

Hand Composite Employee Benefit Trust
Western Asset Long Duration Credit CIF
Independent Auditor's Report and Financial Statements
December 31, 2018



Hand Composite Employee Benefit Trust

December 31, 2018

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of the selected fund, Western Asset Long Duration Credit CIF, included in the Hand Composite Employee Benefit Trust ("Trust" or "Fund"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2018, 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 Long Duration Credit CIF, as of December 31, 2018, and the results of its operations and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investment purchases and sales listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Houston, Texas
May 24, 2019

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
December 31, 2018

| | Western Asset Long Duration Credit CIF |
|---|---|
| Assets | |
| Investments, at cost | \$ 214,267,414 |
| Investments, at fair value | \$ 201,017,155 |
| Cash | 7 |
| Cash denominated in foreign currencies (Cost - \$58,235) | 58,298 |
| Receivable from broker – variation margin on open futures contracts | 1,288,325 |
| Receivable from broker - variation margin on centrally cleared swap contracts | 3,146 |
| Deposits with brokers for centrally cleared swap contracts | 176,000 |
| Receivable for: | |
| Dividends and interest | 2,752,268 |
| Investment advisor waived fees | 24,678 |
| Total assets | \$ 205,319,877 |
| Liabilities | |
| Payable for investment securities purchased | \$ 706,911 |
| Payable for capital shares redeemed | 359,121 |
| Management fee payable | 41,581 |
| Deposits from brokers for open futures contracts | 603,376 |
| Accounts payable and accrued liabilities | 52,683 |
| Total liabilities | \$ 1,763,672 |
| Net assets held for participants: | |
| Class R | \$ 90,202,891 |
| Class R1 | 51,567,302 |
| Class R2 | 61,786,012 |
| Total net assets held for participants | \$ 203,556,205 |
| Units outstanding: | |
| Class R | 8,163,755 |
| Class R1 | 4,686,058 |
| Class R2 | 5,600,996 |
| Total units outstanding | 18,450,809 |
| Net asset value per unit: | |
| Class R | \$ 11.05 |
| Class R1 | \$ 11.00 |
| Class R2 | \$ 11.03 |

Hand Composite Employee Benefit Trust
Schedule of Investments
Western Asset Long Duration Credit CIF
December 31, 2018

| Number of Shares | | Cost | Fair Value |
|--------------------------------------|--|------------------------|------------------|
| <u>Short Term Investment</u> | | | |
| 1,011,167 | State Street Institutional U.S. Government Money Market Fund, Premier Class 2.25% 12/31/2030 | \$ 1,011,167 | \$ 1,011,167 |
| | Total Short Term Investment | 0.50% <u>1,011,167</u> | <u>1,011,167</u> |
| <u>Preferred Stocks</u> | | | |
| <i>Consumer Discretionary</i> | | | |
| 5,975 | Citigroup Capital XIII 8.89% 10/30/2040 | 156,729 | 157,919 |
| | Total Consumer Discretionary | 0.08% <u>156,729</u> | <u>157,919</u> |
| <i>Financials</i> | | | |
| 5,375 | Carlyle Group L.P. Series A 5.88% | 134,375 | 109,489 |
| | Total Financials | 0.05% <u>134,375</u> | <u>109,489</u> |
| <i>Industrials</i> | | | |
| 3,200 | Delphi Financial Group, Inc. 6.00% 05/15/2037 | 79,968 | 70,400 |
| | Total Industrials | 0.04% <u>79,968</u> | <u>70,400</u> |
| | Total Preferred Stocks | 0.17% <u>371,072</u> | <u>337,808</u> |
| Principal Amount† | | Cost | Fair Value |

| <u>Corporate Bonds</u> | | | |
|--------------------------------------|---|---------|---------|
| <i>Consumer Discretionary</i> | | | |
| \$ 50,000 | 21st Century Fox America, Inc. Company Guarantee 4.95% 10/15/2045 | 57,894 | 54,821 |
| 280,000 | 21st Century Fox America, Inc. Company Guarantee 5.40% 10/01/2043 | 338,330 | 323,137 |
| 10,000 | 21st Century Fox America, Inc. Company Guarantee 6.20% 12/15/2034 | 12,718 | 12,158 |
| 70,000 | 21st Century Fox America, Inc. Company Guarantee 6.40% 12/15/2035 | 91,806 | 87,329 |
| 370,000 | 21st Century Fox America, Inc. Company Guarantee 6.65% 11/15/2037 | 498,492 | 487,188 |
| 310,000 | 21st Century Fox America, Inc. Company Guarantee 6.90% 08/15/2039 | 376,526 | 407,403 |
| 410,000 | Amazon.com, Inc. Sr Unsecured 3.88% 08/22/2037 | 417,780 | 395,960 |
| 340,000 | Amazon.com, Inc. Sr Unsecured 4.05% 08/22/2047 | 337,547 | 332,214 |
| 120,000 | Baylor College of Medicine Secured 5.26% 11/15/2046 | 125,755 | 131,487 |
| 40,000 | Burlington Resources Finance Co. Company Guarantee 7.40% 12/01/2031 | 54,815 | 52,833 |
| 150,000 | California Institute of Technology Sr Unsecured 4.70% 11/01/2111 | 148,630 | 158,642 |
| 180,000 | Carlyle Finance LLC Company Guarantee 144A 5.65% 09/15/2048 | 179,846 | 178,595 |
| 600,000 | Carlyle Holdings II Finance LLC Company Guarantee 144A 5.63% 03/30/2043 | 668,302 | 593,744 |

Hand Composite Employee Benefit Trust

Schedule of Investments (Continued)

Western Asset Long Duration Credit CIF (Continued)

