Hand Composite Employee Benefit Trust
Western Asset Core Bond CIF

Independent Auditor’s Report, Financial Statements, and Supplementary Information

July 31, 2025 (Date of Dissolution)

Hand Composite Employee Benefit Trust
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July 31, 2025 (Date of Dissolution)

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Independent Auditor's Report

Unitholders and Board of Directors
Hand Composite Employee Benefit Trust
Houston, Texas

Opinion

We have audited the financial statements of the selected fund, Western Asset Core Bond CIF (Fund), included in the Hand Composite Employee Benefit Trust, which comprise the statement of assets and liabilities as of July 31, 2025 (Date of Dissolution), and the related statements of operations and changes in net assets for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the selected fund, included in the Hand Composite Employee Benefit Trust, as of July 31, 2025, and the results of its operations and the changes in its net assets for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards were further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We were required to be independent of Hand Composite Employee Benefit Trust and the selected fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there were conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust and the selected fund's ability to continue as a going concern within one year after the date that these financial statements were available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore was not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud was higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hand Composite Employee Benefit Trust and the selected fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there were conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust and the selected fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the selected fund's financial statements. The schedule of investment purchases and sales listed in the table of contents was presented for purposes of additional analysis and was not a required part of the financial statements. Such information was 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 GAAS. In our opinion, the information was fairly stated in all material respects in relation to the financial statements as a whole.

Forvis Mazars, LLP

Houston, Texas
June 19, 2026

Hand Composite Employee Benefit Trust
Statement of Assets and Liabilities – Selected Fund
July 31, 2025 (Date of Dissolution)

		Western Asset Core Bond CIF
ASSETS		
Cash and cash equivalents	$	29,816
Receivable for		
Dividends and interest		268
Investment advisor waived fees		-
Total Assets	$	30,084
LIABILITIES		
Accounts payable and accrued liabilities	$	30,084
Total Liabilities	$	30,084
Net assets held for participants		
Class R3	$	-
Total net assets held for participants	$	-
Units outstanding		
Class R3		-
Total units outstanding		-
Net asset value per unit		
Class R3	$	-

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Period Ended July 31, 2025 (Date of Dissolution)

	Western Asset Core Bond CIF
Income	
Interest	$ 1,167,583
Dividends	1,992
Total Income	1,169,575
Expenses	
Trustee and administrative	151,027
Class R3 expenses	54,177
Total Expenses Before Reimbursement	205,204
Reimbursement of fees	(137,484)
Net Expenses	67,720
Net Investment Income	1,101,855
Net Realized Gains (Losses) on Investments, Written Options, Futures Contracts, and Swap Contracts	
Net realized losses on investments	(7,771,378)
Net realized gains on written options	162,142
Net realized gains on futures contracts	518,686
Net realized gains on swap contracts	9,588
Net Realized Losses	(7,080,962)
Change in Net Unrealized Appreciation/Depreciation	
Investments	8,372,868
Written options	25,739
Futures contracts	52,139
Swap contracts	(165,241)
Change in Net Unrealized Appreciation/Depreciation	8,285,505
Net Realized and Unrealized Gains (Losses) on Investments, Written Options, Futures Contracts, and Swap Contracts	1,204,543
Net Increase in Net Assets From Operations	$ 2,306,398

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Period Ended July 31, 2025 (Date of Dissolution)

	Western Asset Core Bond CIF
Operations	
Net investment income	$ 1,101,855
Net realized losses	(7,080,962)
Change in net unrealized appreciation/depreciation	8,285,505
Net Increase in Net Assets From Operations	2,306,398
Net Decrease in Net Assets From Participant Unit Transactions	(95,843,868)
Decrease in Net Assets	(93,537,470)
Net Assets	
Beginning of period	93,537,470
End of period	$ -

See Notes to Financial Statements

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

Nature of Operations

Hand Composite Employee Benefit Trust (HB&T or Trust) was created in order to provide broad and uniform diversification programs for pension and profit-sharing plans that, having complied with the requirements of the Internal Revenue Code (IRC), were exempt from taxation under the provisions of the IRC. The Trust was comprised of 108 portfolios; the financial statements of one of those funds were 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 were allocated to each class of units based on its relative net assets.

