023	354,064	354,642
	187,025 Structured Asset Investment Loan Trust Series 2004-8, Class M1 2.452% 09/25/2034	179,849	186,555
	587,948 Structured Asset Investment Loan Trust Series 2005-HE3, Class M1 2.272% 09/25/2035	548,965	586,126
	Total Asset-Backed Securities	6.77%	6,115,209
			6,472,325
<u>Mortgage-Backed Securities</u>			
	430,000 CD Mortgage Trust Series 2016-CD2, Class C 4.031% 11/10/2049	426,616	430,687
	195,000 GS Mortgage Securities Trust Series 2014-GC26, Class C 4.51% 11/10/2047	197,822	195,834
	430,000 GS Mortgage Securities Trust Series 2016-GS3, Class C 3.999% 10/10/2049	426,341	433,218
	200,000 GS Mortgage Securities Trust Series 2017-GS5, Class C 4.299% 03/10/2050	205,844	203,135
	410,000 JP Morgan Chase Commercial Mortgage Securities Trust Series 2013-LC11, Class C 3.958% 04/15/2046	409,522	412,322
	400,000 JP Morgan Chase Commercial Mortgage Securities Trust Series 2016-JP3, Class C 3.48% 08/15/2049	389,276	379,564
	400,000 JP Morgan Chase Commercial Mortgage Securities Trust Series 2016-JP4, Class C 3.46% 12/15/2049	360,076	378,131
	489,206 LB-UBS Commercial Mortgage Trust Series 2006-C6, Class AJ 5.452% 09/15/2039	424,266	388,676

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Global Strategic Fixed Income CIF
December 31, 2017

Principal Amount †		Cost	Fair Value
<u>Mortgage-Backed Securities (continued)</u>			
\$ 410,000	Morgan Stanley Bank of America Merrill Lynch Trust Series 2016-C32, Class C 4.296% 12/15/2049	\$ 398,246	\$ 420,432
410,000	Morgan Stanley Capital I Trust Series 2016-UB12, Class C 4.15% 12/15/2049	392,745	411,514
410,000	Wells Fargo Commercial Mortgage Trust Series 2016-C37, Class C 4.494% 12/15/2049	397,660	421,897
400,000	WFRBS Commercial Mortgage Trust Series 2014-C20, Class C 4.513% 05/15/2047	399,940	396,358
	Total Mortgage-Backed Securities	4.68%	4,428,354
<u>U.S. Government & Agency Obligations</u>			
<u>U.S. Government Obligations</u>			
2,000,000	United States Treasury Bond 3.00% 05/15/2047	2,049,651	2,102,735
	Total U.S. Government Obligations	2.20%	2,049,651
	Total U.S. Government & Agency Obligations	2.20%	2,049,651
<u>Contracts</u>			
<u>Put Options Purchased</u>			
86	E-mini S&P 500 Index Futures, Put @ \$2,400.00	65,515	6,880
42	E-mini S&P 500 Index Futures, Put @ \$2,425.00	35,251	3,780
48	E-mini S&P 500 Index Futures, Put @ \$2,450.00	44,186	4,920
34	E-mini S&P 500 Index Futures, Put @ \$2,450.00	19,186	19,550
92	E-mini S&P 500 Index Futures, Put @ \$2,500.00	33,286	35,650
290,000	U.S. Dollar/Turkish Lira, Put @ \$3.93	3,428	9,687
17	United States Treasury Long-Term Bonds Futures, Put @ \$153.00	17,813	21,516
2	United States Treasury Long-Term Bonds Futures, Put @ 152.00	2,425	1,656
	Total Put Options Purchased	0.11%	221,090
	Total Investments	100.00%	\$ 94,489,431
			\$ 95,598,480

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

Abbreviations used in this table:

ARS	Argentine Peso
AUD	Australian Dollar
BRL	Brazilian Real
GBP	British Pound
IDR	Indonesian Rupiah
MXN	Mexican Peso
NZD	New Zealand Dollar
RUB	Russian Ruble
TRY	Turkish Lira