December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|---|--|-------------------------|-------------------|
| <i>Consumer Discretionary (Continued)</i> | | | |
| \$ 450,000 | Citigroup Capital III Company Guarantee 7.63% 12/01/2036 | \$ 532,328 | \$ 580,489 |
| 30,000 | Cleveland Clinic Foundation Unsecured 4.86% 01/01/2114 | 30,000 | 30,768 |
| 273,000 | Comcast Corp. Company Guarantee 4.00% 11/01/2049 | 273,101 | 244,625 |
| 686,000 | Comcast Corp. Company Guarantee 4.05% 11/01/2052 | 682,262 | 615,677 |
| 250,000 | Comcast Corp. Company Guarantee 4.65% 07/15/2042 | 270,404 | 247,379 |
| 119,000 | Comcast Corp. Company Guarantee 6.40% 05/15/2038 | 131,411 | 139,602 |
| 110,000 | Comcast Corp. Company Guarantee 7.05% 03/15/2033 | 144,965 | 136,655 |
| 730,000 | Cooperatieve Rabobank UA Company Guarantee 5.25% 08/04/2045 | 817,678 | 752,718 |
| 80,000 | Deutsche Telekom International Finance BV Company Guarantee 8.75% 06/15/2030 | 108,847 | 104,342 |
| 110,000 | Ford Motor Co. Sr Unsecured 4.75% 01/15/2043 | 107,399 | 84,830 |
| 270,000 | Ford Motor Co. Sr Unsecured 7.45% 07/16/2031 | 333,702 | 278,376 |
| 350,000 | General Motors Co. Sr Unsecured 6.60% 04/01/2036 | 396,292 | 340,726 |
| 490,000 | General Motors Co. Sr Unsecured 6.75% 04/01/2046 | 581,722 | 474,371 |
| 200,000 | Home Depot, Inc. Sr Unsecured 4.25% 04/01/2046 | 218,693 | 199,320 |
| 120,000 | Home Depot, Inc. Sr Unsecured 4.40% 03/15/2045 | 121,806 | 120,861 |
| 370,000 | Home Depot, Inc. Sr Unsecured 4.50% 12/06/2048 | 363,724 | 381,984 |
| 90,000 | JPMorgan Chase & Co. Sr Unsecured 3.90% 01/23/2049 | 79,069 | 78,936 |
| 610,000 | JPMorgan Chase & Co. Sr Unsecured 4.01% 04/23/2029 | 610,000 | 598,021 |
| 140,000 | JPMorgan Chase & Co. Sr Unsecured 4.20% 07/23/2029 | 140,000 | 139,574 |
| 450,000 | JPMorgan Chase & Co. Sr Unsecured 4.26% 02/22/2048 | 460,596 | 418,538 |
| 1,140,000 | JPMorgan Chase & Co. Sr Unsecured 4.45% 12/05/2029 | 1,140,000 | 1,159,545 |
| 290,000 | Lennar Corp. Company Guarantee 4.50% 04/30/2024 | 293,952 | 274,050 |
| 10,000 | Lowe's Cos., Inc. Sr Unsecured 4.65% 04/15/2042 | 9,962 | 9,442 |
| 255,000 | Massachusetts Institute of Technology Unsecured 5.60% 07/01/2111 | 346,712 | 326,089 |
| 190,000 | McDonald's Corp. Sr Unsecured 4.45% 03/01/2047 | 189,693 | 181,659 |
| 760,000 | McDonald's Corp. Sr Unsecured 4.45% 09/01/2048 | 740,363 | 722,975 |
| 160,000 | McDonald's Corp. Sr Unsecured 4.70% 12/09/2035 | 166,133 | 160,706 |
| 330,000 | McDonald's Corp. Sr Unsecured 4.88% 12/09/2045 | 356,417 | 332,193 |
| 230,000 | Monongahela Power Co. 144A 5.40% 12/15/2043 | 229,610 | 267,962 |
| 30,000 | Nordstrom, Inc. Sr Unsecured 6.95% 03/15/2028 | 37,814 | 33,180 |
| 20,000 | Northwestern University Unsecured 4.64% 12/01/2044 | 20,000 | 22,327 |
| 260,000 | Sands China Ltd. Sr Unsecured 144A 4.60% 08/08/2023 | 259,947 | 258,279 |
| 470,000 | Sands China Ltd. Sr Unsecured 144A 5.13% 08/08/2025 | 469,611 | 465,418 |
| 200,000 | Sands China Ltd. Sr Unsecured 144A 5.40% 08/08/2028 | 201,265 | 193,011 |
| 120,000 | Target Corp. Sr Unsecured 3.90% 11/15/2047 | 116,416 | 110,014 |
| 60,000 | Target Corp. Sr Unsecured 4.00% 07/01/2042 | 58,821 | 56,583 |
| 80,000 | Time Warner Cable LLC Sr Secured 5.88% 11/15/2040 | 86,902 | 76,404 |
| 1,040,000 | Time Warner Cable LLC Sr Secured 7.30% 07/01/2038 | 1,168,489 | 1,127,417 |
| 60,000 | Time Warner Cable, LLC Sr Secured 6.55% 05/01/2037 | 66,715 | 61,574 |
| 170,000 | Time Warner Cable, LLC Sr Secured 6.75% 06/15/2039 | 189,242 | 172,741 |
| | Total Consumer Discretionary | 7.56% <u>15,860,504</u> | <u>15,194,872</u> |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-------------------------|---|------------------------|------------------|
| <i>Consumer Staples</i> | | | |
| \$ 450,000 | Altria Group, Inc. Company Guarantee 3.88% 09/16/2046 | \$ 443,825 | \$ 342,772 |
| 100,000 | Altria Group, Inc. Company Guarantee 4.25% 08/09/2042 | 103,087 | 80,656 |
| 520,000 | CVS Health Corp. Sr Unsecured 5.13% 07/20/2045 | 562,652 | 506,173 |
| 210,000 | CVS Health Corp. Sr Unsecured 5.30% 12/05/2043 | 218,258 | 212,174 |
| 360,000 | Kraft Heinz Foods Co. Company Guarantee 4.38% 06/01/2046 | 358,080 | 296,578 |
| 370,000 | Kraft Heinz Foods Co. Company Guarantee 5.00% 06/04/2042 | 387,049 | 330,881 |
| 330,000 | Kraft Heinz Foods Co. Company Guarantee 5.20% 07/15/2045 | 349,492 | 301,549 |
| 30,000 | Kraft Heinz Foods Co. Company Guarantee 144A 7.13% 08/01/2039 | 37,028 | 34,367 |
| 200,000 | Kroger Co. Sr Unsecured 3.70% 08/01/2027 | 199,896 | 188,804 |
| 150,000 | Kroger Co. Sr Unsecured 4.65% 01/15/2048 | 148,938 | 137,621 |
| 200,000 | Philip Morris International, Inc. Sr Unsecured 3.88% 08/21/2042 | 198,392 | 172,051 |
| 390,000 | Philip Morris International, Inc. Sr Unsecured 6.38% 05/16/2038 | 477,262 | 451,889 |
| 210,000 | Procter & Gamble Co. Sr Unsecured 3.50% 10/25/2047 | 207,330 | 196,735 |
| 15,000 | Procter & Gamble Co. Sr Unsecured 5.55% 03/05/2037 | 14,573 | 18,197 |
| 440,000 | Reynolds American, Inc. Company Guarantee 5.85% 08/15/2045 | 499,626 | 408,773 |
| 50,000 | Reynolds American, Inc. Company Guarantee 8.13% 05/01/2040 | 62,904 | 59,640 |
| 320,000 | Wal-Mart Stores, Inc. Sr Unsecured 4.00% 04/11/2043 | 336,488 | 318,338 |
| 46,000 | Wal-Mart Stores, Inc. Sr Unsecured 4.30% 04/22/2044 | 46,040 | 46,423 |
| 120,000 | Walgreens Boots Alliance, Inc. Sr Unsecured 4.80% 11/18/2044 | 127,858 | 109,257 |
| 390,000 | Walmart, Inc. Sr Unsecured 4.05% 06/29/2048 | 384,971 | 388,057 |
| 100,000 | WEA Finance LLC Company Guarantee 144A 4.13% 09/20/2028 | 99,691 | 100,078 |
| 480,000 | WEA Finance LLC Company Guarantee 144A 4.63% 09/20/2048 | 476,850 | 467,918 |
| | Total Consumer Staples | 2.57% <u>5,740,290</u> | <u>5,168,931</u> |
| <i>Energy</i> | | | |
| 400,000 | Abu Dhabi National Energy Co. PJSC Sr Unsecured 144A 4.88% 04/23/2030 | 399,828 | 400,000 |
| 410,000 | Anadarko Petroleum Corp. Sr Unsecured 4.50% 07/15/2044 | 395,541 | 347,434 |
| 200,000 | Anadarko Petroleum Corp. Sr Unsecured 6.20% 03/15/2040 | 225,049 | 206,649 |
| 350,000 | Anadarko Petroleum Corp. Sr Unsecured 6.45% 09/15/2036 | 416,918 | 377,998 |
| 1,210,000 | Anadarko Petroleum Corp. Sr Unsecured 6.60% 03/15/2046 | 1,431,205 | 1,336,056 |
| 470,000 | Anadarko Petroleum Corp. Sr Unsecured 7.95% 06/15/2039 | 617,148 | 552,764 |
| 28,000 | Apache Corp. Sr Unsecured 6.00% 01/15/2037 | 32,604 | 28,689 |
| 660,000 | Apache Corp. Sr Unsecured 4.25% 01/15/2044 | 637,961 | 531,396 |
| 580,000 | Apache Corp. Sr Unsecured 4.75% 04/15/2043 | 577,032 | 497,501 |
| 390,000 | Apache Corp. Sr Unsecured 5.10% 09/01/2040 | 399,149 | 353,237 |
| 140,000 | Apache Corp. Sr Unsecured 5.25% 02/01/2042 | 136,421 | 129,360 |
| 975,000 | Berkshire Hathaway Energy Co. Sr Unsecured 6.13% 04/01/2036 | 1,129,491 | 1,167,090 |
| 600,000 | BHP Billiton Finance USA Ltd. Company Guarantee 144A 6.75% 10/19/2075 | 638,776 | 622,188 |
| 70,000 | Cenovus Energy, Inc. Sr Unsecured 4.45% 09/15/2042 | 69,859 | 54,737 |
| 100,000 | Cenovus Energy, Inc. Sr Unsecured 5.25% 06/15/2037 | 98,806 | 88,099 |
| 140,000 | Cenovus Energy, Inc. Sr Unsecured 6.75% 11/15/2039 | 167,498 | 136,628 |
| 350,000 | Chesapeake Energy Corp. Company Guarantee 6.63% 08/15/2020 | 343,520 | 338,625 |
| 40,000 | Cimarex Energy Co. Sr Unsecured 3.90% 05/15/2027 | 37,261 | 37,118 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|---------------------------|--|------------|------------|
| <i>Energy (Continued)</i> | | | |
| \$ 300,000 | Concho Resources, Inc. Company Guarantee 4.85% 08/15/2048 | \$ 299,074 | \$ 287,049 |
| 380,000 | ConocoPhillips Company Guarantee 6.50% 02/01/2039 | 502,800 | 470,284 |
| 340,000 | Continental Resources, Inc. Company Guarantee 4.38% 01/15/2028 | 340,000 | 319,859 |
| 230,000 | Continental Resources, Inc. Company Guarantee 4.90% 06/01/2044 | 224,028 | 203,566 |
| 90,000 | Devon Energy Corp. Sr Unsecured 4.75% 05/15/2042 | 72,694 | 77,838 |
| 320,000 | Devon Energy Corp. Sr Unsecured 5.00% 06/15/2045 | 321,078 | 281,888 |
| 690,000 | Devon Energy Corp. Sr Unsecured 5.60% 07/15/2041 | 758,118 | 654,260 |
| 140,000 | Diamond 1 Finance Corp. / Diamond 2 Finance Corp. Sr Secured 144A 8.35% 07/15/2046 | 166,640 | 151,591 |
| 348,000 | Ecopetrol S.A. Sr Unsecured 5.88% 05/28/2045 | 339,581 | 328,589 |
| 870,000 | Ecopetrol S.A. Sr Unsecured 5.38% 06/26/2026 | 871,222 | 875,437 |
| 140,000 | Exxon Mobil Corp. Sr Unsecured 4.11% 03/01/2046 | 146,433 | 142,121 |
| 230,000 | Halliburton Co. Sr Unsecured 4.75% 08/01/2043 | 229,560 | 219,327 |
| 450,000 | Halliburton Co. Sr Unsecured 4.85% 11/15/2035 | 479,147 | 441,843 |
| 200,000 | Halliburton Co. Sr Unsecured 5.00% 11/15/2045 | 214,249 | 196,367 |
| 315,000 | Kerr-McGee Corp. Company Guarantee 6.95% 07/01/2024 | 334,934 | 351,181 |
| 60,000 | Kerr-McGee Corp. Company Guarantee 7.88% 09/15/2031 | 74,092 | 71,853 |
| 330,000 | Kinder Morgan Energy Partners L.P. Company Guarantee 5.63% 09/01/2041 | 342,761 | 321,697 |
| 480,000 | Kinder Morgan Energy Partners L.P. Company Guarantee 6.95% 01/15/2038 | 579,479 | 535,367 |
| 100,000 | Kinder Morgan Energy Partners L.P. Company Guarantee 7.30% 08/15/2033 | 118,973 | 115,586 |
| 230,000 | Lukoil International Finance BV Company Guarantee 144A 4.56% 04/24/2023 | 230,000 | 226,558 |
| 910,000 | Lukoil International Finance BV Company Guarantee 144A 4.75% 11/02/2026 | 926,798 | 879,515 |
| 322,000 | Magellan Midstream Partners L.P. Sr Unsecured 4.25% 09/15/2046 | 321,545 | 292,981 |
| 820,000 | MPLX L.P. Sr Unsecured 4.50% 04/15/2038 | 808,965 | 716,145 |
| 160,000 | MPLX L.P. Sr Unsecured 5.20% 03/01/2047 | 163,157 | 147,280 |
| 350,000 | MPLX L.P. Sr Unsecured 5.50% 02/15/2049 | 343,120 | 340,450 |
| 20,000 | Nationwide Mutual Insurance Co. Subordinated 144A 9.38% 08/15/2039 | 29,796 | 30,299 |
