

Hand Composite Employee Benefit Trust
Western Asset Long Duration Credit CIF
Independent Auditor's Report and Financial Statements
December 31, 2017



Hand Composite Employee Benefit Trust

December 31, 2017

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Independent Auditor's Report

Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

We have audited the accompanying financial statements of the selected fund, Western Asset 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, 2017, and the related statements of operations and changes in net assets for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the selected fund, Western Asset Long Duration Credit CIF, as of December 31, 2017, 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 25, 2018

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

	Western Asset Long Duration Credit CIF
Assets	
Investments, at cost	\$ 232,969,198
Investments, at fair value	\$ 244,071,385
Cash	367,532
Cash denominated in foreign currencies (Cost - \$49,907)	47,646
Receivable from broker – variation margin on open futures contracts	10,672
Deposits with brokers for open futures contracts	396,069
Deposits with brokers for centrally cleared swap contracts	124,000
Receivable for:	
Investment securities sold	167,562
Dividends and interest	2,864,539
Investment advisor waived fees	35,289
Total assets	\$ 248,084,694
Liabilities	
Payable for investment securities purchased	\$ 595,744
Payable for capital shares redeemed	142,078
Management fee payable	46,890
Payable to broker – variation margin on centrally cleared swap contracts	1,708
Accounts payable and accrued liabilities	44,636
Total liabilities	\$ 831,056
Net assets held for participants:	
Class R	\$ 97,018,611
Class R1	138,948,792
Class R-INT	11,286,235
Total net assets held for participants	\$ 247,253,638
Units outstanding:	
Class R	8,163,755
Class R1	11,714,345
Class R-INT	947,359
Total units outstanding	20,825,459
Net asset value per unit:	
Class R	\$ 11.88
Class R1	\$ 11.86
Class R-INT	\$ 11.91

Hand Composite Employee Benefit Trust

Schedule of Investments Western Asset Long Duration Credit CIF December 31, 2017

Number of Shares		Cost	Fair Value	
<u>Short Term Investment</u>				
687,908	State Street Institutional U.S. Government Money Market Fund, Premier Class 1.22%	\$ 687,908	\$ 687,908	
	Total Short Term Investment	0.28%	687,908	
<u>Common Stock</u>				
<u>Energy</u>				
1,047	Sanchez Energy Corp.	4,821	5,559	
	Total Energy	—	4,821	
	Total Common Stock	—	4,821	
<u>Preferred Stocks</u>				
<u>Consumer Discretionary</u>				
5,975	Citigroup Capital XIII	156,729	164,193	
	Total Consumer Discretionary	0.07%	156,729	
<u>Energy</u>				
4,400	Sanchez Energy Corp. Series A	114,840	81,400	
	Total Energy	0.03%	114,840	
<u>Financials</u>				
13,200	Carlyle Group L.P. Series A	330,000	334,884	
	Total Financials	0.14%	330,000	
<u>Industrials</u>				
3,200	Delphi Financial Group, Inc.	79,968	70,400	
	Total Industrials	0.03%	79,968	
	Total Preferred Stocks	0.27%	681,537	
Principal Amount†		Cost	Fair Value	
<u>Corporate Bonds</u>				
<u>Consumer Discretionary</u>				
\$	50,000	21st Century Fox America, Inc. Company Guarantee 4.95% 10/15/2045	58,062	58,847
	280,000	21st Century Fox America, Inc. Company Guarantee 5.40% 10/01/2043	339,679	346,317
	10,000	21st Century Fox America, Inc. Company Guarantee 6.20% 12/15/2034	12,839	12,913
	140,000	21st Century Fox America, Inc. Company Guarantee 6.40% 12/15/2035	185,398	186,054
	370,000	21st Century Fox America, Inc. Company Guarantee 6.65% 11/15/2037	502,971	508,900
	510,000	21st Century Fox America, Inc. Company Guarantee 6.90% 08/15/2039	622,397	719,800
	640,000	Amazon.com, Inc. Sr Unsecured 144A 3.875% 08/22/2037	652,610	679,104
	460,000	Amazon.com, Inc. Sr Unsecured 144A 4.05% 08/22/2047	456,622	495,750
	120,000	Baylor College of Medicine Secured 5.259% 11/15/2046	125,875	139,895
	120,000	Broadcom Corp. / Broadcom Cayman Finance Ltd. Company Guarantee 144A 3.875% 01/15/2027	119,516	118,085
	40,000	Burlington Resources Finance Co. Company Guarantee 7.40% 12/01/2031	55,691	55,918
	150,000	California Institute of Technology Sr Unsecured 4.70% 11/01/2111	148,630	165,831
	600,000	Carlyle Holdings II Finance LLC Company Guarantee 144A 5.625% 03/30/2043	669,768	685,969
	350,000	CCO Holdings LLC / CCO Holdings Capital Corp. Sr Unsecured 144A 5.125% 05/01/2027	346,706	344,750
	450,000	Citigroup Capital III Company Guarantee 7.625% 12/01/2036	534,844	591,701
	30,000	Cleveland Clinic Foundation Unsecured 4.858% 01/01/2114	30,000	33,736

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2017

Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Consumer Discretionary (Continued)</u>			
\$	273,000 Comcast Corp. Company Guarantee 3.999% 11/01/2049	\$ 273,103	\$ 279,558
1,136,000	Comcast Corp. Company Guarantee 4.049% 11/01/2052	1,129,730	1,162,388
250,000	Comcast Corp. Company Guarantee 4.65% 07/15/2042	270,915	281,410
119,000	Comcast Corp. Company Guarantee 6.40% 05/15/2038	131,844	160,696
110,000	Comcast Corp. Company Guarantee 7.05% 03/15/2033	146,747	153,052
730,000	Cooperatieve Rabobank UA Company Guarantee 5.25% 08/04/2045	819,480	878,570
100,000	Deutsche Telekom International Finance BV Company Guarantee 8.75% 06/15/2030	138,392	147,959
340,000	Ford Motor Co. Sr Unsecured 4.75% 01/15/2043	331,788	344,805
270,000	Ford Motor Co. Sr Unsecured 7.45% 07/16/2031	337,314	352,947
370,000	General Motors Co. Sr Unsecured 6.25% 10/02/2043	401,376	438,254
160,000	General Motors Co. Sr Unsecured 5.20% 04/01/2045	160,253	169,062
370,000	General Motors Co. Sr Unsecured 6.60% 04/01/2036	420,791	450,804
590,000	General Motors Co. Sr Unsecured 6.75% 04/01/2046	702,291	742,851
70,000	General Motors Financial Co., Inc. Company Guarantee 4.25% 05/15/2023	70,000	73,221
10,000	General Motors Financial Co., Inc. Company Guarantee 3.45% 04/10/2022	9,740	10,133
120,000	GLP Capital L.P. / GLP Financing II, Inc. Company Guarantee 5.375% 04/15/2026	120,951	128,700
350,000	Grupo Televisa S.A.B. Sr Unsecured 5.00% 05/13/2045	356,364	357,825
220,000	Home Depot, Inc. Sr Unsecured 4.25% 04/01/2046	241,006	245,695
320,000	Home Depot, Inc. Sr Unsecured 4.40% 03/15/2045	324,946	362,388
500,000	JPMorgan Chase & Co. Sr Unsecured 4.26% 02/22/2048	511,997	541,179
560,000	L-3 Communications Corp. Company Guarantee 3.85% 12/15/2026	567,969	575,851
310,000	Lennar Corp. Company Guarantee 4.50% 04/30/2024	314,961	317,843
10,000	Lowe's Cos., Inc. Sr Unsecured 4.65% 04/15/2042	9,961	11,428
80,000	LYB International Finance BV Company Guarantee 5.25% 07/15/2043	77,713	93,042
130,000	Massachusetts Institute of Technology Unsecured 4.678% 07/01/2114	130,000	151,809
295,000	Massachusetts Institute of Technology Unsecured 5.60% 07/01/2111	401,201	407,329
160,000	McDonald's Corp. Sr Unsecured 4.70% 12/09/2035	166,402	181,739
330,000	McDonald's Corp. Sr Unsecured 4.875% 12/09/2045	356,973	382,288
230,000	Monongahela Power Co. 144A 5.40% 12/15/2043	229,602	286,344
130,000	Neuberger Berman Group LLC / Neuberger Berman Finance Corp. Sr Unsecured 144A 4.875% 04/15/2045	111,519	132,564
260,000	Newell Brands, Inc. Sr Unsecured 5.50% 04/01/2046	287,323	309,992
40,000	NiSource Finance Corp. Company Guarantee 4.375% 05/15/2047	39,967	43,843
20,000	Nordstrom, Inc. Sr Unsecured 5.00% 01/15/2044	19,809	19,281
40,000	Nordstrom, Inc. Sr Unsecured 6.95% 03/15/2028	51,356	45,336
20,000	Northwestern University Unsecured 4.643% 12/01/2044	20,000	24,143
350,000	Suzano Austria GmbH Company Guarantee 144A 7.00% 03/16/2047	382,522	401,625
180,000	Target Corp. Sr Unsecured 4.00% 07/01/2042	176,376	186,229
80,000	Time Warner Cable LLC Sr Secured 5.875% 11/15/2040	87,076	86,799
1,040,000	Time Warner Cable LLC Sr Secured 7.30% 07/01/2038	1,172,185	1,303,602
60,000	Time Warner Cable, LLC Sr Secured 6.55% 05/01/2037	66,922	70,564
170,000	Time Warner Cable, LLC Sr Secured 6.75% 06/15/2039	189,733	203,979
300,000	Time Warner, Inc. Company Guarantee 3.80% 02/15/2027	298,347	299,716
320,000	Time Warner, Inc. Company Guarantee 3.875% 01/15/2026	316,899	323,052
20,000	Toll Brothers Finance Corp. Company Guarantee 5.625% 01/15/2024	20,216	21,950
100,000	University of Chicago Unsecured 4.151% 10/01/2045	100,000	102,785
230,000	Viacom, Inc. Sr Unsecured 4.375% 03/15/2043	203,958	199,108
	Total Consumer Discretionary	7.62% 17,559,626	18,607,308
<u>Consumer Staples</u>			
490,000	Altria Group, Inc. Company Guarantee 3.875% 09/16/2046	483,148	486,232
100,000	Altria Group, Inc. Company Guarantee 4.25% 08/09/2042	103,165	104,948
80,000	Constellation Brands, Inc. Company Guarantee 3.70% 12/06/2026	79,934	82,259
520,000	CVS Health Corp. Sr Unsecured 5.125% 07/20/2045	563,536	595,969
210,000	CVS Health Corp. Sr Unsecured 5.30% 12/05/2043	218,435	244,362
360,000	Danone S.A. Sr Unsecured 144A 2.947% 11/02/2026	360,000	350,533