SCHEDULE OF WRITTEN OPTIONS

SECURITY	EXPIRATION DATE	STRIKE PRICE	CONTRACTS	VALUE
E-mini S&P 500 Index Futures, Put	1/19/18	\$ 2,300.00	93	\$ 3,720
E-mini S&P 500 Index Futures, Put	1/19/18	2,350.00	86	4,945
E-mini S&P 500 Index Futures, Put	2/16/18	2,350.00	92	15,180
U.S. Dollar/South African Rand, Call	1/22/18	15.00	290,000	9
U.S. Dollar/South African Rand, Call	3/5/18	14.32	300,000	623
TOTAL WRITTEN OPTIONS (Premiums received - \$108,641)				\$ 24,477

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2017

	Western Asset Global Strategic Fixed Income CIF
Income	
Interest (net of foreign withholding taxes of \$8,404)	\$ 4,195,136
Dividends (net of foreign withholding taxes of \$679)	103,603
Total income	4,298,739
Expenses	
Trustee and administrative	168,737
Class R1 expenses	4,265
Class R3 expenses	316,786
Total expenses before reimbursement	489,788
Reimbursement of fees	(14,460)
Net expenses	475,328
Net Investment Income	3,823,411
Net Realized Gains on Investments, Options Written, Futures Contracts, Swap Contracts and Foreign Currency	
Net realized gains on investments	215,687
Net realized gains on options written	393,580
Net realized gains on futures contracts	203,349
Net realized gains on swap contracts	224,556
Net realized gains on foreign currency transactions	5,831
Net realized gains on foreign currency forward exchange contracts	409,663
Net realized gains	1,452,666
Change in Net Unrealized Appreciation (Depreciation)	
Investments	1,613,654
Options written	(46,304)
Futures contracts	(58,882)
Swap contracts	(248,754)
Foreign currencies	27,760
Foreign currency forward exchange contracts	(775,381)
Change in net unrealized appreciation (depreciation)	512,093
Net realized and unrealized gains on investments, options written, futures contracts, swap contracts and foreign currency	1,964,759
Net Increase in Net Assets Resulting From Operations	\$ 5,788,170

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2017

	Western Asset Global Strategic Fixed Income CIF
Operations	
Net investment income	\$ 3,823,411
Net realized gains	1,452,666
Change in net unrealized appreciation (depreciation)	512,093
Net increase in net assets from operations	5,788,170
Net Increase in Net Assets From Participant Unit Transactions	5,942,768
Increase in Net Assets	11,730,938
Net Assets	
Beginning of year	82,040,286
End of year	\$ 93,771,224

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

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 105 portfolios (the Funds); the financial statements of one of those funds, the Western Asset Global Strategic Fixed Income CIF (the Fund), are included in this report.

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

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 year. 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 year 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.

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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, 2017, 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 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

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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.

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

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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, 2017, the Fund did not hold any credit default swaps to sell protection. The value of the swap's reference entity, upfront premiums received on the swap and any amounts received from the settlement of a credit default swap where the Fund bought protection for a security/entity was for a notional value of \$1,170,000.

For average notional amounts of swaps held during the year ended December 31, 2017, 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 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,

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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.

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

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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.

Total Return Swaps

The Fund enters into total return swaps for investment purposes. Total return swaps are agreements to exchange the return generated by one instrument for the return generated by another instrument. For example, the agreement to pay a predetermined or fixed interest rate in exchange for a market-linked return based on a notional amount. To the extent the total return of a referenced index or instrument exceeds the offsetting interest obligation, the Fund will receive a payment from the counterparty. To the extent it is less, the Fund will make a payment 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 premiums paid.

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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.

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 May 25, 2018, 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, 2017, the Fund had the following open futures contracts.