| 20,000 | Noble Energy, Inc. Sr Unsecured 4.95% 08/15/2047 | 20,372 | 17,304 |
| 500,000 | Noble Energy, Inc. Sr Unsecured 5.05% 11/15/2044 | 517,505 | 430,683 |
| 250,000 | Noble Energy, Inc. Sr Unsecured 5.25% 11/15/2043 | 248,966 | 221,908 |
| 110,000 | Noble Energy, Inc. Sr Unsecured 6.00% 03/01/2041 | 111,622 | 107,371 |
| 510,000 | Occidental Petroleum Corp. Sr Unsecured 4.10% 02/15/2047 | 518,258 | 475,756 |
| 320,000 | Occidental Petroleum Corp. Sr Unsecured 4.40% 04/15/2046 | 324,772 | 311,344 |
| 250,000 | Occidental Petroleum Corp. Sr Unsecured 4.63% 06/15/2045 | 248,350 | 248,208 |
| 30,000 | Petrobras Global Finance BV Company Guarantee 5.38% 01/27/2021 | 30,284 | 30,495 |
| 26,000 | Petrobras Global Finance BV Company Guarantee 6.88% 01/20/2040 | 25,658 | 24,739 |
| 650,000 | Petrobras Global Finance BV Company Guarantee 7.38% 01/17/2027 | 692,671 | 667,875 |
| 420,000 | Petroleos Mexicanos Company Guarantee 6.38% 01/23/2045 | 415,077 | 338,100 |
| 160,000 | Petroleos Mexicanos Company Guarantee 5.50% 06/27/2044 | 135,313 | 121,309 |
| 510,000 | Petroleos Mexicanos Company Guarantee 6.50% 03/13/2027 | 538,784 | 479,400 |
| 590,000 | Petroleos Mexicanos Company Guarantee 6.50% 06/02/2041 | 668,529 | 488,520 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|---------------------------|--|-------------------|------------|
| <i>Energy (Continued)</i> | | | |
| \$ 390,000 | Petroleos Mexicanos Company Guarantee 6.63% 06/15/2035 | \$ 415,637 | \$ 340,470 |
| 150,000 | Petroleos Mexicanos Company Guarantee 6.88% 08/04/2026 | 149,781 | 145,800 |
| 30,000 | Range Resources Corp. Company Guarantee 4.88% 05/15/2025 | 30,000 | 24,600 |
| 60,000 | Shell International Finance BV Company Guarantee 6.38% 12/15/2038 | 59,706 | 75,802 |
| 1,490,000 | Shell International Finance BV Company Guarantee 3.88% 11/13/2028 | 1,478,655 | 1,531,199 |
| 810,000 | Shell International Finance BV Company Guarantee 4.00% 05/10/2046 | 813,048 | 782,187 |
| 20,000 | Shell International Finance BV Company Guarantee 4.38% 05/11/2045 | 20,499 | 20,508 |
| 40,000 | Shell International Finance BV Company Guarantee 4.55% 08/12/2043 | 42,837 | 41,577 |
| 370,000 | Southern Natural Gas Co. LLC Sr Unsecured 8.00% 03/01/2032 | 390,608 | 470,614 |
| 180,000 | Sunoco Logistics Partners Operations L.P. Company Guarantee 5.35% 05/15/2045 | 178,383 | 159,324 |
| 630,000 | Teva Pharmaceutical Finance Co. BV Company Guarantee Series 2 3.65% 11/10/2021 | 614,892 | 596,901 |
| 269,000 | Vale Overseas Ltd. Company Guarantee 6.88% 11/21/2036 | 275,395 | 307,601 |
| 290,000 | Western Gas Partners L.P. Sr Unsecured 4.65% 07/01/2026 | 302,447 | 280,448 |
| 380,000 | Western Gas Partners L.P. Sr Unsecured 4.75% 08/15/2028 | 379,330 | 361,727 |
| 240,000 | Western Gas Partners L.P. Sr Unsecured 5.45% 04/01/2044 | 250,172 | 215,083 |
| 300,000 | Western Gas Partners L.P. Sr Unsecured 5.50% 08/15/2048 | 296,753 | 267,074 |
| 140,000 | Williams Cos., Inc. Sr Unsecured 4.55% 06/24/2024 | 141,364 | 141,359 |
| 70,000 | Williams Cos., Inc. Sr Unsecured 7.75% 06/15/2031 | 81,378 | 84,557 |
| 640,000 | Williams Cos., Inc. Sr Unsecured 8.75% 03/15/2032 | 809,912 | 832,613 |
| 810,000 | Williams Cos., Inc. Sr Unsecured Series A 7.50% 01/15/2031 | 968,687 | 966,909 |
| 280,000 | Williams Partners L.P. Sr Unsecured 4.90% 01/15/2045 | 290,069 | 253,867 |
| 230,000 | YPF S.A. Sr Unsecured 144A 8.50% 03/23/2021 | 230,228 | 227,125 |
| | Total Energy | 13.92% 29,708,253 | 27,974,857 |
| <i>Financials</i> | | | |
| 110,000 | Allstate Corp. Jr Subordinated 6.50% 05/15/2067 | 99,362 | 114,400 |
| 125,000 | American International Group, Inc. Jr Subordinated 6.25% 03/15/2087 | 103,300 | 120,625 |
| 80,000 | American International Group, Inc. Sr Unsecured 4.50% 07/16/2044 | 82,584 | 71,394 |
| 340,000 | American International Group, Inc. Sr Unsecured 4.75% 04/01/2048 | 338,971 | 311,142 |
| 100,000 | Anthem, Inc. Sr Unsecured 4.63% 05/15/2042 | 107,871 | 96,390 |
| 180,000 | Anthem, Inc. Sr Unsecured 6.38% 06/15/2037 | 169,460 | 210,029 |
| 700,000 | Banco Mercantil del Norte S.A. Jr Subordinated 144A 7.63% 01/10/2028 | 741,003 | 677,250 |
| 200,000 | Banco Santander S.A. Sr Unsecured 3.80% 02/23/2028 | 199,349 | 177,895 |
| 800,000 | Banco Santander S.A. Sr Unsecured 4.38% 04/12/2028 | 801,001 | 746,980 |
| 990,000 | Bank of America Corp. Sr Unsecured 3.59% 07/21/2028 | 991,876 | 938,836 |
| 600,000 | Bank of America Corp. Sr Unsecured 4.27% 07/23/2029 | 600,000 | 597,184 |
| 550,000 | Bank of America Corp. Sr Unsecured 4.44% 01/20/2048 | 566,586 | 528,568 |
| 800,000 | Bank of America Corp. Sr Unsecured MTN 5.00% 01/21/2044 | 863,188 | 827,896 |
| 250,000 | Barclays Bank PLC Subordinated 7.63% 11/21/2022 | 276,888 | 259,063 |
| 540,000 | Barclays PLC Jr Subordinated 7.75% 09/15/2023 | 540,000 | 519,437 |
| 940,000 | Berkshire Hathaway Finance Corp. Company Guarantee 4.20% 08/15/2048 | 935,265 | 932,045 |
| 350,000 | BNP Paribas S.A. Jr Subordinated 144A 7.00% 08/16/2028 | 350,000 | 332,938 |
| 440,000 | BNP Paribas S.A. Sr Unsecured 144A 4.40% 08/14/2028 | 437,714 | 429,458 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-------------------------------|--|------------|------------|
| <i>Financials (Continued)</i> | | | |
| \$ 540,000 | BNP Paribas S.A. Subordinated 144A 4.63% 03/13/2027 | \$ 550,787 | \$ 524,156 |
| 120,000 | Citigroup, Inc. Jr Subordinated Series P 5.95% 05/15/2025 | 109,560 | 108,600 |
| 650,000 | Citigroup, Inc. Sr Unsecured 4.65% 07/23/2048 | 643,359 | 635,255 |
| 750,000 | Citigroup, Inc. Sr Unsecured 8.13% 07/15/2039 | 1,133,989 | 1,040,513 |
| 70,000 | Citigroup, Inc. Subordinated 4.60% 03/09/2026 | 69,894 | 69,086 |
| 140,000 | Citigroup, Inc. Subordinated 5.50% 09/13/2025 | 146,370 | 146,914 |
| 410,000 | Citigroup, Inc. Subordinated 6.63% 06/15/2032 | 498,106 | 477,192 |
| 340,000 | Citigroup, Inc. Subordinated 4.13% 07/25/2028 | 343,375 | 319,072 |
| 1,060,000 | Citigroup, Inc. Subordinated 4.45% 09/29/2027 | 1,084,497 | 1,021,646 |
| 212,000 | Citigroup, Inc. Subordinated 6.13% 08/25/2036 | 197,953 | 228,720 |
| 390,000 | City of Hope Sr Secured Series 2013 5.62% 11/15/2043 | 450,752 | 457,860 |
| 220,000 | CME Group, Inc. Sr Unsecured 4.15% 06/15/2048 | 218,999 | 222,816 |
| 690,000 | Credit Agricole S.A. Jr Subordinated 144A 8.13% 12/23/2025 | 771,857 | 708,975 |
| 730,000 | Credit Suisse Group AG Jr Subordinated 144A 7.25% 09/12/2025 | 723,144 | 688,646 |
| 510,000 | Credit Suisse Group AG Jr Subordinated 144A 7.50% 07/17/2023 | 512,213 | 497,250 |
| 120,000 | Credit Suisse USA, Inc. Company Guarantee 7.13% 07/15/2032 | 149,872 | 150,936 |
| 370,000 | Goldman Sachs Group, Inc. Sr Unsecured 6.25% 02/01/2041 | 367,743 | 422,006 |
| 860,000 | Goldman Sachs Group, Inc. Sr Unsecured 4.75% 10/21/2045 | 933,277 | 818,261 |
| 250,000 | Goldman Sachs Group, Inc. Sr Unsecured 4.80% 07/08/2044 | 248,860 | 238,082 |
| 1,170,000 | Goldman Sachs Group, Inc. Subordinated 6.75% 10/01/2037 | 1,316,138 | 1,321,262 |
| 860,000 | Goldman Sachs Group, Inc. Subordinated 5.15% 05/22/2045 | 886,442 | 804,220 |
| 530,000 | HSBC Holdings PLC Jr Subordinated 6.00% 05/22/2027 | 530,000 | 477,254 |
| 290,000 | HSBC Holdings PLC Jr Subordinated 6.25% 03/23/2023 | 292,933 | 271,875 |
| 710,000 | HSBC Holdings PLC Jr Subordinated 6.50% 03/23/2028 | 706,251 | 645,213 |
| 570,000 | HSBC Holdings PLC Sr Unsecured 4.04% 03/13/2028 | 576,878 | 545,349 |
| 320,000 | HSBC Holdings PLC Sr Unsecured 4.58% 06/19/2029 | 320,000 | 317,196 |
| 600,000 | HSBC Holdings PLC Subordinated 6.50% 09/15/2037 | 769,689 | 680,019 |
| 890,000 | Intercontinental Exchange, Inc. Sr Unsecured 4.25% 09/21/2048 | 884,086 | 872,213 |
| 2,060,000 | Intesa Sanpaolo S.p.A. Sr Unsecured 144A 3.88% 07/14/2027 | 2,060,892 | 1,771,966 |
| 1,400,000 | Intesa Sanpaolo S.p.A. Sr Unsecured 144A 4.38% 01/12/2048 | 1,268,294 | 1,054,157 |
| 400,000 | Intesa Sanpaolo S.p.A. Subordinated 144A 5.02% 06/26/2024 | 402,393 | 362,753 |
| 740,000 | Intesa Sanpaolo S.p.A. Subordinated 144A 5.71% 01/15/2026 | 729,200 | 678,341 |
| 330,000 | JPMorgan Chase & Co. Sr Unsecured 5.40% 01/06/2042 | 402,765 | 362,462 |
| 220,000 | JPMorgan Chase & Co. Subordinated 3.63% 12/01/2027 | 219,797 | 204,725 |
| 710,000 | JPMorgan Chase & Co. Subordinated 4.95% 06/01/2045 | 720,614 | 720,037 |
| 260,000 | JPMorgan Chase & Co. Subordinated 5.63% 08/16/2043 | 296,217 | 285,816 |
| 420,000 | KKR Group Finance Co. II LLC Company Guarantee 144A 5.50% 02/01/2043 | 484,038 | 427,007 |
| 350,000 | Lloyds Banking Group PLC Jr Subordinated 7.50% 06/27/2024 | 380,421 | 337,680 |
| 570,000 | Lloyds Banking Group PLC Jr Subordinated 7.50% 09/27/2025 | 570,000 | 550,164 |
| 370,000 | Lloyds Banking Group PLC Sr Unsecured 3.57% 11/07/2028 | 370,000 | 329,124 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-------------------------------|--|--------------------------|-------------------|
| <i>Financials (Continued)</i> | | | |
| \$ 520,000 | Lloyds Banking Group PLC Sr Unsecured 4.38% 03/22/2028 | \$ 518,897 | \$ 493,318 |
| 350,000 | Massachusetts Mutual Life Insurance Co. Subordinated 144A 4.90% 04/01/2077 | 361,814 | 349,025 |
| 40,000 | Mayo Clinic Series 2013 Unsecured 4.00% 11/15/2047 | 40,000 | 40,177 |
| 255,000 | MetLife, Inc. Jr Subordinated 6.40% 12/15/2066 | 220,251 | 259,044 |
| 200,000 | Morgan Stanley Sr Unsecured 4.38% 01/22/2047 | 202,570 | 189,288 |
| 200,000 | Morgan Stanley Sr Unsecured 7.25% 04/01/2032 | 213,599 | 251,834 |
| 1,120,000 | Northwestern Mutual Life Insurance Co. Subordinated 144A 3.85% 09/30/2047 | 1,106,739 | 1,014,221 |
| 200,000 | Progress Energy, Inc. Sr Unsecured 144A 7.75% 03/01/2031 | 276,592 | 266,087 |
| 360,000 | Raymond James Financial, Inc. Sr Unsecured 4.95% 07/15/2046 | 385,776 | 345,871 |
| 970,000 | Royal Bank of Scotland Group PLC Jr Subordinated 8.63% 08/15/2021 | 1,038,276 | 1,003,950 |