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Consumer Staples (Continued)</u>			
\$	670,000 Kraft Heinz Foods Co. Company Guarantee 4.375% 06/01/2046	\$ 666,370	\$ 663,668
	370,000 Kraft Heinz Foods Co. Company Guarantee 5.00% 06/04/2042	387,452	397,019
	330,000 Kraft Heinz Foods Co. Company Guarantee 5.20% 07/15/2045	349,873	363,006
	90,000 Kraft Heinz Foods Co. Company Guarantee 144A 7.125% 08/01/2039	111,642	121,829
	220,000 Kroger Co. Sr Unsecured 3.70% 08/01/2027	219,875	222,769
	150,000 Kroger Co. Sr Unsecured 4.65% 01/15/2048	148,921	153,545
	30,000 PepsiCo, Inc. Sr Unsecured 3.60% 08/13/2042	29,539	30,051
	300,000 PepsiCo, Inc. Sr Unsecured 4.25% 10/22/2044	308,971	331,078
	140,000 PepsiCo, Inc. Sr Unsecured 4.875% 11/01/2040	139,751	168,559
	670,000 Philip Morris International, Inc. Sr Unsecured 3.125% 03/02/2028	666,447	667,932
	240,000 Philip Morris International, Inc. Sr Unsecured 3.875% 08/21/2042	238,026	239,348
	210,000 Procter & Gamble Co. Sr Unsecured 3.50% 10/25/2047	207,278	212,048
	15,000 Procter & Gamble Co. Sr Unsecured 5.55% 03/05/2037	14,560	19,978
	440,000 Reynolds American, Inc. Company Guarantee 5.85% 08/15/2045	500,838	549,459
	50,000 Reynolds American, Inc. Company Guarantee 8.125% 05/01/2040	63,198	74,766
1,570,000	Wal-Mart Stores, Inc. Sr Unsecured 4.00% 04/11/2043	1,653,030	1,726,509
	60,000 Wal-Mart Stores, Inc. Sr Unsecured 4.30% 04/22/2044	60,053	69,974
	30,000 Wal-Mart Stores, Inc. Sr Unsecured 4.75% 10/02/2043	29,802	36,936
	420,000 Walgreens Boots Alliance, Inc. Sr Unsecured 4.80% 11/18/2044	448,085	452,191
	Total Consumer Staples	3.43% 8,051,929	8,364,968
<u>Energy</u>			
	410,000 Anadarko Petroleum Corp. Sr Unsecured 4.50% 07/15/2044	395,265	408,571
	200,000 Anadarko Petroleum Corp. Sr Unsecured 6.20% 03/15/2040	225,685	242,511
	350,000 Anadarko Petroleum Corp. Sr Unsecured 6.45% 09/15/2036	419,293	428,684
1,800,000	Anadarko Petroleum Corp. Sr Unsecured 6.60% 03/15/2046	2,134,857	2,315,301
470,000	Anadarko Petroleum Corp. Sr Unsecured 7.95% 06/15/2039	621,042	637,867
	50,000 Apache Corp. Sr Unsecured 6.00% 01/15/2037	58,506	59,139
	770,000 Apache Corp. Sr Unsecured 4.25% 01/15/2044	743,744	745,956
	230,000 Apache Corp. Sr Unsecured 4.75% 04/15/2043	239,454	236,379
	390,000 Apache Corp. Sr Unsecured 5.10% 09/01/2040	399,412	415,500
	140,000 Apache Corp. Sr Unsecured 5.25% 02/01/2042	136,345	151,581
	945,000 Berkshire Hathaway Energy Co. Sr Unsecured 6.125% 04/01/2036	1,079,440	1,263,014
	330,000 BHP Billiton Finance USA Ltd. Company Guarantee 5.00% 09/30/2043	353,632	404,595
	800,000 BHP Billiton Finance USA Ltd. Company Guarantee 144A 6.75% 10/19/2075	858,006	934,072
	770,000 BP Capital Markets PLC Company Guarantee 3.723% 11/28/2028	787,610	806,518
	70,000 Cenovus Energy, Inc. Sr Unsecured 4.45% 09/15/2042	69,856	64,628
	410,000 Cenovus Energy, Inc. Sr Unsecured 5.25% 06/15/2037	404,953	422,258
	140,000 Cenovus Energy, Inc. Sr Unsecured 6.75% 11/15/2039	168,215	167,648
	390,000 Chevron Corp. Sr Unsecured 2.954% 05/16/2026	391,914	389,874
	560,000 ConocoPhillips Company Guarantee 6.50% 02/01/2039	746,683	783,682
	50,000 Continental Resources, Inc. Company Guarantee 4.90% 06/01/2044	50,948	47,750
	360,000 Continental Resources, Inc. Sr Unsecured 144A 4.375% 01/15/2028	360,000	355,392
	140,000 Devon Energy Corp. Sr Unsecured 7.95% 04/15/2032	166,193	191,977
	90,000 Devon Energy Corp. Sr Unsecured 4.75% 05/15/2042	72,378	95,301
	890,000 Devon Energy Corp. Sr Unsecured 5.00% 06/15/2045	893,325	992,836
	690,000 Devon Energy Corp. Sr Unsecured 5.60% 07/15/2041	759,913	813,284
	500,000 Diamond 1 Finance Corp. / Diamond 2 Finance Corp. Sr Secured 144A 8.35% 07/15/2046	596,480	644,272
	818,000 Ecopetrol S.A. Sr Unsecured 5.875% 05/28/2045	797,935	835,178
	930,000 Ecopetrol S.A. Sr Unsecured 5.375% 06/26/2026	931,482	1,004,121
	80,000 ENSCO International, Inc. Company Guarantee 7.20% 11/15/2027	66,704	74,000
	530,000 Exxon Mobil Corp. Sr Unsecured 4.114% 03/01/2046	554,894	593,195
	230,000 Halliburton Co. Sr Unsecured 4.75% 08/01/2043	229,550	251,120
	650,000 Halliburton Co. Sr Unsecured 4.85% 11/15/2035	693,889	729,197
	550,000 Halliburton Co. Sr Unsecured 5.00% 11/15/2045	589,979	631,597