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	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to buy:					
90-Day Eurodollar	3	03/20/18	\$ 401,209	\$ 400,688	\$ (521)
Australian 10-Year Bonds	26	03/15/18	2,637,045	2,620,163	(16,882)
Euro-BTP	15	03/08/18	2,491,221	2,450,212	(41,009)
U.S. Treasury 10-Year Notes	76	03/20/18	9,476,176	9,427,562	(48,614)
U.S. Treasury Ultra Long-Term Bonds	23	03/20/18	3,823,518	3,856,094	<u>32,576</u>
					<u>(74,450)</u>
Contracts to sell:					
90-Day Eurodollar	69	03/19/18	16,972,414	16,946,400	26,014
90-Day Eurodollar	62	06/18/18	15,211,302	15,201,625	9,677
90-Day Eurodollar	11	12/17/18	2,694,842	2,691,012	3,830
90-Day Eurodollar	17	12/16/19	4,147,320	4,150,975	(3,655)
Euro-Bund	31	03/08/18	6,047,976	6,013,741	34,235
U.S. Treasury 2-Year Notes	2	03/29/18	428,434	428,219	215
U.S. Treasury 5-Year Notes	18	03/29/18	2,093,957	2,090,953	3,004
U.S. Treasury Long-Term Bonds	9	03/20/18	1,382,609	1,377,000	<u>5,609</u>
					<u>78,929</u>
Net unrealized appreciation on open futures contracts					<u>\$ 4,479</u>

Note 3: Foreign Currency Forward Exchange Contracts

At December 31, 2017, the Fund had the following open forward foreign currency contracts:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
CAD	\$ 530,000	USD	\$ 414,296	Bank of America, N.A.	01/19/18	\$ 7,471
USD	18,984	JPY	2,122,549	Bank of America, N.A.	01/19/18	133
USD	176,858	MXN	3,329,087	Bank of America, N.A.	01/19/18	8,042
CAD	230,509	USD	184,268	Barclays Bank PLC	01/19/18	(833)
INR	201,520,000	USD	3,056,807	Barclays Bank PLC	01/19/18	94,746
PLN	1,575,560	USD	436,407	Barclays Bank PLC	01/19/18	16,222
RUB	9,390,000	USD	158,176	Barclays Bank PLC	01/19/18	4,575
USD	2,496,589	AUD	3,210,530	Barclays Bank PLC	01/19/18	(8,430)
USD	609,702	CAD	762,066	Barclays Bank PLC	01/19/18	3,261
USD	1,209,267	GBP	907,102	Barclays Bank PLC	01/19/18	(16,082)
USD	2,475,900	NZD	3,507,850	Barclays Bank PLC	01/19/18	(9,645)
USD	432,727	PHP	22,520,000	Barclays Bank PLC	01/19/18	(18,087)
USD	144,053	RUB	8,450,000	Barclays Bank PLC	01/19/18	(2,406)

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Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
AUD	\$ 50,000	USD	\$ 37,879	Citibank, N.A.	01/19/18	\$ 1,134
EUR	333,624	USD	396,132	Citibank, N.A.	01/19/18	4,539
IDR	11,475,382,007	USD	843,400	Citibank, N.A.	01/19/18	1,200
USD	640,144	CNH	4,280,000	Citibank, N.A.	01/19/18	(16,451)
USD	47,635	EUR	40,000	Citibank, N.A.	01/19/18	(403)
USD	39,740	GBP	30,000	Citibank, N.A.	01/19/18	(785)
RUB	11,750,000	USD	197,695	Goldman Sachs International	01/19/18	5,961
BRL	377,700	USD	117,433	JPMorgan Chase Bank, N.A.	01/19/18	(3,773)
CZK	9,649,859	USD	445,546	JPMorgan Chase Bank, N.A.	01/19/18	8,037
EUR	170,000	USD	202,252	JPMorgan Chase Bank, N.A.	01/19/18	1,912
USD	979,828	TWD	29,630,000	JPMorgan Chase Bank, N.A.	01/19/18	(16,682)
TRY	420,160	USD	104,142	Barclays Bank PLC	01/22/18	6,040
USD	104,000	TRY	420,160	JPMorgan Chase Bank, N.A.	01/22/18	(6,182)
ZAR	877,300	USD	62,165	Bank of America, N.A.	01/24/18	8,516
USD	62,000	ZAR	877,300	JPMorgan Chase Bank, N.A.	01/24/18	(8,681)
ARS	3,530,000	USD	181,678	Citibank, N.A.	02/05/18	4,553
ARS	1,751,000	USD	89,565	Citibank, N.A.	02/05/18	2,811
USD	613,139	GBP	460,000	Bank of America, N.A.	02/08/18	(8,651)
EUR	50,000	USD	59,061	Citibank, N.A.	02/08/18	1,056
USD	573,527	EUR	489,926	Citibank, N.A.	02/08/18	(15,529)
USD	324,743	GBP	248,217	Citibank, N.A.	02/08/18	(10,777)
USD	26,278	GBP	20,000	Citibank, N.A.	02/08/18	(757)
USD	88,500	ZAR	1,217,273	Bank of America, N.A.	03/07/18	(8,965)
ZAR	1,212,760	USD	88,500	JPMorgan Chase Bank, N.A.	03/07/18	8,604
USD	427,770	PHP	22,351,000	Deutsche Bank AG	05/15/18	(17,257)
USD	428,571	PHP	22,380,000	Deutsche Bank AG	05/15/18	(17,034)
ARS	6,700,000	USD	321,189	JPMorgan Chase Bank, N.A.	09/17/18	(5,303)
Total						\$ (3,900)