| 200,000 | Royal Bank of Scotland Group PLC Sr Unsecured 5.08% 01/27/2030 | 200,000 | 192,853 |
| 140,000 | Royal Bank of Scotland N.V. Subordinated Series B 7.75% 05/15/2023 | 150,816 | 153,248 |
| 250,000 | Santander UK Group Holdings PLC Subordinated 144A 4.75% 09/15/2025 | 252,284 | 235,051 |
| 1,550,000 | Santander UK Group Holdings PLC Subordinated 144A 5.63% 09/15/2045 | 1,675,965 | 1,506,247 |
| 140,000 | Security Capital Group, Inc. Company Guarantee 7.70% 06/15/2028 | 174,348 | 149,614 |
| 370,000 | Syngenta Finance N.V. Company Guarantee 144A 4.89% 04/24/2025 | 370,000 | 349,853 |
| 620,000 | Teachers Insurance & Annuity Association of America Subordinated 144A 4.90% 09/15/2044 | 669,046 | 642,891 |
| 200,000 | Teachers Insurance & Annuity Association of America Subordinated 144A 4.27% 05/15/2047 | 203,693 | 191,425 |
| 60,000 | Travelers Property Casualty Corp. Company Guarantee 7.75% 04/15/2026 | 76,354 | 74,205 |
| 470,000 | UBS Group Funding Switzerland AG Company Guarantee 144A 4.25% 03/23/2028 | 478,823 | 463,438 |
| 71,860 | United Airlines Pass-Through Trust Series 2014-2, Class B 4.63% 03/03/2024 | 71,860 | 71,479 |
| 70,000 | Voya Financial, Inc. Company Guarantee 5.70% 07/15/2043 | 77,330 | 75,591 |
| 750,000 | Wachovia Corp. Subordinated 6.55% 10/15/2035 | 950,644 | 879,596 |
| 110,000 | Washington Prime Group L.P. Sr Unsecured 5.95% 08/15/2024 | 108,596 | 96,505 |
| 300,000 | Wells Fargo & Co. Jr Subordinated 5.88% 06/15/2025 | 301,103 | 296,535 |
| 320,000 | Wells Fargo & Co. Sr Unsecured 3.58% 05/22/2028 | 322,454 | 307,224 |
| 780,000 | Wells Fargo & Co. Subordinated 4.40% 06/14/2046 | 801,772 | 715,503 |
| 300,000 | Wells Fargo & Co. Subordinated 4.65% 11/04/2044 | 292,516 | 282,421 |
| 750,000 | Wells Fargo & Co. Subordinated 4.75% 12/07/2046 | 776,032 | 722,137 |
| 380,000 | Wells Fargo & Co. Subordinated 4.90% 11/17/2045 | 392,802 | 370,529 |
| 340,000 | Wells Fargo & Co. Subordinated 5.38% 11/02/2043 | 354,205 | 354,815 |
| 638,000 | Wells Fargo & Co. Subordinated 5.61% 01/15/2044 | 678,155 | 691,919 |
| | Total Financials | 21.25% <u>45,289,385</u> | <u>42,722,243</u> |
| <i>Healthcare</i> | | | |
| 330,000 | Abbott Laboratories Sr Unsecured 4.75% 11/30/2036 | 346,477 | 344,499 |
| 390,000 | Abbott Laboratories Sr Unsecured 4.90% 11/30/2046 | 420,688 | 409,393 |
| 250,000 | AbbVie, Inc. Sr Unsecured 4.70% 05/14/2045 | 253,869 | 227,353 |
| 483,000 | Aetna, Inc. Sr Unsecured 3.88% 08/15/2047 | 475,232 | 408,925 |
| 80,000 | Amerisourcebergen.Corp. Sr Unsecured 4.30% 12/15/2047 | 79,618 | 68,439 |
| 130,000 | Amgen, Inc. Sr Unsecured 4.40% 05/01/2045 | 127,271 | 121,574 |
| 237,000 | Amgen, Inc. Sr Unsecured 4.66% 06/15/2051 | 247,140 | 223,299 |
| 170,000 | Anthem, Inc. Sr Unsecured 4.10% 03/01/2028 | 170,000 | 166,623 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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| Principal Amount† | | Cost | Fair Value |
|-------------------------------|--|------------|------------|
| <i>Healthcare (Continued)</i> | | | |
| \$ 820,000 | Anthem, Inc. Sr Unsecured 4.38% 12/01/2047 | \$ 830,077 | \$ 762,636 |
| 640,000 | Anthem, Inc. Sr Unsecured 4.55% 03/01/2048 | 637,585 | 610,453 |
| 470,000 | Becton Dickinson & Co. Sr Unsecured 4.69% 12/15/2044 | 488,571 | 439,903 |
| 40,000 | Becton Dickinson & Co. Sr Unsecured 4.88% 05/15/2044 | 43,650 | 37,865 |
| 240,000 | Becton Dickinson and Co. Sr Unsecured 4.67% 06/06/2047 | 244,484 | 225,733 |
| 50,000 | Cardinal Health, Inc. Sr Unsecured 4.37% 06/15/2047 | 49,926 | 42,579 |
| 440,000 | Catholic Health Initiatives Secured 4.35% 11/01/2042 | 426,169 | 398,006 |
| 70,000 | Celgene Corp. Sr Unsecured 4.35% 11/15/2047 | 62,228 | 58,947 |
| 90,000 | Celgene Corp. Sr Unsecured 4.63% 05/15/2044 | 88,937 | 79,060 |
| 360,000 | Celgene Corp. Sr Unsecured 5.00% 08/15/2045 | 388,483 | 332,886 |
| 730,000 | Cigna Corp. Company Guarantee 144A 4.80% 08/15/2038 | 728,835 | 716,944 |
| 180,000 | Cigna Corp. Company Guarantee 3.88% 10/15/2047 | 179,714 | 150,295 |
| 740,000 | Cigna Corp. Company Guarantee 144A 4.90% 12/15/2048 | 738,342 | 724,014 |
| 770,000 | CVS Health Corp. Sr Unsecured 4.78% 03/25/2038 | 758,784 | 737,857 |
| 2,110,000 | CVS Health Corp. Sr Unsecured 5.05% 03/25/2048 | 2,109,178 | 2,052,207 |
| 190,000 | Eli Lilly & Co. Sr Unsecured 3.95% 05/15/2047 | 195,520 | 185,760 |
| 400,000 | Fidelity & Guaranty Life Holdings, Inc. Sr Unsecured 144A 5.50% 05/01/2025 | 398,166 | 382,120 |
| 440,000 | Gilead Sciences, Inc. Sr Unsecured 4.00% 09/01/2036 | 452,308 | 401,113 |
| 330,000 | Gilead Sciences, Inc. Sr Unsecured 4.50% 02/01/2045 | 349,627 | 317,363 |
| 100,000 | Gilead Sciences, Inc. Sr Unsecured 4.75% 03/01/2046 | 104,183 | 99,209 |
| 100,000 | Gilead Sciences, Inc. Sr Unsecured 4.80% 04/01/2044 | 99,819 | 100,296 |
| 50,000 | Gilead Sciences, Inc. Sr Unsecured 5.65% 12/01/2041 | 49,894 | 55,240 |
| 470,000 | HCA, Inc. Sr Secured 5.50% 06/15/2047 | 476,117 | 445,325 |
| 150,000 | Humana, Inc. Sr Unsecured 4.63% 12/01/2042 | 151,810 | 148,295 |
| 640,000 | Humana, Inc. Sr Unsecured 4.80% 03/15/2047 | 688,815 | 640,504 |
| 690,000 | Humana, Inc. Sr Unsecured 4.95% 10/01/2044 | 756,927 | 708,762 |
| 210,000 | Johnson & Johnson Sr Unsecured 3.40% 01/15/2038 | 209,401 | 195,475 |
| 200,000 | Johnson & Johnson Sr Unsecured 3.50% 01/15/2048 | 199,262 | 182,963 |
| 70,000 | Johnson & Johnson Sr Unsecured 3.70% 03/01/2046 | 71,765 | 66,487 |
| 20,000 | Johnson & Johnson Sr Unsecured 4.50% 09/01/2040 | 21,059 | 21,574 |
| 20,000 | Johnson & Johnson Sr Unsecured 5.95% 08/15/2037 | 20,959 | 24,959 |
| 660,000 | Magellan Health, Inc. Sr Unsecured 4.40% 09/22/2024 | 660,778 | 620,285 |
| 70,000 | Medtronic, Inc. Company Guarantee 4.50% 03/15/2042 | 69,895 | 71,592 |
| 130,000 | Medtronic, Inc. Company Guarantee 4.63% 03/15/2045 | 142,268 | 136,298 |
| 40,000 | Medtronic, Inc. Company Guarantee 5.55% 03/15/2040 | 39,925 | 46,578 |
| 130,000 | Pfizer, Inc. Sr Unsecured 4.40% 05/15/2044 | 129,650 | 135,375 |
| 50,000 | Prudential Financial, Inc. Sr Unsecured 5.70% 12/14/2036 | 54,675 | 56,555 |
| 150,000 | Telefonica Emisiones S.A Company Guarantee 4.10% 03/08/2027 | 151,221 | 144,090 |
| 880,000 | Telefonica Emisiones S.A Company Guarantee 5.21% 03/08/2047 | 920,156 | 805,550 |
| 270,000 | Telefonica Emisiones SAU Company Guarantee 4.67% 03/06/2038 | 260,499 | 244,240 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-------------------------------|---|------------------|------------|
| <i>Healthcare (Continued)</i> | | | |
| \$ 150,000 | Telefonica Emisiones SAU Company Guarantee 4.90% 03/06/2048 | \$ 150,000 | \$ 132,393 |
| 220,000 | Telefonica Emisiones SAU Company Guarantee 7.05% 06/20/2036 | 271,050 | 250,690 |
| 40,000 | Teva Pharmaceutical Finance Co. BV Company Guarantee 2.95% 12/18/2022 | 37,004 | 35,374 |
| 320,000 | Teva Pharmaceutical Finance Netherlands III BV Company Guarantee 2.20% 07/21/2021 | 302,765 | 294,148 |
| 40,000 | Teva Pharmaceutical Finance Netherlands III BV Company Guarantee 2.80% 07/21/2023 | 35,899 | 34,450 |
| 230,000 | UnitedHealth Group, Inc. Sr Unsecured 3.88% 12/15/2028 | 229,212 | 232,976 |
| 540,000 | UnitedHealth Group, Inc. Sr Unsecured 4.25% 06/15/2048 | 536,318 | 539,699 |
| 160,000 | UnitedHealth Group, Inc. Sr Unsecured 4.45% 12/15/2048 | 159,344 | 164,694 |
| 150,000 | UnitedHealth Group, Inc. Sr Unsecured 4.63% 07/15/2035 | 167,356 | 158,999 |
| 80,000 | UnitedHealth Group, Inc. Sr Unsecured 4.63% 11/15/2041 | 79,081 | 83,561 |
| 130,000 | UnitedHealth Group, Inc. Sr Unsecured 6.50% 06/15/2037 | 121,728 | 165,994 |
| 40,000 | UnitedHealth Group, Inc. Sr Unsecured 6.88% 02/15/2038 | 42,043 | 52,257 |
| 490,000 | Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 9.00% 12/15/2025 | 492,875 | 487,550 |
| 370,000 | Wyeth LLC Company Guarantee 5.95% 04/01/2037 | 467,535 | 443,728 |
| 30,000 | Zoetis, Inc. Sr Unsecured 4.70% 02/01/2043 | 29,796 | 30,418 |
| | Total Healthcare | 9.29% 19,691,963 | 18,682,429 |
| <i>Industrials</i> | | | |
| 720,000 | Actavis Funding SCS Company Guarantee 4.55% 03/15/2035 | 741,285 | 682,990 |
| 491,000 | Actavis Funding SCS Company Guarantee 4.75% 03/15/2045 | 485,823 | 466,095 |
| 300,000 | AerCap Ireland Capital DAC / AerCap Global Aviation Trust Company Guarantee 3.50% 01/15/2025 | 296,912 | 273,712 |
| 330,000 | Avolon Holdings Funding Ltd. Company Guarantee 144A 5.13% 10/01/2023 | 330,000 | 315,150 |
| 470,000 | Barrick North America Finance LLC Company Guarantee 5.75% 05/01/2043 | 553,100 | 493,661 |
| 370,000 | Barrick PD Australia Finance Pty Ltd. Company Guarantee 5.95% 10/15/2039 | 427,256 | 394,599 |
| 110,000 | Blackstone Holdings Finance Co. LLC Company Guarantee 144A 5.00% 06/15/2044 | 108,545 | 109,448 |
| 50,000 | Boeing Co. Sr Unsecured 5.88% 02/15/2040 | 60,988 | 62,195 |
| 70,000 | Boeing Co. Sr Unsecured 6.13% 02/15/2033 | 72,329 | 88,606 |
| 200,000 | Boeing Co. Sr Unsecured 6.88% 03/15/2039 | 292,146 | 272,212 |
| 30,000 | Burlington Northern Santa Fe LLC Sr Unsecured 4.55% 09/01/2044 | 29,853 | 31,280 |
| 280,000 | Burlington Northern Santa Fe LLC Sr Unsecured 4.95% 09/15/2041 | 289,320 | 304,811 |
| 100,000 | Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 5.38% 04/01/2038 | 99,224 | 93,102 |
| 1,790,000 | Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 5.38% 05/01/2047 | 1,857,096 | 1,622,042 |
| 1,290,000 | Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 5.75% 04/01/2048 | 1,285,771 | 1,207,980 |
| 700,000 | Credit Suisse Group AG Jr Subordinated 144A 6.25% 12/18/2024 | 728,345 | 661,192 |
| 80,000 | Delphi Financial Group, Inc. Sr Unsecured 7.88% 01/31/2020 | 79,998 | 83,734 |
| 230,000 | Eaton Corp. Company Guarantee 4.15% 11/02/2042 | 231,264 | 215,919 |