See Notes to Financial Statements

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Energy (Continued)</u>			
\$	590,000 Hess Corp. Sr Unsecured 4.30% 04/01/2027	\$ 590,947	\$ 591,444
	180,000 Hess Corp. Sr Unsecured 5.60% 02/15/2041	188,691	194,105
	495,000 Kerr-McGee Corp. Company Guarantee 6.95% 07/01/2024	531,080	583,495
	60,000 Kerr-McGee Corp. Company Guarantee 7.875% 09/15/2031	74,852	79,719
	480,000 Kinder Morgan Energy Partners L.P. Company Guarantee 6.95% 01/15/2038	582,468	596,806
	100,000 Kinder Morgan Energy Partners L.P. Company Guarantee 7.30% 08/15/2033	119,805	124,923
	230,000 Lukoil International Finance BV Company Guarantee 144A 4.563% 04/24/2023	230,000	238,968
	910,000 Lukoil International Finance BV Company Guarantee 144A 4.75% 11/02/2026	928,557	954,362
	200,000 Lukoil International Finance BV Company Guarantee 144A 6.125% 11/09/2020	206,030	215,690
	342,000 Magellan Midstream Partners L.P. Sr Unsecured 4.25% 09/15/2046	341,509	346,144
	20,000 Nationwide Mutual Insurance Co. Subordinated 144A 9.375% 08/15/2039	30,050	34,014
	760,000 Noble Energy, Inc. Sr Unsecured 4.95% 08/15/2047	774,385	813,320
	300,000 Noble Energy, Inc. Sr Unsecured 5.05% 11/15/2044	309,201	321,345
	180,000 Noble Energy, Inc. Sr Unsecured 5.25% 11/15/2043	179,374	199,218
	110,000 Noble Energy, Inc. Sr Unsecured 6.00% 03/01/2041	111,658	130,095
	900,000 Occidental Petroleum Corp. Sr Unsecured 4.10% 02/15/2047	914,866	956,682
	320,000 Occidental Petroleum Corp. Sr Unsecured 4.40% 04/15/2046	324,873	354,225
	250,000 Occidental Petroleum Corp. Sr Unsecured 4.625% 06/15/2045	248,319	283,405
	95,000 Petrobras Global Finance BV Company Guarantee 6.875% 01/20/2040	93,724	95,950
	800,000 Petrobras Global Finance BV Company Guarantee 7.375% 01/17/2027	857,483	880,800
	420,000 Petroleos Mexicanos Company Guarantee 6.375% 01/23/2045	415,012	422,247
	280,000 Petroleos Mexicanos Company Guarantee 5.50% 06/27/2044	236,177	257,589
	590,000 Petroleos Mexicanos Company Guarantee 6.50% 06/02/2041	670,280	606,815
	500,000 Petroleos Mexicanos Company Guarantee 6.625% 06/15/2035	534,016	534,170
	220,000 Petroleos Mexicanos Company Guarantee 6.875% 08/04/2026	219,647	249,425
	630,000 Petroleos Mexicanos Company Guarantee 144A 6.50% 03/13/2027	668,904	688,590
	50,000 Pride International, Inc. Company Guarantee 7.875% 08/15/2040	57,350	41,500
	30,000 Range Resources Corp. Company Guarantee 4.875% 05/15/2025	30,000	28,950
	490,000 Schlumberger Holdings Corp. Sr Unsecured 144A 4.00% 12/21/2025	502,363	514,912
	60,000 Shell International Finance BV Company Guarantee 6.375% 12/15/2038	59,699	83,648
	90,000 Shell International Finance BV Company Guarantee 3.75% 09/12/2046	85,959	91,793
	1,450,000 Shell International Finance BV Company Guarantee 4.00% 05/10/2046	1,455,577	1,544,324
	650,000 Shell International Finance BV Company Guarantee 4.375% 05/11/2045	666,578	730,842
	40,000 Shell International Finance BV Company Guarantee 4.55% 08/12/2043	42,903	45,495
	400,000 Southern Natural Gas Co. LLC Sr Unsecured 8.00% 03/01/2032	423,256	542,297
	80,000 Sunoco Logistics Partners Operations L.P. Company Guarantee 5.35% 05/15/2045	82,820	79,497
	790,000 Vale Overseas Ltd. Company Guarantee 6.875% 11/21/2036	809,621	967,750
	430,000 Western Gas Partners L.P. Sr Unsecured 4.65% 07/01/2026	450,611	446,992
	280,000 Western Gas Partners L.P. Sr Unsecured 5.45% 04/01/2044	292,101	297,532
	102,000 Williams Cos., Inc. Sr Unsecured 7.875% 09/01/2021	104,969	117,810
	140,000 Williams Cos., Inc. Sr Unsecured 4.55% 06/24/2024	141,593	145,250
	70,000 Williams Cos., Inc. Sr Unsecured 7.75% 06/15/2031	81,981	86,275
	640,000 Williams Cos., Inc. Sr Unsecured 8.75% 03/15/2032	818,354	844,800
	280,000 Williams Partners L.P. Sr Unsecured 4.90% 01/15/2045	290,271	297,044
	250,000 YPF S.A. Sr Unsecured 144A 8.50% 03/23/2021	250,345	282,750
	Total Energy	14.78% 34,025,841	36,080,005
<u>Financials</u>			
	200,000 ABN AMRO Bank N.V. Subordinated 144A 4.75% 07/28/2025	205,598	212,300
	110,000 Allstate Corp. Jr Subordinated 6.50% 05/15/2067	99,338	135,163
	125,000 American International Group, Inc. Jr Subordinated 6.25% 03/15/2087	103,291	136,250
	460,000 American International Group, Inc. Sr Unsecured 4.50% 07/16/2044	475,185	495,467
	100,000 Anthem, Inc. Sr Unsecured 4.625% 05/15/2042	108,068	108,951
	180,000 Anthem, Inc. Sr Unsecured 6.375% 06/15/2037	169,185	236,458
	400,000 Banco Bilbao Vizcaya Argentaria S.A. Jr Subordinated 6.125% 11/16/2027	400,000	412,500

See Notes to Financial Statements

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Financials (Continued)</u>			
\$	900,000 Banco Mercantil del Norte S.A. Jr Subordinated 144A 7.625% 01/10/2028	\$ 956,928	\$ 985,500
	400,000 Banco Santander S.A. Sr Unsecured 3.80% 02/23/2028	398,582	400,056
	800,000 Bank of America Corp. Sr Unsecured 5.00% 01/21/2044	864,644	966,384
	1,190,000 Bank of America Corp. Sr Unsecured 3.593% 07/21/2028	1,192,477	1,209,580
	650,000 Bank of America Corp. Sr Unsecured 4.443% 01/20/2048	669,968	732,522
	150,000 Bank of America Corp. Subordinated 4.00% 01/22/2025	148,568	156,054
	510,000 Bank of America Corp. Subordinated 4.20% 08/26/2024	515,301	537,066
	390,000 Bank of America Corp. Subordinated 4.25% 10/22/2026	402,879	410,995
	250,000 Barclays Bank PLC Subordinated 7.625% 11/21/2022	283,060	283,125
	1,150,000 Barclays PLC Subordinated 4.836% 05/09/2028	1,181,644	1,196,965
	1,140,000 BNP Paribas S.A. Subordinated 144A 4.625% 03/13/2027	1,165,091	1,216,131
	1,360,000 Brighthouse Financial, Inc. Sr Unsecured 144A 4.70% 06/22/2047	1,356,223	1,387,382
	750,000 Citigroup, Inc. Sr Unsecured 8.125% 07/15/2039	1,145,409	1,199,196
	70,000 Citigroup, Inc. Subordinated 4.60% 03/09/2026	69,882	74,496
	780,000 Citigroup, Inc. Subordinated 5.50% 09/13/2025	820,050	878,703
	10,000 Citigroup, Inc. Subordinated 6.625% 06/15/2032	11,511	12,743
	460,000 Citigroup, Inc. Subordinated 4.125% 07/25/2028	464,954	474,101
	910,000 Citigroup, Inc. Subordinated 4.45% 09/29/2027	935,175	963,419
	212,000 Citigroup, Inc. Subordinated 6.125% 08/25/2036	197,550	267,124
	390,000 City of Hope Sr Secured Series 2013 5.623% 11/15/2043	452,131	497,278
	210,000 Commonwealth Bank of Australia Sr Unsecured 144A 3.90% 07/12/2047	209,232	214,675
	500,000 Credit Suisse Group Funding Guernsey Ltd. Company Guarantee 4.55% 04/17/2026	514,987	535,342
	480,000 Credit Suisse Group Funding Guernsey Ltd. Company Guarantee 4.875% 05/15/2045	504,353	552,499
	20,000 Fibria Overseas Finance Ltd. Company Guarantee 5.25% 05/12/2024	20,142	21,425
	660,000 Goldman Sachs Group, Inc. Sr Unsecured 3.50% 11/16/2026	657,840	663,864
	370,000 Goldman Sachs Group, Inc. Sr Unsecured 6.25% 02/01/2041	367,697	498,611
	860,000 Goldman Sachs Group, Inc. Sr Unsecured 4.75% 10/21/2045	934,816	985,141
	350,000 Goldman Sachs Group, Inc. Sr Unsecured 4.80% 07/08/2044	348,373	399,194
	1,250,000 Goldman Sachs Group, Inc. Subordinated 6.75% 10/01/2037	1,411,703	1,673,304
	240,000 Goldman Sachs Group, Inc. Subordinated 4.25% 10/21/2025	242,118	250,831
	860,000 Goldman Sachs Group, Inc. Subordinated 5.15% 05/22/2045	886,981	997,294
	560,000 Goodman US Finance Four LLC Company Guarantee 144A 4.50% 10/15/2037	559,111	578,738
	530,000 HSBC Holdings PLC Jr Subordinated 6.00% 05/22/2027	530,000	557,163
	2,070,000 HSBC Holdings PLC Sr Unsecured 4.041% 03/13/2028	2,097,551	2,157,229
	600,000 HSBC Holdings PLC Subordinated 6.50% 09/15/2037	775,509	789,049
	2,260,000 Intesa Sanpaolo S.p.A. Sr Unsecured 144A 3.875% 07/14/2027	2,261,077	2,258,943
	400,000 Intesa Sanpaolo S.p.A. Subordinated 144A 5.017% 06/26/2024	402,765	409,569
	740,000 Intesa Sanpaolo S.p.A. Subordinated 144A 5.71% 01/15/2026	728,047	779,578
	600,000 Itau Unibanco Holding S.A. Jr Subordinated 144A 6.125% 12/12/2022	603,277	606,330
	330,000 JPMorgan Chase & Co. Sr Unsecured 5.40% 01/06/2042	404,709	414,403
	420,000 JPMorgan Chase & Co. Subordinated 3.625% 12/01/2027	419,577	424,526
	520,000 JPMorgan Chase & Co. Subordinated 4.95% 06/01/2045	525,240	604,374
	420,000 KKR Group Finance Co. II LLC Company Guarantee 144A 5.50% 02/01/2043	485,548	488,064
	370,000 Lloyds Banking Group PLC Sr Unsecured 3.574% 11/07/2028	370,000	366,520
	350,000 Massachusetts Mutual Life Insurance Co. Subordinated 144A 4.90% 04/01/2077	361,857	397,913
	40,000 Mayo Clinic Series 2013 Unsecured 4.00% 11/15/2047	40,000	41,962
	275,000 MetLife, Inc. Jr Subordinated 6.40% 12/15/2066	237,444	316,335
	390,000 Mid-America Apartments L.P. Sr Unsecured 3.60% 06/01/2027	390,373	390,665
	220,000 Morgan Stanley Sr Unsecured 4.375% 01/22/2047	222,882	241,160
	200,000 Morgan Stanley Sr Unsecured 7.25% 04/01/2032	214,231	276,927
	1,000,000 Northwestern Mutual Life Insurance Co. Subordinated 144A 3.85% 09/30/2047	995,076	1,013,756
	200,000 Progress Energy, Inc. Sr Unsecured 144A 7.75% 03/01/2031	281,463	279,932
	560,000 Raymond James Financial, Inc. Sr Unsecured 4.95% 07/15/2046	613,518	633,110
	140,000 Royal Bank of Scotland N.V. Subordinated Series B 7.75% 05/15/2023	152,933	166,095
	100,000 Santander Holdings USA, Inc. Sr Unsecured 4.50% 07/17/2025	101,219	104,306
	910,000 Santander UK Group Holdings PLC Subordinated 144A 5.625% 09/15/2045	975,413	1,096,204