Abbreviations used in this table:

ARS	Argentine Peso
AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CNH	Chinese Offshore Yuan
CZK	Czech Republic Koruna
EUR	Euro
GBP	British Pound
IDR	Indonesian Rupiah
INR	Indian Rupee
JPY	Japanese Yen
MXN	Mexican Peso
NZD	New Zealand Dollar
PHP	Philippine Peso
PLN	Polish Zloty
RUB	Russian Ruble
TRY	Turkish Lira
TWD	Taiwan Dollar
USD	United States Dollar
ZAR	South African Rand

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Note 4: Swap Contracts

At December 31, 2017, the Fund had the following open swap contracts:

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	\$ 91,350,000 SEK	03/14/19	0.220% annually	3-Month STIBOR-SIDE	\$ 504	\$ (18,950)
Chicago Mercantile Exchange	5,130,000	09/19/19	0.787% semi-annually	6-Month LIBOR-semi-annually	59	(5,393)
Chicago Mercantile Exchange	6,980,000 GEP	09/21/19	Quarterly	3-Month LIBOR-	-	(44,781)
Chicago Mercantile Exchange	9,370,000	11/24/22	2.178% semi-annually	Quarterly	-	(29,931)
Chicago Mercantile Exchange	980,000	11/15/43	2.734% semi-annually	3-Month LIBOR-BBA	(15,172)	(15,990)
Chicago Mercantile Exchange	572,000	11/15/43	2.630% semi-annually	3-Month LIBOR-quarterly	(6,843)	339
Chicago Mercantile Exchange	3,168,000	11/15/43	2.474% semi-annually	3-Month LIBOR-quarterly	60,380	844
Chicago Mercantile Exchange	455,200 EUR	08/23/47	1.498% annually	6-Month Euribor Reuters-semi-annually	(448)	398
Total					\$ 38,480	\$ (113,464)

Centrally Cleared Credit Default Swaps on Credit Indices - Buy Protection ¹						
Central Counterparty (Reference Entity)	Notional Amount ²	Termination Date	Periodic Payments Received by the Fund†	Market Value ³	Upfront Premiums Received	Unrealized Depreciation
Goldman Sachs International (Markit. CDX.NA.HY.29 Index)	\$ 1,740,000	12/20/22	5.000% quarterly	\$ (143,478)	\$ (123,126)	\$ (20,352)

OTC Interest Rate Swaps						
Swap Counterparty	Notional Amount*	Termination Date	Payments Made by the Fund†	Payments Received by the Fund†	Upfront Premiums Paid	Unrealized Appreciation
Banc of America Securities LLC	\$ 5,400,000	01/04/21	1 Time 1.078%	1 Time BRL-CDI	\$ 0	\$ 508,913

(1) If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or the underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or the underlying securities comprising the referenced index.