| 120,000 | Energy Transfer Operating L.P. Company Guarantee 4.90% 03/15/2035 | 111,877 | 107,423 |
| 330,000 | Energy Transfer Operating L.P. Company Guarantee 4.95% 06/15/2028 | 329,429 | 322,876 |
| 210,000 | Energy Transfer Operating L.P. Company Guarantee 5.80% 06/15/2038 | 216,651 | 204,407 |
| 400,000 | Energy Transfer Operating L.P. Company Guarantee 6.00% 06/15/2048 | 395,630 | 389,525 |
| 120,000 | Energy Transfer Operating L.P. Company Guarantee 6.63% 10/15/2036 | 134,319 | 123,226 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|--------------------------------|--|-------------------|------------|
| <i>Industrials (Continued)</i> | | | |
| \$ 457,000 | GE Capital International Funding Co., Unlimited Co. Company Guarantee 4.42% 11/15/2035 | \$ 475,605 | \$ 382,768 |
| 250,000 | General Electric Co. Jr Subordinated 5.00% 01/21/2021 | 199,391 | 191,250 |
| 440,000 | General Electric Co. Sr Unsecured 4.50% 03/11/2044 | 484,242 | 358,855 |
| 397,000 | General Electric Co. Sr Unsecured 6.15% 08/07/2037 | 465,426 | 387,250 |
| 2,381,000 | General Electric Co. Sr Unsecured 6.88% 01/10/2039 | 3,305,088 | 2,489,346 |
| 760,000 | General Electric Co. Sr Unsecured MTN 5.88% 01/14/2038 | 945,668 | 726,629 |
| 250,000 | Huntington Ingalls Industries, Inc. Company Guarantee 3.48% 12/01/2027 | 250,000 | 232,857 |
| 240,000 | ILFC E-Capital Trust I Limited Guarantee 144A 4.55% 12/21/2065 | 188,447 | 186,600 |
| 110,000 | ILFC E-Capital Trust II Limited Guarantee 144A 4.80% 12/21/2065 | 107,499 | 85,800 |
| 210,000 | International Lease Finance Corp. Sr Unsecured 8.63% 01/15/2022 | 236,844 | 233,469 |
| 300,000 | Kaiser Foundation Hospitals Company Guarantee 4.15% 05/01/2047 | 308,043 | 296,301 |
| 1,510,000 | KKR Group Finance Co. III LLC Company Guarantee 144A 5.13% 06/01/2044 | 1,589,700 | 1,487,333 |
| 20,000 | Lockheed Martin Corp. Sr Unsecured 4.07% 12/15/2042 | 19,599 | 19,084 |
| 301,000 | Lockheed Martin Corp. Sr Unsecured 4.09% 09/15/2052 | 306,210 | 280,957 |
| 50,000 | Lockheed Martin Corp. Sr Unsecured 4.50% 05/15/2036 | 49,154 | 51,591 |
| 290,000 | MPT Operating Partnership L.P. / MPT Finance Corp. Company Guarantee 5.00% 10/15/2027 | 290,203 | 265,169 |
| 50,000 | NGPL PipeCo LLC Sr Unsecured 144A 4.88% 08/15/2027 | 50,000 | 47,125 |
| 140,000 | Norfolk Southern Corp. Sr Unsecured 4.15% 02/28/2048 | 137,438 | 130,632 |
| 370,000 | Norfolk Southern Corp. Sr Unsecured 5.10% 08/01/2118 | 369,286 | 363,053 |
| 840,000 | Northrop Grumman Corp. Sr Unsecured 4.03% 10/15/2047 | 847,452 | 763,989 |
| 90,000 | Northrop Grumman Corp. Sr Unsecured 4.75% 06/01/2043 | 102,590 | 90,984 |
| 410,000 | Time Warner Cable LLC Sr Secured 4.50% 09/15/2042 | 384,261 | 329,600 |
| 670,000 | Time Warner Entertainment Co. L.P. Sr Secured 8.38% 07/15/2033 | 881,534 | 816,811 |
| 80,000 | Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 4.45% 08/01/2042 | 82,511 | 73,649 |
| 140,000 | Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 5.40% 08/15/2041 | 139,141 | 143,624 |
| 30,000 | Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 7.85% 02/01/2026 | 35,624 | 36,267 |
| 520,000 | Union Pacific Corp. Sr Unsecured 4.38% 09/10/2038 | 519,229 | 509,957 |
| 460,000 | Union Pacific Corp. Sr Unsecured 4.38% 11/15/2065 | 472,804 | 418,683 |
| 870,000 | Union Pacific Corp. Sr Unsecured 4.50% 09/10/2048 | 873,156 | 857,860 |
| 830,000 | United Technologies Corp. Sr Unsecured 4.13% 11/16/2028 | 829,710 | 822,282 |
| 480,000 | United Technologies Corp. Sr Unsecured 4.45% 11/16/2038 | 479,953 | 467,493 |
| 230,000 | United Technologies Corp. Sr Unsecured 4.50% 06/01/2042 | 236,616 | 217,290 |
| 380,000 | United Technologies Corp. Sr Unsecured 4.63% 11/16/2048 | 378,802 | 366,961 |
| 230,000 | Waste Management, Inc. Company Guarantee 7.75% 05/15/2032 | 311,468 | 305,434 |
| | Total Industrials | 11.42% 25,509,855 | 22,963,138 |
| <i>Information Technology</i> | | | |
| 160,000 | Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 144A 4.70% 02/01/2036 | 154,698 | 148,384 |
| 1,920,000 | Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 144A 4.90% 02/01/2046 | 1,834,765 | 1,780,580 |
| 360,000 | Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 4.38% 04/15/2038 | 354,920 | 321,191 |
| 737,000 | Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 4.44% 10/06/2048 | 776,316 | 636,445 |
| 370,000 | Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 4.60% 04/15/2048 | 367,930 | 331,616 |
| 370,000 | Apple, Inc. Sr Unsecured 3.45% 02/09/2045 | 345,205 | 327,625 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|---|---|-------------------------|-------------------|
| <i>Information Technology (Continued)</i> | | | |
| \$ 260,000 | Apple, Inc. Sr Unsecured 3.85% 08/04/2046 | \$ 262,425 | \$ 241,795 |
| 160,000 | ConocoPhillips Holding Co. Sr Unsecured 6.95% 04/15/2029 | 179,431 | 197,841 |
| 230,000 | DTE Electric Co. 3.75% 08/15/2047 | 229,879 | 213,952 |
| 130,000 | Enterprise Products Operating LLC Company Guarantee 4.15% 10/16/2028 | 129,699 | 129,345 |
| 520,000 | Enterprise Products Operating LLC Company Guarantee 4.25% 02/15/2048 | 519,308 | 460,918 |
| 650,000 | Enterprise Products Operating LLC Company Guarantee 4.80% 02/01/2049 | 646,048 | 631,444 |
| 210,000 | Enterprise Products Operating LLC Company Guarantee 5.38% 02/15/2078 | 173,301 | 173,636 |
| 40,000 | Enterprise Products Operating LLC Company Guarantee 5.95% 02/01/2041 | 39,746 | 43,720 |
| 290,000 | Enterprise Products Operating LLC Company Guarantee 6.13% 10/15/2039 | 293,833 | 327,224 |
| 168,000 | Enterprise Products Operating LLC Company Guarantee 7.55% 04/15/2038 | 235,694 | 212,680 |
| 580,000 | Harris Corp. Sr Unsecured 4.85% 04/27/2035 | 613,071 | 575,433 |
| 300,000 | Harris Corp. Sr Unsecured 5.05% 04/27/2045 | 326,284 | 308,602 |
| 174,000 | Intel Corp. Sr Unsecured 3.73% 12/08/2047 | 174,844 | 161,110 |
| 830,000 | Microsoft Corp. Sr Unsecured 3.70% 08/08/2046 | 826,235 | 795,126 |
| 600,000 | Microsoft Corp. Sr Unsecured 3.75% 02/12/2045 | 579,470 | 580,461 |
| 140,000 | Microsoft Corp. Sr Unsecured 3.95% 08/08/2056 | 130,412 | 136,595 |
| 820,000 | Microsoft Corp. Sr Unsecured 4.10% 02/06/2037 | 864,665 | 841,452 |
| 130,000 | Microsoft Corp. Sr Unsecured 4.25% 02/06/2047 | 130,934 | 136,470 |
| 510,000 | Visa, Inc. Sr Unsecured 3.65% 09/15/2047 | 511,281 | 480,114 |
| 600,000 | Visa, Inc. Sr Unsecured 4.30% 12/14/2045 | 641,632 | 620,089 |
| 450,000 | WEA Finance LLC / Westfield UK & Europe Finance PLC Company Guarantee 144A 4.75% 09/17/2044 | 453,445 | 449,516 |
| | Total Information Technology | 5.60% <u>11,795,471</u> | <u>11,263,364</u> |
| <i>Materials</i> | | | |
| 200,000 | Alcoa Nederland Holding BV Company Guarantee 144A 6.75% 09/30/2024 | 200,000 | 203,000 |
| 200,000 | Alcoa Nederland Holding BV Company Guarantee 144A 7.00% 09/30/2026 | 202,690 | 204,000 |
| 400,000 | Anglo American Capital PLC Company Guarantee 144A 4.00% 09/11/2027 | 398,656 | 361,944 |
| 670,000 | Anglo American Capital PLC Company Guarantee 144A 4.75% 04/10/2027 | 676,470 | 641,678 |
| 250,000 | ArcelorMittal Sr Unsecured 6.75% 03/01/2041 | 280,419 | 264,005 |
| 50,000 | ArcelorMittal Sr Unsecured 7.00% 10/15/2039 | 54,887 | 52,680 |
| 10,000 | Barrick Gold Corp. Sr Unsecured 5.25% 04/01/2042 | 9,611 | 10,000 |
| 120,000 | BAT Capital Corp. Company Guarantee 4.39% 08/15/2037 | 122,154 | 98,216 |
| 190,000 | BAT Capital Corp. Company Guarantee 4.54% 08/15/2047 | 188,714 | 151,250 |
| 80,000 | Enso PLC Sr Unsecured 7.75% 02/01/2026 | 64,854 | 59,200 |
| 610,000 | First Quantum Minerals Ltd. Company Guarantee 144A 7.00% 02/15/2021 | 609,316 | 585,600 |
| 40,000 | Freeport-McMoRan, Inc. Company Guarantee 5.45% 03/15/2043 | 34,162 | 30,450 |
| 650,000 | Glencore Finance Canada Ltd. Company Guarantee 144A 5.55% 10/25/2042 | 695,270 | 585,078 |
| 420,000 | Glencore Finance Canada Ltd. Company Guarantee 144A 6.00% 11/15/2041 | 417,768 | 404,804 |
| 80,000 | Glencore Finance Canada Ltd. Company Guarantee 144A 6.90% 11/15/2037 | 92,533 | 84,070 |
| 270,000 | Glencore Funding LLC Company Guarantee 144A 3.88% 10/27/2027 | 268,583 | 241,375 |
| 230,000 | Glencore Funding LLC Company Guarantee 144A 4.00% 03/27/2027 | 220,616 | 209,525 |
| 60,000 | Hudbay Minerals, Inc. Company Guarantee 144A 7.25% 01/15/2023 | 60,218 | 59,250 |
| 260,000 | Rio Tinto Finance USA Ltd. Company Guarantee 5.20% 11/02/2040 | 310,739 | 286,558 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-----------------------------------|---|-------------------------|-------------------|
| <i>Materials (Continued)</i> | | | |
| \$ 500,000 | Southern Copper Corp. Sr Unsecured 5.25% 11/08/2042 | \$ 511,970 | \$ 475,208 |
| 150,000 | Southern Copper Corp. Sr Unsecured 6.75% 04/16/2040 | 151,255 | 165,631 |
| 90,000 | Teck Resources Ltd. Company Guarantee 6.25% 07/15/2041 | 97,473 | 85,275 |
| 870,000 | Yamana Gold, Inc. Company Guarantee 4.63% 12/15/2027 | 873,044 | 807,892 |
| 320,000 | Yamana Gold, Inc. Company Guarantee 4.95% 07/15/2024 | 323,241 | 313,040 |
| | Total Materials | 3.17% <u>6,864,643</u> | <u>6,379,729</u> |
| <i>Telecommunication Services</i> | | | |
| 110,000 | America Movil S.A.B. de C.V. Company Guarantee 6.13% 11/15/2037 | 101,157 | 127,822 |
| 200,000 | America Movil S.A.B. de C.V. Company Guarantee 6.38% 03/01/2035 | 254,277 | 234,982 |
| 30,000 | AT&T, Inc. Sr Unsecured 4.35% 06/15/2045 | 27,614 | 25,352 |
| 230,000 | AT&T, Inc. Sr Unsecured 4.50% 05/15/2035 | 231,671 | 206,494 |
| 3,380,000 | AT&T, Inc. Sr Unsecured 4.50% 03/09/2048 | 3,100,781 | 2,892,289 |
| 330,000 | AT&T, Inc. Sr Unsecured 4.80% 06/15/2044 | 326,253 | 295,784 |
| 20,000 | AT&T, Inc. Sr Unsecured 5.15% 03/15/2042 | 19,527 | 18,682 |
| 3,000 | AT&T, Inc. Sr Unsecured 5.35% 09/01/2040 | 3,220 | 2,914 |
| 120,000 | AT&T, Inc. Sr Unsecured 5.45% 03/01/2047 | 119,380 | 117,204 |