See Notes to Financial Statements

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Financials (Continued)</u>			
\$	140,000 Security Capital Group, Inc. Sr Unsecured 7.70% 06/15/2028	\$ 177,201	\$ 188,756
	660,000 Teachers Insurance & Annuity Association of America Subordinated 144A 4.90% 09/15/2044	713,345	754,958
	400,000 Teachers Insurance & Annuity Association of America Subordinated 144A 4.27% 05/15/2047	407,527	423,016
	60,000 Travelers Property Casualty Corp. Company Guarantee 7.75% 04/15/2026	78,290	78,897
	470,000 UBS Group Funding Switzerland AG Company Guarantee 144A 4.253% 03/23/2028	479,727	495,234
	87,032 United Airlines Pass-Through Trust Series 2013-1, Class B 5.375% 02/15/2023	87,032	91,166
	81,115 United Airlines Pass-Through Trust Series 2014-2, Class B 4.625% 03/03/2024	81,115	83,435
	70,000 Voya Financial, Inc. Company Guarantee 5.70% 07/15/2043	77,481	85,732
	750,000 Wachovia Corp. Subordinated 6.55% 10/15/2035	958,660	950,852
	260,000 Washington Prime Group L.P. Sr Unsecured 5.95% 08/15/2024	256,204	265,704
	220,000 Wells Fargo & Co. Sr Unsecured 3.00% 10/23/2026	219,740	215,635
	340,000 Wells Fargo & Co. Sr Unsecured 3.584% 05/22/2028	342,871	346,615
	190,000 Wells Fargo & Co. Subordinated 4.10% 06/03/2026	190,181	199,238
	100,000 Wells Fargo & Co. Subordinated 4.30% 07/22/2027	104,427	106,481
1,580,000	Wells Fargo & Co. Subordinated 4.40% 06/14/2046	1,624,941	1,666,333
300,000	Wells Fargo & Co. Subordinated 4.65% 11/04/2044	292,374	327,148
780,000	Wells Fargo & Co. Subordinated 4.75% 12/07/2046	814,755	871,758
380,000	Wells Fargo & Co. Subordinated 4.90% 11/17/2045	393,052	430,078
340,000	Wells Fargo & Co. Subordinated 5.375% 11/02/2043	354,507	404,869
408,000	Wells Fargo & Co. Subordinated 5.606% 01/15/2044	424,529	503,021
	Total Financials	18.95% 43,717,713	46,259,866
<u>Health Care</u>			
350,000	Abbott Laboratories Sr Unsecured 4.75% 11/30/2036	368,164	393,260
400,000	Abbott Laboratories Sr Unsecured 4.90% 11/30/2046	421,144	458,599
270,000	AbbVie, Inc. Sr Unsecured 4.70% 05/14/2045	274,268	302,744
570,000	Aetna, Inc. Sr Unsecured 3.875% 08/15/2047	560,667	561,745
10,000	Amerisourcebergen.Corp. Sr Unsecured 3.45% 12/15/2027	9,976	9,917
130,000	Amerisourcebergen.Corp. Sr Unsecured 4.30% 12/15/2047	129,369	130,464
160,000	Amgen, Inc. Sr Unsecured 4.40% 05/01/2045	156,579	174,086
357,000	Amgen, Inc. Sr Unsecured 4.663% 06/15/2051	372,501	399,306
820,000	Anthem, Inc. Sr Unsecured 4.375% 12/01/2047	830,260	871,858
480,000	Becton Dickinson and Co. Sr Unsecured 4.669% 06/06/2047	489,128	519,700
470,000	Becton Dickinson and Co. Sr Unsecured 4.685% 12/15/2044	488,987	513,943
40,000	Becton Dickinson and Co. Sr Unsecured 4.875% 05/15/2044	43,730	42,748
340,000	Cardinal Health, Inc. Sr Unsecured 4.368% 06/15/2047	339,491	337,908
560,000	Catholic Health Initiatives Secured 4.35% 11/01/2042	542,000	540,610
80,000	Catholic Health Initiatives Unsecured 4.20% 08/01/2023	79,870	82,844
90,000	Celgene Corp. Sr Unsecured 4.625% 05/15/2044	88,916	96,023
400,000	Celgene Corp. Sr Unsecured 5.00% 08/15/2045	432,302	453,836
500,000	Centene Corp. Sr Unsecured 6.125% 02/15/2024	538,755	528,750
470,000	Chubb INA Holdings, Inc. Company Guarantee 4.35% 11/03/2045	494,385	530,675
250,000	Cigna Corp. Sr Unsecured 3.875% 10/15/2047	249,595	250,299
290,000	Eli Lilly & Co. Sr Unsecured 3.95% 05/15/2047	298,600	311,364
470,000	Gilead Sciences, Inc. Sr Unsecured 4.00% 09/01/2036	483,688	497,227
370,000	Gilead Sciences, Inc. Sr Unsecured 4.50% 02/01/2045	392,506	411,227
670,000	Gilead Sciences, Inc. Sr Unsecured 4.75% 03/01/2046	698,589	775,016
100,000	Gilead Sciences, Inc. Sr Unsecured 4.80% 04/01/2044	99,815	116,032
50,000	Gilead Sciences, Inc. Sr Unsecured 5.65% 12/01/2041	49,892	63,401
930,000	HCA, Inc. Sr Secured 5.50% 06/15/2047	946,202	927,675
150,000	Humana, Inc. Sr Unsecured 4.625% 12/01/2042	151,853	163,669
840,000	Humana, Inc. Sr Unsecured 4.80% 03/15/2047	905,292	947,134
690,000	Humana, Inc. Sr Unsecured 4.95% 10/01/2044	758,420	794,720
40,000	Johns Hopkins University Sr Unsecured Series 2013 4.083% 07/01/2053	40,000	43,549
210,000	Johnson & Johnson Sr Unsecured 3.40% 01/15/2038	209,379	215,095

See Notes to Financial Statements

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Health Care (Continued)</u>			
\$	320,000 Johnson & Johnson Sr Unsecured 3.50% 01/15/2048	\$ 318,797	\$ 327,354
	630,000 Johnson & Johnson Sr Unsecured 3.70% 03/01/2046	646,269	664,014
	20,000 Johnson & Johnson Sr Unsecured 4.50% 09/01/2040	21,088	22,860
	20,000 Johnson & Johnson Sr Unsecured 5.95% 08/15/2037	20,987	27,438
	710,000 Magellan Health, Inc. Sr Unsecured 4.40% 09/22/2024	710,973	714,621
	70,000 Medtronic, Inc. Company Guarantee 4.50% 03/15/2042	69,892	78,225
	270,000 Medtronic, Inc. Company Guarantee 4.625% 03/15/2045	296,042	314,564
	40,000 Medtronic, Inc. Company Guarantee 5.55% 03/15/2040	39,923	50,712
	750,000 Pfizer, Inc. Sr Unsecured 4.125% 12/15/2046	768,174	832,598
	160,000 Pfizer, Inc. Sr Unsecured 4.40% 05/15/2044	159,560	183,652
	50,000 Prudential Financial, Inc. Sr Unsecured 5.70% 12/14/2036	54,834	62,953
	1,080,000 Telefonica Emisiones SAU Company Guarantee 5.213% 03/08/2047	1,130,121	1,225,639
	120,000 Teva Pharmaceutical Finance Co. BV Company Guarantee 2.95% 12/18/2022	109,017	107,418
	520,000 Teva Pharmaceutical Finance Netherlands III BV Company Guarantee 1.70% 07/19/2019	505,878	505,230
	250,000 Teva Pharmaceutical Finance Netherlands III BV Company Guarantee 2.20% 07/21/2021	231,066	228,368
	450,000 UnitedHealth Group, Inc. Sr Unsecured 4.625% 07/15/2035	504,367	524,062
	80,000 UnitedHealth Group, Inc. Sr Unsecured 4.625% 11/15/2041	79,059	91,278
	130,000 UnitedHealth Group, Inc. Sr Unsecured 6.50% 06/15/2037	121,516	181,460
	40,000 UnitedHealth Group, Inc. Sr Unsecured 6.875% 02/15/2038	42,096	58,017
	630,000 Valeant Pharmaceuticals International, Inc. Company Guarantee 144A 9.00% 12/15/2025	631,348	656,586
	370,000 Wyeth LLC Company Guarantee 5.95% 04/01/2037	471,335	496,036
	30,000 Zoetis, Inc. Sr Unsecured 4.70% 02/01/2043	29,792	33,538
	Total Health Care	8.13% 18,906,457	19,852,047
<u>Industrials</u>			
	670,000 Actavis Funding SCS Company Guarantee 4.55% 03/15/2035	698,503	708,971
	241,000 Actavis Funding SCS Company Guarantee 4.75% 03/15/2045	247,793	256,558
	300,000 AerCap Ireland Capital DAC / AerCap Global Aviation Trust Company Guarantee 3.50% 01/15/2025	296,464	297,373
	176,861 American Airlines Pass-Through Trust Series 2013-2 Class B, 144A 5.60% 01/15/2022	176,861	182,768
	220,000 Barrick North America Finance LLC Company Guarantee 5.70% 05/30/2041	217,822	270,324
	1,770,000 Barrick North America Finance LLC Company Guarantee 5.75% 05/01/2043	2,090,140	2,222,715
	370,000 Barrick PD Australia Finance Pty Ltd. Company Guarantee 5.95% 10/15/2039	428,948	461,557
	110,000 Blackstone Holdings Finance Co. LLC Company Guarantee 144A 5.00% 06/15/2044	108,518	127,204
	50,000 Boeing Co. Sr Unsecured 5.875% 02/15/2040	61,303	66,656
	70,000 Boeing Co. Sr Unsecured 6.125% 02/15/2033	72,433	93,375
	200,000 Boeing Co. Sr Unsecured 6.875% 03/15/2039	295,189	294,132
	30,000 Burlington Northern Santa Fe LLC Sr Unsecured 4.55% 09/01/2044	29,850	34,348
	300,000 Burlington Northern Santa Fe LLC Sr Unsecured 4.95% 09/15/2041	310,276	356,046
	300,000 Caterpillar, Inc. Sr Unsecured 4.75% 05/15/2064	323,701	352,532
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 4.20% 03/15/2028	151,855	148,885
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 5.375% 05/01/2047	1,858,167	1,835,375
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 6.384% 10/23/2035	93,825	93,410
	Charter Communications Operating LLC / Charter Communications Operating Capital Sr Secured 6.484% 10/23/2045	268,397	268,164
	150,000 Cintas Corp. No 2 Company Guarantee 3.70% 04/01/2027	149,463	156,079
	70,000 CSX Corp. Sr Unsecured 3.95% 05/01/2050	69,392	69,651
	50,000 CSX Corp. Sr Unsecured 5.50% 04/15/2041	55,441	61,791
	180,000 DAE Funding LLC Company Guarantee 144A 4.50% 08/01/2022	180,690	176,850
	180,000 DAE Funding LLC Company Guarantee 144A 5.00% 08/01/2024	180,258	177,750
	80,000 Delphi Financial Group, Inc. Sr Unsecured 7.875% 01/31/2020	79,998	88,133
	730,000 Eaton Corp. Company Guarantee 4.15% 11/02/2042	734,138	760,140
	70,000 Flexi-Van Leasing, Inc. Company Guarantee 144A 7.875% 08/15/2018	69,846	69,650