(2) The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

(3) The quoted market prices and resulting values for credit default swap agreements on asset-backed securities and credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed /sold as of the year end. Decreasing market values (sell protection) or increasing market values (buy protection) 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.

† Percentage shown is an annual percentage rate.

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

Abbreviations used in this table:

BRL Brazilian Real
 EUR Euro
 GBP British Pound
 SEK Swedish Krona

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Note 5: Written Options Rollforward

During the year ended December 31, 2017, written option transactions for the Fund were as follows:

	Number of Contracts/ Notional Amount	Premiums
Written options, outstanding as of December 31, 2016	\$ 830,248	\$ 142,033
Options written	4,141,083	455,443
Options closed	(1,650,297)	(137,310)
Options expired	<u>(2,730,763)</u>	<u>(351,525)</u>
Written options, outstanding as of December 31, 2017	<u>\$ 590,271</u>	<u>\$ 108,641</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.

During the year ended December 31, 2017, 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 Global Strategic Fixed Income CIF:				
Class R1	0.04%	0.60%	0.07%	0.71%
Class R3	0.04%	0.40%	0.07%	0.51%

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Note 7: Financial Highlights

	Western Asset Global Strategic Fixed Income CIF	
	Class R1*	Class R3
Net asset value, beginning of year	\$ 11.27	\$ 10.52
Net investment income	0.04	0.49
Net realized and unrealized gains (losses)	(0.05)	0.25
Net increase (decrease) from investment operations	(0.01)	0.74
Net asset value, end of year	\$ 11.26	\$ 11.26
Total return	(0.09)%	6.93%
Ratio to average net assets:		
Net investment income	4.52% **	4.44%
Expenses without reimbursement	1.46% **	0.56%
Expenses with reimbursement	0.75% **	0.55%

* For the period December 1, 2017 (inception date) to December 31, 2017.

** Annualized

Note 8: Participant Unit Transactions

	Western Asset Global Strategic Fixed Income CIF	
	Units	Dollars
Class R1*:		
Proceeds from sales of units	887,311	\$ 10,000,000
Net increase in Class R1 from participant transactions	887,311	10,000,000
Class R3:		
Proceeds from sales of units	1,503,112	16,479,852
Cost of units redeemed	(1,862,909)	(20,537,084)
Net decrease in Class R3 from participant transactions	(359,797)	(4,057,232)
Net increase in net assets from participant transactions		\$ 5,942,768

* For the period December 1, 2017 (inception date) to December 31, 2017.

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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.

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, 2017.

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.

Common Stock, Preferred Stock and Exchange Traded Fund. 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 Depositary 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. For those foreign securities where additional foreign market activities are taken into consideration by the pricing service, those securities are categorized as

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Level 2 in the hierarchy; however, if the securities trading activity is stagnate for an extended period of time, the securities will be considered a Level 3. For those foreign securities where additional foreign market activities are taken into consideration by the pricing service, those securities are categorized as Level 2 in the hierarchy.

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

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

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.

U.S. Government and Agency 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.

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 1 or Level 2 in the hierarchy.

Futures 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.

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

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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 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.

Credit Default Swaps. Credit default swaps are traded on the over-the-counter (OTC) market. Fair value for credit default swaps is based on models which take into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. As the underlying debt on credit default swaps held by the Fund are liquid and the OTC market for the current spread is active, credit default swaps are categorized as Level 2 in the hierarchy.

The following table presents the fair value measurements of assets 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, 2017.