| 110,000 | AT&T, Inc. Sr Unsecured 5.55% 08/15/2041 | 111,663 | 107,853 |
| 70,000 | AT&T, Inc. Sr Unsecured 6.35% 03/15/2040 | 76,771 | 75,063 |
| 340,000 | BPCE S.A. Subordinated 144A 5.15% 07/21/2024 | 356,418 | 341,409 |
| 420,000 | British Telecommunications PLC Sr Unsecured 9.63% 12/15/2030 | 604,489 | 568,039 |
| 300,000 | Comcast Corp. Company Guarantee 3.97% 11/01/2047 | 261,369 | 268,156 |
| 550,000 | Comcast Corp. Company Guarantee 4.25% 10/15/2030 | 550,079 | 556,219 |
| 1,710,000 | Comcast Corp. Company Guarantee 4.60% 10/15/2038 | 1,701,666 | 1,726,721 |
| 520,000 | Comcast Corp. Company Guarantee 4.70% 10/15/2048 | 518,180 | 525,658 |
| 1,040,000 | Comcast Corp. Company Guarantee 4.95% 10/15/2058 | 1,040,152 | 1,057,317 |
| 240,000 | Societe Generale S.A. Jr Subordinated 144A 6.75% 04/06/2028 | 240,000 | 204,060 |
| 190,000 | Telecom Italia Capital S.A. Company Guarantee 7.20% 07/18/2036 | 197,704 | 181,450 |
| 120,000 | Telecom Italia Capital S.A. Company Guarantee 7.72% 06/04/2038 | 130,056 | 119,176 |
| 220,000 | Twitter, Inc. Sr Unsecured 1.00% 09/15/2021 | 210,322 | 200,647 |
| 120,000 | Verizon Communications, Inc. Sr Unsecured 3.85% 11/01/2042 | 105,027 | 103,449 |
| 530,000 | Verizon Communications, Inc. Sr Unsecured 4.13% 08/15/2046 | 466,671 | 467,607 |
| 260,000 | Verizon Communications, Inc. Sr Unsecured 4.40% 11/01/2034 | 258,271 | 250,586 |
| 3,175,000 | Verizon Communications, Inc. Sr Unsecured 4.52% 09/15/2048 | 3,026,589 | 2,975,783 |
| 70,000 | Verizon Communications, Inc. Sr Unsecured 4.67% 03/15/2055 | 66,344 | 64,281 |
| 300,000 | Verizon Communications, Inc. Sr Unsecured 4.75% 11/01/2041 | 286,033 | 290,865 |
| 510,000 | Verizon Communications, Inc. Sr Unsecured 5.25% 03/16/2037 | 532,498 | 531,250 |
| 20,000 | Verizon Communications, Inc. Sr Unsecured 5.50% 03/16/2047 | 22,221 | 21,268 |
| 300,000 | Vodafone Group PLC Sr Unsecured 5.00% 05/30/2038 | 294,410 | 281,104 |
| 1,540,000 | Vodafone Group PLC Sr Unsecured 5.25% 05/30/2048 | 1,535,176 | 1,445,808 |
| 160,000 | Vodafone Group PLC Sr Unsecured 6.15% 02/27/2037 | 181,043 | 167,699 |
| | Total Telecommunication Services | 8.18% <u>16,957,032</u> | <u>16,452,991</u> |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|-------------------|---|--------------------|-------------|
| <i>Utilities</i> | | | |
| \$ 240,000 | CenterPoint Energy Houston Electric LLC 4.50% 04/01/2044 | \$ 249,296 | \$ 253,936 |
| 430,000 | Commonwealth Edison Co. 4.00% 03/01/2048 | 429,919 | 414,800 |
| 40,000 | Connecticut Light & Power Co. 4.30% 04/15/2044 | 40,000 | 40,760 |
| 70,000 | Dominion Energy, Inc. Sr Unsecured 4.70% 12/01/2044 | 75,891 | 69,746 |
| 290,000 | Dominion Energy, Inc. Sr Unsecured 4.90% 08/01/2041 | 318,928 | 287,853 |
| 100,000 | Dominion Resources, Inc. Sr Unsecured Series B 5.95% 06/15/2035 | 113,767 | 111,625 |
| 10,000 | Duke Energy Carolinas LLC 4.00% 09/30/2042 | 9,927 | 9,607 |
| 540,000 | Duke Energy Carolinas LLC Sr Unsecured 6.10% 06/01/2037 | 679,014 | 647,795 |
| 150,000 | Duke Energy Indiana LLC 4.20% 03/15/2042 | 149,744 | 148,365 |
| 290,000 | Duke Energy Progress LLC 3.70% 09/01/2028 | 289,946 | 292,944 |
| 160,000 | Duke Energy Progress LLC 4.10% 03/15/2043 | 171,666 | 155,033 |
| 190,000 | Duke Energy Progress LLC 4.38% 03/30/2044 | 190,611 | 193,487 |
| 260,000 | Exelon Corp. Sr Unsecured 4.45% 04/15/2046 | 270,122 | 244,559 |
| 780,000 | Exelon Corp. Sr Unsecured 5.63% 06/15/2035 | 833,209 | 841,422 |
| 700,000 | FirstEnergy Corp. Sr Unsecured 4.85% 07/15/2047 | 737,626 | 698,888 |
| 1,502,000 | FirstEnergy Corp. Sr Unsecured Series C 7.38% 11/15/2031 | 1,889,404 | 1,897,851 |
| 310,000 | Nuveen LLC Company Guarantee 144A 4.00% 11/01/2028 | 308,240 | 319,432 |
| 80,000 | Ohio Edison Co. 8.25% 10/15/2038 | 117,500 | 115,059 |
| 80,000 | Pacific Gas & Electric Co. Sr Unsecured 2.95% 03/01/2026 | 66,976 | 65,775 |
| 50,000 | Pacific Gas & Electric Co. Sr Unsecured 3.25% 06/15/2023 | 42,667 | 44,233 |
| 650,000 | Pacific Gas & Electric Co. Sr Unsecured 3.50% 10/01/2020 | 616,035 | 619,373 |
| 490,000 | Pacific Gas & Electric Co. Sr Unsecured 4.00% 12/01/2046 | 505,694 | 369,552 |
| 170,000 | Pacific Gas & Electric Co. Sr Unsecured 4.50% 12/15/2041 | 169,461 | 133,754 |
| 180,000 | Pacific Gas & Electric Co. Sr Unsecured 4.60% 06/15/2043 | 196,142 | 148,447 |
| 70,000 | Pacific Gas & Electric Co. Sr Unsecured 4.75% 02/15/2044 | 69,721 | 57,474 |
| 220,000 | Pacific Gas & Electric Co. Sr Unsecured 5.80% 03/01/2037 | 209,407 | 203,887 |
| 980,000 | Pacific Gas & Electric Co. Sr Unsecured 6.05% 03/01/2034 | 1,219,759 | 908,026 |
| 130,000 | Pennsylvania Electric Co. Sr Unsecured 144A 4.15% 04/15/2025 | 129,797 | 131,586 |
| 250,000 | San Diego Gas & Electric Co. 3.75% 06/01/2047 | 254,792 | 227,404 |
| 360,000 | San Diego Gas & Electric Co. 4.30% 04/01/2042 | 368,120 | 350,975 |
| 120,000 | Southern California Edison Co. 4.00% 04/01/2047 | 113,586 | 110,009 |
| 370,000 | Southern California Edison Co. 4.05% 03/15/2042 | 382,378 | 346,873 |
| 170,000 | Southern California Edison Co. 4.50% 09/01/2040 | 181,798 | 167,416 |
| 430,000 | Southern California Edison Co. 4.65% 10/01/2043 | 475,690 | 431,330 |
| 290,000 | Southern California Edison Co. Series C 4.13% 03/01/2048 | 276,663 | 274,556 |
| 236,000 | Virginia Electric & Power Co. Sr Unsecured 8.88% 11/15/2038 | 286,329 | 356,073 |
| | Total Utilities | 5.82% 12,439,825 | 11,689,905 |
| | Total Corporate Bonds | 88.78% 189,857,221 | 178,492,459 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|--------------------------------------|--|-----------------|------------|
| <u>Floating Rate Loan</u> | | | |
| <i>Consumer Discretionary</i> | | | |
| \$ 350,000 | Travelport Finance (Luxembourg) S.a.r.l. 2018 Term Loan B 1.00% 03/17/2025 | \$ 346,500 | \$ 346,500 |
| | Total Consumer Discretionary | 0.17% 346,500 | 346,500 |
| | Total Floating Rate Loan | 0.17% 346,500 | 346,500 |
| <u>Foreign Government</u> | | | |
| <i>Argentina</i> | | | |
| ARS 8,100,000 | Argentina POM Politica Monetaria 59.26% 06/21/2020 | 504,534 | 236,591 |
| 50,000 | Argentine Government International Bond Sr Unsecured 6.88% 01/11/2048 | 49,535 | 34,812 |
| 1,180,000 | Argentine Government International Bond Sr Unsecured 7.63% 04/22/2046 | 1,219,750 | 854,910 |
| 1,270,000 | Argentine Republic Government International Bond Sr Unsecured 5.88% 01/11/2028 | 1,214,649 | 912,812 |
| 40,000 | Argentine Republic Government International Bond Sr Unsecured 6.88% 01/26/2027 | 39,696 | 30,500 |
| 50,000 | Provincia de Buenos Aires Sr Unsecured 144A 9.13% 03/16/2024 | 57,464 | 41,375 |
| 860,000 | Provincia de Buenos Aires Sr Unsecured 144A 9.13% 03/16/2024 | 890,651 | 711,650 |
| | Total Argentina | 1.40% 3,976,279 | 2,822,650 |
| <i>Colombia</i> | | | |
| 690,000 | Colombia Government International Bond Sr Unsecured 6.13% 01/18/2041 | 820,087 | 745,200 |
| | Total Colombia | 0.37% 820,087 | 745,200 |
| <i>Costa Rica</i> | | | |
| 200,000 | Costa Rica Government International Bond Sr Unsecured 144A 7.00% 04/04/2044 | 200,484 | 169,750 |
| | Total Costa Rica | 0.08% 200,484 | 169,750 |
| <i>Ecuador</i> | | | |
| 300,000 | Ecuador Government International Bond Sr Unsecured 144A 9.63% 06/02/2027 | 300,000 | 271,500 |
| 230,000 | Ecuador Government International Bond Sr Unsecured 144A 9.65% 12/13/2026 | 230,000 | 209,300 |
| 160,000 | Ecuador Government International Bond Sr Unsecured 144A 9.65% 12/13/2026 | 162,730 | 145,600 |
| 300,000 | Ecuador Government International Bond Sr Unsecured 144A 10.75% 03/28/2022 | 340,703 | 302,625 |
| | Total Ecuador | 0.46% 1,033,433 | 929,025 |
| <i>Ghana</i> | | | |
| 430,000 | Ghana Government International Bond Sr Unsecured 144A 8.63% 06/16/2049 | 430,000 | 374,341 |
| | Total Ghana | 0.19% 430,000 | 374,341 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|--|--|-------------------------|------------------|
| <i>Indonesia</i> | | | |
| \$ 440,000 | Indonesia Government International Bond Sr Unsecured 4.35% 01/11/2048 | \$ 437,374 | \$ 401,114 |
| | Total Indonesia | 0.20% <u>437,374</u> | <u>401,114</u> |
| <i>Israel</i> | | | |
| 340,000 | Israel Government International Bond Sr Unsecured 4.13% 01/17/2048 | 336,983 | 331,969 |
| | Total Israel | 0.17% <u>336,983</u> | <u>331,969</u> |
| <i>Kenya</i> | | | |
| 270,000 | Kenya Government International Bond Sr Unsecured 144A 8.25% 02/28/2048 | 270,000 | 229,508 |
| | Total Kenya | 0.11% <u>270,000</u> | <u>229,508</u> |
| <i>Mexico</i> | | | |
| 560,000 | Mexico Government International Bond Sr Unsecured 4.35% 01/15/2047 | 551,635 | 479,920 |
| 122,000 | Mexico Government International Bond Sr Unsecured 6.05% 01/11/2040 | 142,204 | 129,137 |
| 1,436,000 | Mexico Government International Bond Sr Unsecured MTN 4.75% 03/08/2044 | 1,431,148 | 1,305,324 |
| | Total Mexico | 0.95% <u>2,124,987</u> | <u>1,914,381</u> |
| <i>Nigeria</i> | | | |
| 890,000 | Nigeria Government International Bond Sr Unsecured 144A 7.70% 02/23/2038 | 890,000 | 775,719 |
| | Total Nigeria | 0.39% <u>890,000</u> | <u>775,719</u> |
| <i>United Arab Emirates</i> | | | |
| 500,000 | Abu Dhabi Government International Bond Sr Unsecured 144A 4.13% 10/11/2047 | 495,669 | 478,750 |
| | Total United Arab Emirates | 0.24% <u>495,669</u> | <u>478,750</u> |
| <i>Uruguay</i> | | | |
| 280,000 | Uruguay Government International Bond Sr Unsecured 5.10% 06/18/2050 | 301,348 | 274,820 |
| | Total Uruguay | 0.14% <u>301,348</u> | <u>274,820</u> |
| | Total Foreign Government | 4.70% <u>11,316,644</u> | <u>9,447,227</u> |
| <u><i>Mortgage-Backed Securities</i></u> | | | |
| 310,000 | Colony Mortgage Capital Ltd. Series 2014-FL1, Class D, 144A 6.09% 04/08/2031 | 310,000 | 310,000 |
| 32,714 | JP Morgan Chase Commercial Mortgage Securities Trust Series 2006-LDP9, Class AM 5.37% 05/15/2047 | 34,264 | 32,714 |