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Industrials (Continued)</u>			
\$	657,000 GE Capital International Funding Co., Unlimited Co. Company Guarantee 4.418% 11/15/2035	\$ 684,844	\$ 711,043
	440,000 General Electric Co. Sr Unsecured 4.50% 03/11/2044	485,271	487,419
	520,000 General Electric Co. Sr Unsecured 5.875% 01/14/2038	659,601	672,457
	317,000 General Electric Co. Sr Unsecured 6.15% 08/07/2037	360,470	418,641
	1,971,000 General Electric Co. Sr Unsecured 6.875% 01/10/2039	2,805,268	2,840,193
	30,000 Hess Corp. Sr Unsecured 7.30% 08/15/2031	34,467	36,383
	140,000 Hess Corp. Sr Unsecured 7.875% 10/01/2029	162,175	174,541
	270,000 Huntington Ingalls Industries, Inc. Company Guarantee 144A 3.483% 12/01/2027	270,000	269,325
	240,000 ILFC E-Capital Trust I Limited Guarantee 144A 4.37% 12/21/2065	188,230	234,000
	110,000 ILFC E-Capital Trust II Limited Guarantee 144A 4.62% 12/21/2065	107,491	106,150
	250,000 International Lease Finance Corp. Sr Unsecured 8.625% 01/15/2022	291,618	301,083
	540,000 Kaiser Foundation Hospitals Company Guarantee 4.15% 05/01/2047	554,777	583,492
	1,610,000 KKR Group Finance Co. III LLC Company Guarantee 144A 5.125% 06/01/2044	1,696,763	1,784,690
	20,000 Lockheed Martin Corp. Sr Unsecured 4.07% 12/15/2042	19,589	21,055
	601,000 Lockheed Martin Corp. Sr Unsecured 4.09% 09/15/2052	611,554	629,131
	90,000 Lockheed Martin Corp. Sr Unsecured 4.50% 05/15/2036	88,422	100,917
	400,000 Mexico City Airport Trust Sr Secured 144A 5.50% 10/31/2046	399,533	395,000
	310,000 MPT Operating Partnership L.P. / MPT Finance Corp. Company Guarantee 5.00% 10/15/2027	310,243	315,813
	50,000 NGPL PipeCo LLC Sr Unsecured 144A 4.375% 08/15/2022	50,000	50,844
	50,000 NGPL PipeCo LLC Sr Unsecured 144A 4.875% 08/15/2027	50,000	51,875
	1,010,000 Northrop Grumman Corp. Sr Unsecured 4.03% 10/15/2047	1,019,135	1,055,555
	90,000 Northrop Grumman Corp. Sr Unsecured 4.75% 06/01/2043	102,895	103,945
	140,000 Park Aerospace Holdings Ltd. Company Guarantee 144A 5.25% 08/15/2022	145,226	139,125
	410,000 Time Warner Cable LLC Sr Secured 4.50% 09/15/2042	383,702	384,669
	670,000 Time Warner Entertainment Co. L.P. Sr Secured 8.375% 07/15/2033	891,040	921,852
	750,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 4.45% 08/01/2042	774,153	784,763
	140,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 5.40% 08/15/2041	139,122	164,375
	1,080,000 Transcontinental Gas Pipe Line Co. LLC Sr Unsecured 7.85% 02/01/2026	1,307,414	1,380,422
	490,000 Union Pacific Corp. Sr Unsecured 4.375% 11/15/2065	503,755	535,104
	330,000 United Technologies Corp. Sr Unsecured 4.50% 06/01/2042	339,752	365,760
	130,000 Waste Management, Inc. Company Guarantee 7.75% 05/15/2032	178,768	185,235
	Total Industrials	10.59% 24,864,549	25,835,294
<u>Information Technology</u>			
	120,000 Analog Devices, Inc. Sr Unsecured 3.50% 12/05/2026	119,309	121,437
	740,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 4.70% 02/01/2036	779,157	827,431
	2,160,000 Anheuser-Busch InBev Finance, Inc. Company Guarantee 4.90% 02/01/2046	2,283,819	2,503,416
	937,000 Anheuser-Busch InBev Worldwide, Inc. Company Guarantee 4.439% 10/06/2048	987,852	1,020,754
	420,000 Apple, Inc. Sr Unsecured 3.45% 02/09/2045	391,246	409,890
	1,020,000 Apple, Inc. Sr Unsecured 3.85% 08/04/2046	1,029,716	1,063,012
	320,000 ConocoPhillips Holding Co. Sr Unsecured 6.95% 04/15/2029	361,658	420,291
	250,000 DTE Electric Co. 3.75% 08/15/2047	249,866	260,074
	40,000 Enterprise Products Operating LLC Company Guarantee 5.95% 02/01/2041	39,741	49,370
	290,000 Enterprise Products Operating LLC Company Guarantee 6.125% 10/15/2039	293,953	364,813
	168,000 Enterprise Products Operating LLC Company Guarantee 7.55% 04/15/2038	237,880	235,291
	490,000 Harris Corp. Sr Unsecured 4.854% 04/27/2035	516,538	547,618
	300,000 Harris Corp. Sr Unsecured 5.054% 04/27/2045	326,860	352,838
	174,000 Intel Corp. Sr Unsecured 144A 3.734% 12/08/2047	174,860	180,689
	2,490,000 Microsoft Corp. Sr Unsecured 3.70% 08/08/2046	2,478,495	2,595,853
	400,000 Microsoft Corp. Sr Unsecured 3.75% 02/12/2045	374,842	421,398
	140,000 Microsoft Corp. Sr Unsecured 3.95% 08/08/2056	130,312	149,435
	970,000 Microsoft Corp. Sr Unsecured 4.10% 02/06/2037	1,025,001	1,083,012
	580,000 Microsoft Corp. Sr Unsecured 4.25% 02/06/2047	584,255	663,097
	180,000 NCL Corp. Ltd. Sr Unsecured 144A 4.75% 12/15/2021	180,000	186,300
	590,000 Visa, Inc. Sr Unsecured 3.65% 09/15/2047	591,512	605,328