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	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 Global Strategic Fixed Income CIF:				
Financial Instruments - Assets:				
Short Term Investment	\$ 6,302,922	\$ 6,302,922	\$ -	\$ -
Exchange Traded Fund	3,420,288	3,420,288	-	-
Preferred Stock	201,411	-	179,211	22,200
Collateralized Mortgage Obligations	3,064,233	-	3,064,233	-
Common Stocks	87,195	87,195	-	-
Corporate Bonds	35,224,628	-	35,224,628	-
Floating Rate Loans	11,073,219	-	10,005,255	1,067,964
Foreign Government	23,074,117	-	23,074,117	-
Asset-Backed Securities	6,472,325	-	6,472,325	-
Mortgage-Backed Securities	4,471,768	-	4,471,768	-
U.S. Government and Agency Obligations	2,102,735	-	2,102,735	-
Put Options Purchased	103,639	93,952	9,687	-
Total Financial Instruments - Assets	\$ 95,598,480	\$ 9,904,357	\$ 84,603,959	\$ 1,090,164

	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)
Derivative Instruments - Assets:				
Futures Contracts	\$ 115,160	\$ 115,160	\$ -	\$ -
Foreign Currency Exchange Contracts	188,813	188,813	-	-
Centrally Cleared Interest Rate Swaps	1,581	-	1,581	-
OTC Interest Rate Swaps	508,913	-	508,913	-
Total	\$ 814,467	\$ 303,973	\$ 510,494	\$ 0
Derivative Instruments - Liabilities:				
Options Written	\$ 24,477	\$ 23,845	\$ 632	\$ -
Futures Contracts	110,681	110,681	-	-
Foreign Currency Exchange Contracts	192,713	192,713	-	-
Centrally Cleared Interest Rate Swaps	115,045	-	115,045	-
Centrally Cleared Credit Default Swaps on Credit Indices - Buy Protection	20,352	-	20,352	-
Total Liabilities	\$ 463,268	\$ 327,239	\$ 136,029	\$ 0

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

	Preferred Stock	Floating Rate Loans
Balance as of December 31, 2016	\$ -	\$ 35,656
Included in net income:		
Net realized gains	-	302
Change in unrealized depreciation on securities	(9,120)	(35,107)
Premium amortization	-	3,778
Purchases	31,320	1,067,219
Sales	-	(3,884)
	<u>\$ 22,200</u>	<u>\$ 1,067,964</u>
Balance, December 31, 2017		
Total losses for the period included in net income attributable to the change in unrealized appreciation (depreciation) related to assets and liabilities still held at December 31, 2017	<u>\$ (9,120)</u>	<u>\$ (34,918)</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, 2017.

	Asset Derivatives¹				
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Equity Risk	Total
Purchased options ²	\$ 23,172	\$ 9,687	\$ -	\$ 70,780	\$ 103,639
Futures contracts ³	115,160	-	-	-	115,160
OTC swap contracts ⁴	508,913	-	-	-	508,913
Centrally cleared swap contracts ⁵	1,581	-	-	-	1,581
Foreign currency exchange contracts	-	188,813	-	-	188,813
Total	\$ 648,826	\$ 198,500	\$ 0	\$ 70,780	\$ 918,106

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 Market value of purchased options is reported in investments at value in the statement of assets and liabilities.

³ Includes cumulative unrealized appreciation (depreciation) of futures contracts as reported in Note 2. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

⁴ Values include premiums paid (received) on swap contracts which are shown separately in the Statement of Assets and Liabilities.

⁵ Includes cumulative unrealized appreciation (depreciation) of centrally cleared swap contracts as reported in Note 4. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

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	Liability Derivatives ¹				
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Equity Risk	Total
Written Options	\$ -	\$ 632	\$ -	\$ 23,845	\$ 24,477
Futures contracts ³	110,681	-	-	-	110,681
Centrally cleared swap contracts ⁵	115,045	-	20,352	-	135,397
Foreign currency exchange contracts	-	192,713	-	-	192,713
Total	\$ 225,726	\$ 193,345	\$ 20,352	\$ 23,845	\$ 463,268

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 Market value of purchased options is reported in investments at value in the statement of assets and liabilities.

³ Includes cumulative unrealized appreciation (depreciation) of futures contracts as reported in Note 2. Only variation margin is reported within the receivables and/or payables on the statement of assets and liabilities.

⁴ Values include premiums paid (received) on swap contracts which are shown separately in the Statement of Assets and Liabilities.

⁵ Includes cumulative unrealized appreciation (depreciation) of centrally cleared swap contracts as reported in Note 4. 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, 2017. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the year. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the year.