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2018

| Principal Amount† | | Cost | Fair Value |
|---|---|-------------------------------|-----------------------|
| <i>Mortgage-Backed Securities (Continued)</i> | | | |
| \$ 100,000 | Wells Fargo Commercial Mortgage Trust Series 2015-SG1, Class D 4.47% 09/15/2048 | \$ 86,573 | \$ 85,418 |
| | Total Mortgage-Backed Securities | 0.21% <u>430,837</u> | <u>428,132</u> |
| <i>Municipals</i> | | | |
| 120,000 | Alabama Economic Settlement Authority Series B 4.26% 09/15/2032 | 120,000 | 122,611 |
| 220,000 | Chicago Transit Authority Series B 6.20% 12/01/2040 | 283,741 | 267,166 |
| 480,000 | City of Chicago IL Series B 6.31% 01/01/2044 | 505,588 | 472,848 |
| 60,000 | Grand Parkway Transportation Corp. Series E 5.18% 10/01/2042 | 60,000 | 70,466 |
| 190,000 | JobsOhio Beverage System Series B 4.53% 01/01/2035 | 208,972 | 202,774 |
| 20,000 | Los Angeles Department of Water & Power 6.57% 07/01/2045 | 20,000 | 27,733 |
| 500,000 | Metropolitan Transportation Auth. 6.67% 11/15/2039 | 704,138 | 651,180 |
| 70,000 | Ohio State University Series A 4.80% 06/01/2111 | 69,297 | 76,680 |
| 770,000 | Port Authority of New York & New Jersey 4.46% 10/01/2062 | 835,301 | 783,406 |
| 180,000 | San Diego County Water Authority Financing Corp. 6.14% 05/01/2049 | 229,953 | 235,958 |
| 220,000 | State of California 7.30% 10/01/2039 | 238,701 | 301,998 |
| 500,000 | State of California 7.50% 04/01/2034 | 734,554 | 681,365 |
| 1,295,000 | State of California 7.55% 04/01/2039 | 1,916,841 | 1,855,152 |
| 330,000 | State of Illinois 5.10% 06/01/2033 | 319,399 | 314,632 |
| 110,000 | State of Illinois 5.65% 12/01/2038 | 113,854 | 108,119 |
| 305,000 | State of Illinois 6.63% 02/01/2035 | 313,206 | 324,319 |
| 50,000 | State of Illinois 7.35% 07/01/2035 | 58,671 | 55,422 |
| 140,000 | Sumter Landing Community Development Dist. 4.17% 10/01/2047 | 140,000 | 139,524 |
| 280,000 | University of California Series AD 4.86% 05/15/2112 | 285,909 | 293,922 |
| 80,000 | University of California Series AG 4.06% 05/15/2033 | 79,831 | 81,693 |
| 430,000 | University of California Series AQ 4.77% 05/15/2115 | 436,529 | 442,117 |
| 70,000 | University of California Series J 4.13% 05/15/2045 | 70,000 | 70,251 |
| | Total Municipals | 3.78% <u>7,744,485</u> | <u>7,579,336</u> |
| <i>U.S. Government and Agency Obligations</i> | | | |
| \$ 1,500,000 | United States Treasury Bond 3.00% 08/15/2048 | \$ 1,409,349 | \$ 1,492,910 |
| 1,430,000 | United States Treasury Bond 3.13% 05/15/2048 | 1,364,542 | 1,457,148 |
| 50,000 | United States Treasury Note 2.88% 11/30/2023 | 50,044 | 50,871 |
| 80,000 | United States Treasury Note 3.00% 09/30/2025 | 79,952 | 82,053 |
| 5,000 | United States Treasury Note 2.88% 08/15/2028 | 4,900 | 5,078 |
| 60,000 | United States Treasury Note 2.88% 09/30/2023 | 59,563 | 60,975 |
| 80,000 | United States Treasury Note 3.13% 11/15/2028 | 81,143 | 82,981 |
| 140,000 | United States Treasury Note 2.88% 11/30/2025 | 139,995 | 142,510 |
| | Total U.S. Government and Agency Obligations | 1.69% <u>3,189,488</u> | <u>3,374,526</u> |
| | Total Investments | 100.00% <u>\$ 214,267,414</u> | <u>\$ 201,017,155</u> |

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

Abbreviations used in this table:

ARS - Argentine Peso

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Year Ended December 31, 2018

| | Western Asset Long Duration Credit CIF |
|---|---|
| Income | |
| Interest (net of foreign withholding taxes of \$7,090) | \$ 10,634,037 |
| Dividends | 40,371 |
| Total income | 10,674,408 |
| Expenses | |
| Trustee and administrative | 285,001 |
| Class R expenses | 182,929 |
| Class R1 expenses | 234,454 |
| Class R2 expenses | 121,036 |
| Total expenses before reimbursement | 823,420 |
| Reimbursement of fees | (153,598) |
| Net expenses | 669,822 |
| Net Investment Income | 10,004,586 |
| Net Realized Gains (Losses) on Investments, Futures Contracts, Swap Contracts and Foreign Currency | |
| Net realized losses on investments | (3,082,942) |
| Net realized losses on futures contracts | (1,790,783) |
| Net realized gains on swap contracts | 639,745 |
| Net realized losses on foreign currency transactions | (19,037) |
| Net realized losses | (4,253,017) |
| Change in Net Unrealized Appreciation (Depreciation) | |
| Investments | (24,352,446) |
| Futures contracts | 1,126,087 |
| Swap contracts | 23,367 |
| Foreign currencies | 2,412 |
| Change in net unrealized appreciation (depreciation) | (23,200,580) |
| Net realized and unrealized losses on investments, futures contracts, swap contracts and foreign currency | (27,453,597) |
| Net Decrease in Net Assets Resulting From Operations | \$ (17,449,011) |

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Year Ended December 31, 2018

| | Western Asset Long Duration Credit CIF |
|--|---|
| Operations | |
| Net investment income | \$ 10,004,586 |
| Net realized losses | (4,253,017) |
| Change in net unrealized appreciation (depreciation) | <u>(23,200,580)</u> |
| Net decrease in net assets from operations | (17,449,011) |
| Net Decrease in Net Assets From Participant Unit Transactions | <u>(26,248,422)</u> |
| Decrease in Net Assets | (43,697,433) |
| Net Assets | |
| Beginning of year | <u>\$ 247,253,638</u> |
| End of year | <u><u>\$ 203,556,205</u></u> |

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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 92 portfolios (the Funds); the financial statements of one of those funds, the Western Asset Long Duration Credit CIF (the Fund), are included in this report.

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

Use of Estimates

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

Investment Valuation

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

Investment Transactions

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

Foreign Currency

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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, 2018, 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.

Swap Agreements

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

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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 would be 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, 2018, the total notional value of all credit default swaps to sell protection was \$9,250,000. This amount would be offset by 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 the same referenced security/entity.

For average notional amounts of swaps held during the year ended December 31, 2018, see Note 9.

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, 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.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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.

Investment Income and Distribution of Income

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

Valuation of Participants' Interest

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

Hand Composite Employee Benefit Trust

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December 31, 2018

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 24, 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, 2018, the Fund had the following open futures contracts:

| | Number of Contracts | Expiration Date | Basis Value | Market Value | Unrealized Appreciation (Depreciation) |
|---|--------------------------------|----------------------------|------------------------|-------------------------|---|
| Contracts to Buy: | | | | | |
| U.S. Treasury 2-Year Notes | 9 | 3/19 | \$ 1,897,781 | \$ 1,910,813 | \$ 13,032 |
| U.S. Treasury 5-Year Notes | 45 | 3/19 | 5,077,302 | 5,160,938 | 83,636 |
| U.S. Treasury Long-Term Bonds | 224 | 3/19 | 31,368,159 | 32,704,000 | <u>1,335,841</u> |
| | | | | | <u>1,432,509</u> |
| Contracts to Sell: | | | | | |
| U.S. Treasury 10-Year Notes | 49 | 3/19 | 5,842,298 | 5,978,766 | (136,468) |
| U.S. Treasury Ultra Long- Term Bonds | 1 | 3/19 | 152,373 | 160,656 | <u>(8,283)</u> |
| | | | | | <u>(144,751)</u> |
| | | | | | <u>\$ 1,287,758</u> |
| Net unrealized appreciation on open futures contracts | | | | | |

Note 3: Swap Contracts

At December 31, 2018, the Fund had the following open swap contracts.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

Centrally Cleared Credit Default Swaps on Credit Indices - Sell Protection ⁽¹⁾

| Central Swap Counterparty (Reference Entity) | Notional Amount ⁽²⁾ | Termination Date | Periodic Payments Made by the Fund [†] | Market Value ⁽³⁾ | Upfront Premiums Paid | Unrealized Depreciation |
|---|--------------------------------|------------------|---|-----------------------------|-----------------------|-------------------------|
| Chicago Mercantile Exchange (Markit CDX.NA.IG.31 Index) | 9,250,000 | 12/20/23 | 1.000% quarterly | 51,347 | 67,673 | (16,326) |
| Total | <u>\$ 9,250,000</u> | | | <u>\$ 51,347</u> | <u>\$ 67,673</u> | <u>\$ (16,326)</u> |

⁽¹⁾ If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or the underlying securities comprising the referenced index or (ii) pay 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.