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
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Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Information Technology (Continued)</u>			
\$	600,000 Visa, Inc. Sr Unsecured 4.30% 12/14/2045	\$ 642,564	\$ 682,758
	250,000 WEA Finance LLC / Westfield UK & Europe Finance PLC Company Guarantee 144A 4.75% 09/17/2044	246,875	272,568
	910,000 ZF North America Capital, Inc. Company Guarantee 144A 4.75% 04/29/2025	924,596	963,462
	Total Information Technology	6.55% 14,970,907	15,980,135
<u>Materials</u>			
	200,000 Alcoa Nederland Holding BV Company Guarantee 144A 6.75% 09/30/2024	200,000	218,000
	200,000 Alcoa Nederland Holding BV Company Guarantee 144A 7.00% 09/30/2026	203,062	224,500
	400,000 Anglo American Capital PLC Company Guarantee 144A 4.00% 09/11/2027	398,529	397,328
	670,000 Anglo American Capital PLC Company Guarantee 144A 4.75% 04/10/2027	677,102	701,236
	110,000 Barrick Gold Corp. Sr Unsecured 5.25% 04/01/2042	105,645	126,819
	650,000 BAT Capital Corp. Company Guarantee 144A 4.39% 08/15/2037	662,093	682,567
	500,000 BAT Capital Corp. Company Guarantee 144A 4.54% 08/15/2047	503,507	526,454
	7,000 Ecolab, Inc. Sr Unsecured 5.50% 12/08/2041	7,584	8,764
	55,000 Ecolab, Inc. Sr Unsecured 144A 3.95% 12/01/2047	55,714	56,221
	310,000 Ensc0 PLC Sr Unsecured 5.75% 10/01/2044	297,803	212,350
	120,000 Freeport-McMoRan, Inc. Company Guarantee 2.375% 03/15/2018	117,675	119,850
	40,000 Freeport-McMoRan, Inc. Company Guarantee 5.45% 03/15/2043	34,067	39,950
	750,000 Glencore Finance Canada Ltd. Company Guarantee 144A 5.55% 10/25/2042	803,424	828,707
	420,000 Glencore Finance Canada Ltd. Company Guarantee 144A 6.00% 11/15/2041	417,732	491,904
	80,000 Glencore Finance Canada Ltd. Company Guarantee 144A 6.90% 11/15/2037	92,901	101,267
	510,000 Glencore Funding LLC Company Guarantee 144A 3.875% 10/27/2027	507,074	503,248
	100,000 Glencore Funding LLC Company Guarantee 144A 4.00% 03/27/2027	99,002	100,402
	30,000 Glencore Funding LLC Company Guarantee 144A 4.625% 04/29/2024	29,911	31,674
	300,000 Rio Tinto Finance USA Ltd. Company Guarantee 5.20% 11/02/2040	364,028	368,418
	550,000 Southern Copper Corp. Sr Unsecured 5.25% 11/08/2042	563,490	614,366
	150,000 Southern Copper Corp. Sr Unsecured 6.75% 04/16/2040	151,282	195,560
	90,000 Teck Resources Ltd. Company Guarantee 6.25% 07/15/2041	97,642	103,050
	200,000 Vale S.A. Sr Unsecured 5.625% 09/11/2042	191,680	219,000
	420,000 Yamana Gold, Inc. Company Guarantee 4.95% 07/15/2024	424,950	439,377
	870,000 Yamana Gold, Inc. Sr Unsecured 144A 4.625% 12/15/2027	873,324	874,535
	Total Materials	3.35% 7,879,221	8,185,547
<u>Telecommunication Services</u>			
	130,000 America Movil S.A.B. de C.V. Company Guarantee 6.125% 11/15/2037	119,286	163,028
	200,000 America Movil S.A.B. de C.V. Company Guarantee 6.375% 03/01/2035	256,611	252,651
	30,000 AT&T, Inc. Sr Unsecured 4.35% 06/15/2045	27,571	27,678
	290,000 AT&T, Inc. Sr Unsecured 4.50% 05/15/2035	292,202	288,279
	2,070,000 AT&T, Inc. Sr Unsecured 4.50% 03/09/2048	2,019,234	1,939,551
	330,000 AT&T, Inc. Sr Unsecured 4.80% 06/15/2044	326,188	326,397
	850,000 AT&T, Inc. Sr Unsecured 4.90% 08/14/2037	856,791	860,706
	20,000 AT&T, Inc. Sr Unsecured 5.15% 03/15/2042	19,517	20,751
	1,070,000 AT&T, Inc. Sr Unsecured 5.15% 02/14/2050	1,067,647	1,083,337
	3,000 AT&T, Inc. Sr Unsecured 5.35% 09/01/2040	3,226	3,166
	110,000 AT&T, Inc. Sr Unsecured 5.55% 08/15/2041	111,700	119,549
	730,000 BPCE S.A. Subordinated 144A 5.15% 07/21/2024	770,851	791,543
	450,000 British Telecommunications PLC Sr Unsecured 9.125% 12/15/2030	659,396	672,330
	Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC Sr Secured 144A 3.36%		
	853,125 03/20/2023	858,719	858,457
	120,000 Verizon Communications, Inc. Sr Unsecured 3.85% 11/01/2042	104,694	108,547
	110,000 Verizon Communications, Inc. Sr Unsecured 4.125% 08/15/2046	99,954	101,618
	360,000 Verizon Communications, Inc. Sr Unsecured 4.40% 11/01/2034	357,520	366,854
	3,625,000 Verizon Communications, Inc. Sr Unsecured 4.522% 09/15/2048	3,441,731	3,569,349
	70,000 Verizon Communications, Inc. Sr Unsecured 4.672% 03/15/2055	66,308	67,581

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2017

Principal Amount		Cost	Fair Value
<u>Corporate Bonds (Continued)</u>			
<u>Telecommunication Services (Continued)</u>			
\$	260,000 Verizon Communications, Inc. Sr Unsecured 4.862% 08/21/2046	\$ 265,326	\$ 270,822
	160,000 Verizon Communications, Inc. Sr Unsecured 5.012% 04/15/2049	149,403	167,806
	810,000 Verizon Communications, Inc. Sr Unsecured 5.25% 03/16/2037	846,979	890,742
	30,000 Verizon Communications, Inc. Sr Unsecured 5.50% 03/16/2047	33,386	34,182
	Total Telecommunication Services	5.32% 12,754,240	12,984,924
<u>Utilities</u>			
	260,000 CenterPoint Energy Houston Electric LLC 4.50% 04/01/2044	270,323	302,055
	40,000 Connecticut Light & Power Co. 4.30% 04/15/2044	40,000	45,113
	100,000 Dominion Energy, Inc. Sr Unsecured 4.70% 12/01/2044	108,599	113,405
	290,000 Dominion Energy, Inc. Sr Unsecured 4.90% 08/01/2041	319,709	335,126
	130,000 Dominion Resources, Inc. Sr Unsecured Series B 5.95% 06/15/2035	148,601	164,193
	10,000 Duke Energy Carolinas LLC 4.00% 09/30/2042	9,925	10,669
	540,000 Duke Energy Carolinas LLC Sr Unsecured 6.10% 06/01/2037	684,010	714,574
	830,000 Duke Energy Corp. Sr Unsecured 2.65% 09/01/2026	810,439	795,279
	600,000 Duke Energy Corp. Sr Unsecured 3.75% 09/01/2046	591,731	593,347
	50,000 Duke Energy Corp. Sr Unsecured 3.95% 08/15/2047	49,800	51,382
	150,000 Duke Energy Indiana LLC 4.20% 03/15/2042	149,738	160,440
	260,000 Duke Energy Progress LLC 4.10% 03/15/2043	279,455	282,378
	190,000 Duke Energy Progress LLC 4.375% 03/30/2044	190,625	215,918
	50,000 Exelis, Inc. Sr Unsecured 5.55% 10/01/2021	50,110	54,509
	260,000 Exelon Corp. Sr Unsecured 4.45% 04/15/2046	270,323	282,548
	690,000 Exelon Corp. Sr Unsecured 5.625% 06/15/2035	725,790	848,005
	880,000 FirstEnergy Corp. Sr Unsecured 4.85% 07/15/2047	928,184	982,070
	1,622,000 FirstEnergy Corp. Sr Unsecured Series C 7.375% 11/15/2031	2,052,036	2,187,593
	80,000 Ohio Edison Co. 8.25% 10/15/2038	118,638	122,482
	550,000 Pacific Gas & Electric Co. Sr Unsecured 4.00% 12/01/2046	567,979	550,567
	230,000 Pacific Gas & Electric Co. Sr Unsecured 4.30% 03/15/2045	225,176	240,329
	170,000 Pacific Gas & Electric Co. Sr Unsecured 4.50% 12/15/2041	169,448	181,677
	180,000 Pacific Gas & Electric Co. Sr Unsecured 4.60% 06/15/2043	196,561	196,742
	70,000 Pacific Gas & Electric Co. Sr Unsecured 4.75% 02/15/2044	69,716	77,601
	220,000 Pacific Gas & Electric Co. Sr Unsecured 5.80% 03/01/2037	209,101	274,541
	1,600,000 Pacific Gas & Electric Co. Sr Unsecured 6.05% 03/01/2034	2,010,081	2,016,705
	300,000 Pacific Gas & Electric Co. Sr Unsecured 144A 3.95% 12/01/2047	298,694	298,168
	130,000 Pennsylvania Electric Co. Sr Unsecured 144A 4.15% 04/15/2025	129,769	136,106
	290,000 San Diego Gas & Electric Co. 3.75% 06/01/2047	295,673	304,701
	360,000 San Diego Gas & Electric Co. 4.30% 04/01/2042	368,347	396,132
	160,000 Southern California Edison Co. 4.00% 04/01/2047	168,763	171,851
	370,000 Southern California Edison Co. 4.05% 03/15/2042	382,731	397,293
	170,000 Southern California Edison Co. 4.50% 09/01/2040	182,146	191,506
	430,000 Southern California Edison Co. 4.65% 10/01/2043	476,844	503,945
	236,000 Virginia Electric & Power Co. Sr Unsecured 8.875% 11/15/2038	287,603	406,608
	Total Utilities	5.99% 13,836,668	14,605,558
	Total Corporate Bonds	84.71% 196,567,151	206,755,652
<u>Floating Rate Loans</u>			
<u>Consumer Discretionary</u>			
	230,000 Dollar Tree, Inc. Term Loan B2 Sr Secured 4.25% 07/06/2022	230,000	230,862
	Total Consumer Discretionary	0.09% 230,000	230,862
	Total Floating Rate Loans	0.09% 230,000	230,862