	Amount of Realized Gain (Loss) on Derivatives Recognized				
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Equity Risk	Total
Purchased options ⁽¹⁾	\$ (127,453)	\$ (25,782)	\$ -	\$ (684,963)	\$ (838,198)
Written options	73,840	36,995	-	282,745	393,580
Futures contracts	203,349	-	-	-	203,349
Swap contracts	425,541	-	(200,985)	-	224,556
Foreign currency exchange contracts	-	409,663	-	-	409,663
Total	\$ 575,277	\$ 420,876	\$ (200,985)	\$ (402,218)	\$ 392,950

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

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Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized

	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Equity Risk	Total
Purchased options ¹	\$ 2,934	\$ 6,259	\$ -	\$ 76,465	\$ 85,658
Written options	(6,630)	4,560	-	(44,234)	(46,304)
Futures contracts	(58,882)	-	-	-	(58,882)
Swap contracts	(400,722)	-	151,968	-	(248,754)
Foreign currency exchange contracts	-	(775,381)	-	-	(775,381)
Total	\$ (463,300)	\$ (764,562)	\$ 151,968	\$ 32,231	\$ (1,043,663)

⁽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.

During the year ended December 31, 2017, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options	\$ 69,848
Written options	25,736
Futures contracts (to buy)	39,048,567
Futures contracts (to sell)	61,180,068
Foreign currency exchange contracts (to buy)	8,192,407
Foreign currency exchange contracts (to sell)	16,709,890
	Average Notional Balance
Interest rate swap contracts	\$ 80,902,858
Credit default swap contracts (to buy protection)	1,464,462
Credit default swap contracts (to sell protection) [†]	418,038
Total return swap contracts [†]	1,276,923

[†] At December 31, 2017, there were no open positions held in this derivative.

The following tables present, by financial instrument, the Fund's derivative assets and liabilities net of the related collateral received and pledged by the Fund at December 31, 2017.

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	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities¹	Collateral Received	Net Amount
Purchased options ²	\$ 103,639	\$ -	\$ 103,639
OTC swap contracts	508,913	-	508,913
Forward foreign currency contracts	188,813	-	188,813
Total	<u>\$ 801,365</u>	<u>\$ 0</u>	<u>\$ 801,365</u>

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities¹	Collateral Pledged^{4,5}	Net Amount
Written options	\$ 24,477	\$ -	\$ 24,477
Futures contracts	5,259	-	5,259
Centrally cleared swap contracts ³	8,795	(8,795)	-
Foreign currency exchange contracts	192,713	-	192,713
Total	<u>\$ 231,244</u>	<u>\$ (8,795)</u>	<u>\$ 222,449</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, 2017

Purchases	
Investment Class	Cost
Floating Rate Loans	\$ 10,453,449
Collateralized Mortgage Obligations	1,288,691
Common Stocks	130,998
Convertible Bonds	752,904
Corporate Bonds	17,563,254
Foreign Government	12,438,656
U.S. Government and Agency Obligations	3,580,041
Exchange-traded Funds	3,445,121
Asset-Backed Securities	2,125,433
Preferred Stocks	468,846
Total Investments Purchased	<u>\$ 52,247,393</u>

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Floating Rate Loans	\$ 4,248,125	\$ 4,266,789	\$ (18,664)
Collateralized Mortgage Obligations	1,253,636	1,123,793	129,843
Common Stocks	14,958	18,281	(3,323)
Convertible Bonds	376,010	384,328	(8,318)
Corporate Bonds	21,284,378	20,709,947	574,431
Mortgage-Backed Securities	1,728,785	1,750,941	(22,156)
Foreign Government	7,641,076	7,155,761	485,315
U.S. Government and Agency Obligations	1,539,760	1,540,277	(517)
Exchange-traded Funds	2,570,386	2,561,804	8,582
Asset-Backed Securities	1,127,444	1,114,784	12,660
Preferred Stocks	299,416	284,590	14,826
Total Investments Sold	<u>\$ 42,083,974</u>	<u>\$ 40,911,295</u>	<u>\$ 1,172,679</u>