Note 4: Investment Advisory Fees and Other Transactions With Affiliates

The Fund is charged a fee by HB&T for trustee/administrative services and other fees which include fund accounting services, transfer agency services, custody 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, 2018, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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

| Fund | Trustee/ Administrative Fees | Investment Management Fees | Other Fees | Total Fees |
|-----------------------------|------------------------------------|----------------------------------|------------|------------|
| Western Asset Long Duration | | | | |
| Credit CIF | | | | |
| Class R | 0.04% | 0.20% | 0.05% | 0.29% |
| Class R1 | 0.04% | 0.30% | 0.05% | 0.39% |
| Class R2 | 0.04% | 0.25% | 0.05% | 0.34% |

Note 5: Financial Highlights

| | Western Asset Long Duration Credit CIF | | |
|---|--|-----------------|-------------------------|
| | Class R | Class R1 | Class R2 ⁽¹⁾ |
| Net asset value, beginning of period | \$ 11.88 | \$ 11.86 | \$ 11.38 |
| Net investment income | 0.52 | 0.49 | 0.45 |
| Net realized and unrealized losses | <u>(1.35)</u> | <u>(1.35)</u> | <u>(0.80)</u> |
| Net decrease from investment operations | <u>(0.83)</u> | <u>(0.86)</u> | <u>(0.35)</u> |
| Net asset value, end of period | <u>\$ 11.05</u> | <u>\$ 11.00</u> | <u>\$ 11.03</u> |
| Total return | -6.99% | -7.25% | -3.08% |
| Ratio to average net assets: | | | |
| Net investment income | 4.61% | 4.30% | 4.56% ⁽²⁾ |
| Expenses without reimbursement | 0.33% | 0.42% | 0.38% ⁽²⁾ |
| Expenses with reimbursement | 0.20% | 0.42% | 0.35% ⁽²⁾ |

(1) For the period February 8, 2018 (inception date) to December 31, 2018.

(2) Annualized

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

Note 6: Participant Unit Transactions

| | Western Asset Long Duration Credit CIF | |
|---|---|------------------------|
| | Units | Dollars |
| Class R1: | | |
| Proceeds from sales of units | 89,791 | \$ 998,909 |
| Cost of units redeemed | (7,118,078) | (80,411,841) |
| Net change in Class R1 from participant transactions | <u>(7,028,287)</u> | <u>(79,412,932)</u> |
| Class R2⁽¹⁾: | | |
| Proceeds from sales of units | 5,703,131 | 64,770,717 |
| Cost of units redeemed | (102,135) | (1,100,000) |
| Net change in Class R2 from participant transactions | <u>5,600,996</u> | <u>63,670,717</u> |
| Class R-INT⁽²⁾: | | |
| Cost of units redeemed | (947,359) | (10,506,207) |
| Net change in Class R-INT from participant transactions | <u>(947,359)</u> | <u>(10,506,207)</u> |
| Net decrease in total net assets from participant transactions | | <u>\$ (26,248,422)</u> |

(1) For the period February 8, 2018 (inception date) to December 31, 2018.

(2) This class was liquidated during 2018.

During 2018, there were no participant unit transactions in Class R.

Note 7: 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.

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Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of assets and liabilities, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2018.

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 and Preferred Stock. Securities traded on a national securities exchange (or reported on the NASDAQ national market) are valued at the last reported sales price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments, such as American Depository Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy; however, if the trading information is stagnant for an extended period of time, the securities will be categorized as Level 3.

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

Floating Rate Loans. The fair value of floating rate loans is generally valued using recently executed transactions, market price quotations (where observable), bid/ask quotes received by brokers specializing in floating rate loans and market observable credit default swap levels. Floating rate loans are categorized as Level 2 in the hierarchy; however, if the trading information is stagnant for an extended period of time, the securities will be categorized as Level 3.

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.

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.

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

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 and liabilities recognized in the accompanying statement of assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018:

| | Fair Value Measurements Using | | | |
|---|--------------------------------------|---|--|--|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Western Asset Long Duration Credit CIF | | | | |
| Financial Instruments - Assets: | | | | |
| Short Term Investment | \$ 1,011,167 | \$ 1,011,167 | \$ - | \$ - |
| Preferred Stocks | 337,808 | 267,408 | - | 70,400 |
| Corporate Bonds | 178,492,459 | - | 178,492,459 | - |
| Floating Rate Loan | 346,500 | - | 346,500 | - |
| Foreign Government | 9,447,227 | - | 9,447,227 | - |
| Mortgage-backed Securities | 428,132 | - | 428,132 | - |
| Municipals | 7,579,336 | - | 7,579,336 | - |
| U.S. Government and Agency Obligations | 3,374,526 | - | 3,374,526 | - |
| Total Financial Instruments - Assets | <u>\$ 201,017,155</u> | <u>\$ 1,278,575</u> | <u>\$ 199,668,180</u> | <u>\$ 70,400</u> |
| Derivative Instruments - Assets: | | | | |
| Futures Contracts | <u>\$ 1,432,509</u> | <u>\$ 1,432,509</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Derivative Instruments - Liabilities: | | | | |
| Futures Contracts | \$ 144,751 | \$ 144,751 | \$ - | \$ - |
| Centrally Cleared Credit Default Swaps on Credit Indices - Sell Protection | 16,326 | - | 16,326 | - |
| Total Derivative Instruments - Liabilities | <u>\$ 161,077</u> | <u>\$ 144,751</u> | <u>\$ 16,326</u> | <u>\$ 0</u> |

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

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

| | <u>Preferred Stock</u> | <u>Floating Rate Loans</u> |
|---|------------------------|--------------------------------|
| Balance as of December 31, 2017 | \$ 151,800 | \$ 230,862 |
| Included in net income: | | |
| Realized loss | (81,216) | - |
| Change in unrealized appreciation/depreciation on securities | 33,440 | (862) |
| Sales | <u>(33,624)</u> | <u>(230,000)</u> |
| Balance, December 31, 2018 | <u>\$ 70,400</u> | <u>\$ 0</u> |
| Total gains for the year included in net income attributable to the change in unrealized appreciation (depreciation) related to assets and liabilities still held at December 31, 2018 | <u>\$ 33,440</u> | <u>\$ 0</u> |

Note 8: 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.

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

Hand Composite Employee Benefit Trust

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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 9: Derivative Instruments and Hedging Activities

Below are tables, grouped by derivative type, that provides information about the fair value and location of derivatives within the statement of assets and liabilities at December 31, 2018:

| | Asset Derivatives ⁽¹⁾ | | |
|----------------------------------|---|---------------------|--|
| | Interest Rate | | |
| | Risk | Total | |
| Futures contracts ⁽²⁾ | \$ 1,432,509 | \$ 1,432,509 | |
| Total | <u>\$ 1,432,509</u> | <u>\$ 1,432,509</u> | |

| | Liability Derivatives ⁽¹⁾ | | |
|---|---|----------------------|-------------------|
| | Interest Rate | Foreign | Total |
| | Risk | Exchange Risk | |
| Futures contracts ⁽²⁾ | \$ 144,751 | \$ - | \$ 144,751 |
| Centrally cleared swap contracts ⁽³⁾ | - | 16,326 | 16,326 |
| Total | <u>\$ 144,751</u> | <u>\$ 16,326</u> | <u>\$ 161,077</u> |

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

⁽²⁾ 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.

⁽³⁾ Includes cumulative unrealized appreciation (depreciation) of centrally cleared swap contracts as reported in Note 3. 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, 2018. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the

Hand Composite Employee Benefit Trust

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December 31, 2018

period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the year:

| | Amount of Realized Gain (Loss) on Derivatives Recognized | | |
|-------------------|---|--------------------|-----------------------|
| | Interest Rate Risk | Credit Risk | Total |
| Futures contracts | \$ (1,790,783) | \$ - | \$ (1,790,783) |
| Swap contracts | 650,070 | (10,325) | 639,745 |
| Total | <u>\$ (1,140,713)</u> | <u>\$ (10,325)</u> | <u>\$ (1,151,038)</u> |

| | Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized | | |
|-------------------|---|--------------------|---------------------|
| | Interest Rate Risk | Credit Risk | Total |
| Futures contracts | \$ 1,126,087 | \$ - | \$ 1,126,087 |
| Swap contracts | - | 23,367 | 23,367 |
| Total | <u>\$ 1,126,087</u> | <u>\$ 23,367</u> | <u>\$ 1,149,454</u> |

During the year ended December 31, 2018, the volume of derivative activity for the Fund was as follows:

| | Average Market Value |
|-----------------------------|---------------------------------|
| Futures contracts (to buy) | \$ 52,300,108 |
| Futures contracts (to sell) | 14,617,062 |

| | Average Notional Balance |
|--|-------------------------------------|
| Credit default swap contracts (to buy protection) | \$ 1,695,692 |
| Credit default swap contracts (to sell protection) | 1,103,846 |
| Interest Rate Swap | 11,704,000 |

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2018

The following table presents, by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at December 31, 2018:

| | Gross Amount of Derivative Assets in the Statement of Assets and Liabilities ⁽¹⁾ | Collateral Received | Net Amount |
|---|--|--------------------------------|-----------------------|
| Futures contracts ⁽²⁾ | \$ 1,288,325 | \$ - | \$ 1,288,325 |
| Centrally cleared swap contracts ⁽²⁾ | 3,146 | - | 3,146 |
| Total | <u>\$ 1,291,471</u> | <u>\$ 0</u> | <u>\$ 1,291,471</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) Amount represents the current day's variation margin as reported in the statement of assets and liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales - Selected Fund
Year Ended December 31, 2018

| Purchases | |
|--|----------------|
| Investment Class | Cost |
| Convertible Bonds | \$ 769,871 |
| Corporate Bonds | 100,465,161 |
| Floating Rate Loans | 346,500 |
| Foreign Government | 7,379,208 |
| Preferred Stocks | 550,000 |
| U.S. Government and Agency Obligations | 34,630,031 |
| Total Investments Purchased | \$ 144,140,771 |

| Sales | | | |
|--|-----------------|----------------|--------------------|
| Investment Class | Proceeds | Cost | Gain (Loss) |
| Asset-backed Securities | \$ 85,984 | \$ 82,112 | \$ 3,872 |
| Common Stocks | 5,538 | 4,820 | 718 |
| Convertible Bonds | 585,034 | 562,795 | 22,239 |
| Corporate Bonds | 104,674,478 | 106,872,138 | (2,197,660) |
| Foreign Government | 6,295,833 | 6,581,209 | (285,376) |
| Municipals | 105,950 | 102,544 | 3,406 |
| Floating Rate Loans | 230,000 | 230,000 | - |
| Preferred Stocks | 760,900 | 860,465 | (99,565) |
| U.S. Government and Agency Obligations | 46,725,501 | 47,254,550 | (529,049) |
| Total Investments Sold | \$ 159,469,218 | \$ 162,550,633 | \$ (3,081,415) |