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2017

Principal Amount		Cost	Fair Value
<u>Foreign Government</u>			
Argentina			
ARS 8,100,000	Argentina POM Politica Monetaria 28.75% 06/21/2020	\$ 507,280	\$ 466,733
800,000	Argentine Government International Bond Sr Unsecured 7.625% 04/22/2046	879,952	902,400
40,000	Argentine Republic Government International Bond Sr Unsecured 6.875% 01/26/2027	39,669	43,700
200,000	Provincia de Buenos Aires Sr Unsecured 144A 9.125% 03/16/2024	234,655	234,000
860,000	Provincia de Buenos Aires Sr Unsecured 144A 9.125% 03/16/2024	895,498	1,006,200
	Total Argentina	1.09% 2,557,054	2,653,033
Colombia			
790,000	Colombia Government International Bond Sr Unsecured 6.125% 01/18/2041	942,730	953,925
	Total Colombia	0.39% 942,730	953,925
Costa Rica			
200,000	Costa Rica Government International Bond Sr Unsecured 144A 7.00% 04/04/2044	200,490	206,460
	Total Costa Rica	0.09% 200,490	206,460
Ecuador			
300,000	Ecuador Government International Bond Sr Unsecured 144A 9.625% 06/02/2027	300,000	343,500
230,000	Ecuador Government International Bond Sr Unsecured 144A 9.65% 12/13/2026	230,000	263,925
360,000	Ecuador Government International Bond Sr Unsecured 144A 9.65% 12/13/2026	366,645	413,100
300,000	Ecuador Government International Bond Sr Unsecured 144A 10.75% 03/28/2022	351,779	350,625
	Total Ecuador	0.56% 1,248,424	1,371,150
Indonesia			
250,000	Indonesia Government International Bond Sr Unsecured 3.50% 01/11/2028	248,945	249,143
840,000	Indonesia Government International Bond Sr Unsecured 4.35% 01/11/2048	834,904	852,207
	Total Indonesia	0.45% 1,083,849	1,101,350
Mexico			
760,000	Mexico Government International Bond Sr Unsecured 4.35% 01/15/2047	748,462	725,800
1,046,000	Mexico Government International Bond Sr Unsecured 4.75% 03/08/2044	1,040,270	1,057,506
122,000	Mexico Government International Bond Sr Unsecured 6.05% 01/11/2040	142,751	143,716
	Total Mexico	0.79% 1,931,483	1,927,022
Nigeria			
300,000	Nigeria Government International Bond Sr Unsecured 144A 7.625% 11/28/2047	300,000	321,740
	Total Nigeria	0.13% 300,000	321,740
Panama			
430,000	Panama Government International Bond Sr Unsecured 4.30% 04/29/2053	391,393	448,920
850,000	Panama Government International Bond Sr Unsecured 4.50% 05/15/2047	891,859	915,025
	Total Panama	0.56% 1,283,252	1,363,945
United Arab Emirates			
700,000	Abu Dhabi Government International Bond Sr Unsecured 144A 4.125% 10/11/2047	693,829	692,384
	Total United Arab Emirates	0.28% 693,829	692,384

Hand Composite Employee Benefit Trust
Schedule of Investments (Continued)
Western Asset Long Duration Credit CIF (Continued)
December 31, 2017

Principal Amount†		Cost	Fair Value
<u>Foreign Government (Continued)</u>			
<u>Uruguay</u>			
\$ 280,000	Uruguay Government International Bond Sr Unsecured 5.10% 06/18/2050	\$ 301,654	\$ 310,800
	Total Uruguay	0.13% 301,654	310,800
	Total Foreign Government	4.47% 10,542,765	10,901,809
<u>Mortgage-Backed Securities</u>			
310,000	Colony Mortgage Capital Ltd. Series 2014-FL1, Class D, 144A 5.107% 04/08/2031	310,000	309,999
55,797	JP Morgan Chase Commercial Mortgage Securities Trust Series 2006-LDP9, Class AM 5.372% 05/15/2047	58,534	55,841
100,000	JPMBB Commercial Mortgage Securities Trust Series 2015-C31, Class D 4.118% 08/15/2048	81,694	75,972
100,000	Wells Fargo Commercial Mortgage Trust Series 2015-SG1, Class D 4.469% 09/15/2048	86,122	80,359
	Total Mortgage-Backed Securities	0.21% 536,350	522,171
<u>Municipals</u>			
120,000	Alabama Economic Settlement Authority Series B 4.263% 09/15/2032	120,000	129,178
220,000	Chicago Transit Authority Series B 6.20% 12/01/2040	285,489	286,407
480,000	City of Chicago IL Series B 6.314% 01/01/2044	506,036	511,560
100,000	Denver City & County School Dist. No 1 Series B, COPs 4.242% 12/15/2037	102,551	106,141
60,000	Grand Parkway Transportation Corp. Series E 5.184% 10/01/2042	60,000	73,413
190,000	JobsOhio Beverage System Series B 4.532% 01/01/2035	209,837	212,675
20,000	Los Angeles Department of Water & Power 6.574% 07/01/2045	20,000	30,100
500,000	Metropolitan Transportation Auth. 6.668% 11/15/2039	710,436	707,715
70,000	Ohio State University Series A 4.80% 06/01/2111	69,296	78,627
770,000	Port Authority of New York & New Jersey 4.458% 10/01/2062	835,892	889,142
180,000	San Diego County Water Authority Financing Corp. 6.138% 05/01/2049	230,718	254,288
220,000	State of California 7.30% 10/01/2039	239,116	328,209
500,000	State of California 7.50% 04/01/2034	746,011	740,410
1,295,000	State of California 7.55% 04/01/2039	1,936,440	2,037,825
330,000	State of Illinois 5.10% 06/01/2033	318,962	329,452
110,000	State of Illinois 5.65% 12/01/2038	113,960	112,849
305,000	State of Illinois 6.63% 02/01/2035	313,492	338,465
50,000	State of Illinois 7.35% 07/01/2035	58,980	57,809
140,000	Sumter Landing Community Development Dist. 4.172% 10/01/2047	140,000	151,785
280,000	University of California Series AD 4.858% 05/15/2112	285,912	312,547
80,000	University of California Series AG 4.062% 05/15/2033	79,823	83,826
430,000	University of California Series AQ 4.767% 05/15/2115	436,532	470,158
70,000	University of California Series J 4.131% 05/15/2045	70,000	74,045
	Total Municipals	3.41% 7,889,483	8,316,626
<u>U.S. Government and Agency Obligations</u>			
<u>U.S. Government Obligations</u>			
30,000	United States Treasury Bond 2.75% 08/15/2047	29,820	30,038
8,530,000	United States Treasury Bond 4.50% 02/15/2036	10,866,774	10,981,375
1,140,000	United States Treasury Bond 3.75% 11/15/2043	1,327,382	1,358,337
2,010,000	United States Treasury Bond 2.75% 11/15/2047	1,991,892	2,013,298
1,640,000	United States Treasury Note 2.25% 11/15/2027	1,613,315	1,616,873
	Total U.S. Government Obligations	6.56% 15,829,183	15,999,921
	Total U.S. Government and Agency Obligations	6.56% 15,829,183	15,999,921
	Total Investments	100.00% \$ 232,969,198	\$ 244,071,385

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

Abbreviation used in this table:

ARS Argentine Peso

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

	Western Asset Long Duration Credit CIF
Income	
Interest (net of foreign withholding taxes of \$13,799)	\$ 6,795,951
Dividends	33,098
Total income	6,829,049
Expenses	
Trustee and administrative	166,019
Class R expenses	179,152
Class R1 expenses	156,148
Total expenses before reimbursement	501,319
Reimbursement of fees	(98,417)
Net expenses	402,902
Net Investment Income	6,426,147
Net Realized Gains (Losses) on Investments, Futures Contracts, Swap Contracts and Foreign Currency	
Net realized gains on investments	1,843,126
Net realized gains on futures contracts	954,479
Net realized losses on swap contracts	(275,037)
Net realized losses on foreign currency transactions	(1,408)
Net realized gains	2,521,160
Change in Net Unrealized Appreciation (Depreciation)	
Investments	8,550,768
Futures contracts	285,048
Swap contracts	32,598
Foreign currencies	(2,316)
Change in net unrealized appreciation (depreciation)	8,866,098
Net realized and unrealized gains on investments, futures contracts, swap contracts and foreign currency	11,387,258
Net Increase in Net Assets Resulting From Operations	\$ 17,813,405

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

	Western Asset Long Duration Credit CIF
Operations	
Net investment income	\$ 6,426,147
Net realized gains	2,521,160
Change in net unrealized appreciation (depreciation)	8,866,098
Net increase in net assets from operations	17,813,405
Net Increase in Net Assets From Participant Unit Transactions	115,333,696
Increase in Net Assets	133,147,101
Net Assets	
Beginning of year	\$ 114,106,537
End of year	\$ 247,253,638

Hand Composite Employee Benefit Trust

Notes to Financial Statements

December 31, 2017

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

Nature of Operations

Hand Composite Employee Benefit Trust ("HB&T" or "the Trust") was created in order to provide broad and uniform diversification programs for pension and profit sharing plans which, having complied with the requirements of the Internal Revenue Code (the IRC), are exempt from taxation under the provisions of the IRC. The Trust is comprised of 105 portfolios (the Funds); the financial statements of one of those funds, the Western Asset 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, 2017

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

Reported net realized foreign exchange gains or losses arise from sales of portfolio securities, sales and maturities of short term securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, including investments in securities at December 31, 2017, resulting from changes in the exchange rates.

Futures Contracts

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

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

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

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, 2017

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, 2017, the Fund did not hold any credit default swaps to sell protection.

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

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

Notes to Financial Statements

December 31, 2017

Federal Income Taxes

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

Subsequent Events

Subsequent events have been evaluated through May 25, 2018, which is the date the financial statements were available to be issued.

Investment Management Advisors

The investment management advisor for the Fund is Western Asset Management Company.

Note 2: Futures Contracts

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

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy:					
U.S. Treasury 2-Year Notes	2	3/29	\$ 429,066	\$ 428,219	\$ (847)
U.S. Treasury Long-Term Bonds	215	3/20	32,885,824	32,895,000	9,176
U.S. Treasury Ultra Long-Term Bonds	4	3/20	661,757	670,624	8,867
					<u>17,196</u>
Contracts to Sell:					
U.S. Treasury 5-Year Notes	3	3/29	349,620	348,493	1,127
U.S. Treasury 10-Year Notes	253	3/20	31,527,207	31,383,859	143,348
					<u>144,475</u>
					<u>\$ 161,671</u>

Net unrealized appreciation on open futures contracts

Note 3: Swap Contracts

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

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

Central Swap Counterparty (Reference Entity)	Notional Amount ⁽²⁾	Termination Date	Periodic Payments Made by the Fund [†]	Market Value ⁽³⁾	Upfront Premiums Received	Unrealized Depreciation
Chicago Mercantile Exchange (Markit CDX.NA.HY.29 Index)	\$ 2,860,000	12/20/22	5.000% quarterly	\$ (235,831)	\$ (202,388)	\$ (33,443)
Chicago Mercantile Exchange (Markit CDX.NA.HY.29 Index)	<u>1,536,000</u>	12/20/22	1.000% quarterly	<u>(36,450)</u>	<u>(30,200)</u>	<u>(6,250)</u>
Total	<u>\$ 4,396,000</u>			<u>\$ (272,281)</u>	<u>\$ (232,588)</u>	<u>\$ (39,693)</u>

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

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

⁽³⁾ The quoted market prices and resulting values for credit default swap agreements on asset-backed securities and credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed /sold as of the period 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 an administrative fee by HB&T for trustee/administrative services (fund accounting services, transfer agency services, trustee services, etc.). The Fund has also entered into investment advisory and service agreements with a third party advisor. These fees compensate the advisor for the services it provides and for expenses borne by the advisor under the agreement.

During the year ended December 31, 2017, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

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

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Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
Western Asset Long Duration				
Credit CIF:				
Class R	0.04%	0.20%	0.06%	0.30%
Class R1	0.04%	0.30%	0.06%	0.40%
Class R-INT	0.04%	0.00%	0.06%	0.10%

Note 5: Financial Highlights

	Western Asset Long Duration Credit CIF		
	Class R	Class R1	Class R-INT
Net asset value, beginning of year	\$ 10.55	\$ 10.55	\$ 10.56
Net investment income	0.47	0.45	0.48
Net realized and unrealized gains	0.86	0.86	0.87
Net increase from investment operations	1.33	1.31	1.35
Net asset value, end of year	\$ 11.88	\$ 11.86	\$ 11.91
Total return	12.61%	12.42%	12.78%
Ratio to average net assets:			
Net investment income	4.20%	4.02%	4.31%
Expenses without reimbursement	0.30%	0.41%	0.10%
Expenses with reimbursement	0.20%	0.40%	0.09%

Note 6: Participant Unit Transactions

	Western Asset Long Duration Credit CIF	
	Units	Dollars
Class R1:		
Proceeds from sales of units	10,065,244	\$ 116,006,355
Cost of units redeemed	(26,449)	(305,151)
Net increase in Class R1 from participant transactions	10,038,795	115,701,204
Class R-INT:		
Cost of units redeemed	(31,791)	(367,508)
Net decrease in Class R-INT from participant transactions	(31,791)	(367,508)
Net increase in total net assets from participant transactions		\$ 115,333,696

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During 2017, 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.

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, 2017.

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

Common 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 Depositary Receipts and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized as either Level 1 or 2 of the hierarchy; 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

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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.

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, 2017.

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December 31, 2017

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Western Asset Long Duration Credit CIF				
Financial Instruments - Assets:				
Short Term Investment	\$ 687,908	\$ 687,908	\$ -	\$ -
Common Stock	5,559	5,559	-	-
Preferred Stocks	650,877	499,077	-	151,800
Corporate Bonds	206,755,652	-	206,755,652	-
Floating Rate Loans	230,862	-	-	230,862
Foreign Government	10,901,809	-	10,901,809	-
Mortgage-backed Securities	522,171	-	522,171	-
Municipals	8,316,626	-	8,316,626	-
U.S. Government and Agency Obligations	15,999,921	-	15,999,921	-
Total Financial Instruments - Assets	<u>\$ 244,071,385</u>	<u>\$ 1,192,544</u>	<u>\$ 242,496,179</u>	<u>\$ 382,662</u>
Derivative Instruments - Assets:				
Futures Contracts	\$ 162,518	\$ 162,518	\$ -	\$ -
Total Derivative Instruments - Assets	<u>\$ 162,518</u>	<u>\$ 162,518</u>	<u>\$ 0</u>	<u>\$ 0</u>
Derivative Instruments - Liabilities:				
Futures Contracts	\$ 847	\$ 847	\$ -	\$ -
Centrally Cleared Credit Default Swaps on Credit Indices - Buy Protection	39,693	-	39,693	-
Total Derivative Instruments - Liabilities	<u>\$ 40,540</u>	<u>\$ 847</u>	<u>\$ 39,693</u>	<u>\$ 0</u>

Level 3 Reconciliation

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

	Preferred Stock	Floating Rate Loans
Balance as of December 31, 2016	\$ -	\$ -
Included in net income:		
Change in unrealized depreciation on securities	(33,440)	-
Purchases	114,840	-
Transfers into Level 3	70,400	230,862
Balance, December 31, 2017	<u>\$ 151,800</u>	<u>\$ 230,862</u>
Total losses 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, 2017	<u>\$ (33,440)</u>	<u>\$ 0</u>

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Notes to Financial Statements

December 31, 2017

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 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 is a table, 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, 2017.

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December 31, 2017

	Asset Derivatives ⁽¹⁾		
	Interest Rate	Total	
	Risk		
Futures contracts ⁽²⁾	\$ 162,518	\$ 162,518	
Total	\$ 162,518	\$ 162,518	

	Liability Derivatives ⁽¹⁾		
	Interest Rate	Foreign	Total
	Risk	Exchange Risk	
Futures contracts ⁽²⁾	\$ 847	\$ -	\$ 847
Centrally cleared swap contracts ⁽³⁾	-	39,693	39,693
Total	\$ 847	\$ 39,693	\$ 40,540

⁽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, 2017. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

	Amount of Realized Gain (Losses) on Derivatives Recognized		
	Interest Rate	Credit Risk	Total
	Risk		
Futures contracts	\$ 954,479	\$ -	\$ 954,479
Swap contracts	-	(275,037)	(275,037)
Total	\$ 954,479	\$ (275,037)	\$ 679,442

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	Change in Unrealized Appreciation on Derivatives Recognized		
	Interest Rate Risk	Credit Risk	Total
Futures contracts	\$ 285,048	\$ -	\$ 285,048
Swap contracts	-	32,598	32,598
Total	<u>\$ 285,048</u>	<u>\$ 32,598</u>	<u>\$ 317,646</u>

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

	Average Market Value
Futures contracts (to buy)	\$ 30,705,119
Futures contracts (to sell)	23,720,698
	Average Notional Balance
Credit default swap contracts (to buy protection)	\$ 4,588,308

The following table presents, by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at December 31, 2017:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities ⁽¹⁾	Collateral Received	Net Amount
Futures contracts ⁽²⁾	\$ 10,672	\$ -	\$ 10,672
Total	<u>\$ 10,672</u>	<u>\$ 0</u>	<u>\$ 10,672</u>

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The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at December 31, 2017.

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities ⁽¹⁾	Collateral Pledged	Net Amount
Centrally cleared swap contracts ⁽²⁾	<u>\$ 1,708</u>	<u>\$ -</u>	<u>\$ 1,708</u>
Total	<u>\$ 1,708</u>	<u>\$ 0</u>	<u>\$ 1,708</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 presented in the previous table.

Supplemental Information

Hand Composite Employee Benefit Trust
Schedule of Investment Purchases and Sales – Selected Fund
Year Ended December 31, 2017

Purchases	
Investment Class	Cost
Common Stocks	\$ 8,044
Convertible Bonds	319,975
Corporate Bonds	155,157,587
Foreign Government	9,419,152
Municipals	5,266,041
Preferred Stocks	666,840
U.S. Government and Agency Obligations	55,047,019
Total Investments Purchased	\$ 225,884,658

Sales			
Investment Class	Proceeds	Cost	Gain (Loss)
Asset-backed Securities	\$ 55,547	\$ 53,596	1,951
Common Stocks	2,381	3,222	(841)
Convertible Bonds	320,452	319,974	478
Corporate Bonds	50,796,559	49,182,239	1,614,320
Foreign Government	3,542,952	3,424,849	118,103
Municipals	476,696	462,157	14,539
Preferred Stocks	284,691	269,871	14,820
U.S. Government and Agency Obligations	42,614,975	42,535,219	79,756
Total Investments Sold	\$ 98,094,253	\$ 96,251,127	\$ 1,843,126