The Fund closed on July 31, 2025, with all participants redeeming their shares on or prior to this date.

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 Transactions

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

Futures Contracts

The Fund used 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 was required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount. This was known as the ‘‘initial margin,’’ and subsequent payments (variation margin) were 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 was not settled daily but was recorded as a net variation margin payable or receivable. Futures contracts were valued daily at the settlement price established by the board of trade or exchange on which they were traded. The daily changes in contract value were recorded as unrealized gains or losses in the statement of operations, and the Fund recognized a realized gain or loss when the contract was closed.

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

Written Options

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

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

Purchased Options

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

Swap Agreements

The Fund invested in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involved risks that were different from those associated with other portfolio transactions. Swap agreements were privately negotiated in the over-the-counter (OTC) 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 were marked-to-market daily and changes in value were recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, was recorded as a receivable or payable for variation margin on the statement of assets and liabilities. Gains or losses were 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 were identified in the schedule of investments and restricted cash, if any, was 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 were reflected as a premium or deposit, respectively, on the statement of assets and liabilities. These upfront payments were amortized over the life of the swap and were recognized as realized gain or loss in the statement of operations. Net periodic payments received or paid by the Fund were recognized as a realized gain or loss in the statement of operations.

For average notional amounts of swaps held during the period ended July 31, 2025, see Note 10.

Credit Default Swaps

The Fund entered 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 was no credit event. If the Fund was 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 was subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads were 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 year-end market value of credit default swap agreements on corporate or sovereign issues were 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, was the fair value of the contract (this risk was 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 was the notional amount of the contract. Credit default swaps were considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

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

Interest Rate Swaps

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

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

Investment Income and Distribution of Income

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

Federal Income Taxes

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

Contingencies

Western Asset was currently performing ongoing investigations for certain accounts receiving potential misallocations by former Western Asset Co-CIO Ken Leech on the basis of unrealized first day gains or losses. As of the report date, the Fund was not included as one of the named accounts in the investigation.

Subsequent Events

Subsequent events have been evaluated through June 19, 2026, which was the date the financial statements were available to be issued.

Investment Management Advisor

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

Note 2. Futures Contracts

The Fund had no open futures contracts as of July 31, 2025.

Note 3. Swap Contracts

The Fund had no open swap contracts as of July 31, 2025.

Note 4. Written Options Rollforward

Written option transactions for the Fund were as follows during the period ended July 31, 2025:

	Number of Contracts/ Notional Amount	Premiums
Written options, outstanding as of January 1, 2025	224	$ 55,808
Options written	1,352	438,919
Options closed	(849)	(322,449)
Options expired	(727)	(172,278)
Written options, outstanding as of July 31, 2025	-	$ -

Note 5. Investment Advisory Fees and Other Transactions With Affiliates

The Fund was 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 period ended July 31, 2025, 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 were calculated using the Fund's prior day's total net assets:

Fund	Trustee/ Administrative Fees	Investment Management Fees	Other Fees	Total Fees
Western Asset Core Bond CIF				
Class R3	0.04%	0.20%	0.52%	0.76%

Note 6. Financial Highlights

	Western Asset Core Bond CIF Class R3
Net asset value, beginning of period	$ 10.87
Net investment income	0.27
Net realized and unrealized losses	0.48
Net increase from investment operations	0.75
Net asset value, prior to liquidation	11.62
Liquidating redemption	(11.62)
Net asset value, end of period	$ -
Total return	6.90%
Ratio to average net assets	
Net investment income[(1)]	4.07%
Expenses without reimbursement[(1)]	0.76%
Expenses with reimbursement[(1)]	0.25%

(1) Annualized

Note 7. Participant Unit Transactions

	Western Asset Core Bond CIF	
	Units	Dollars
Class R3		
Proceeds from sales of units	253,994	$ 2,821,672
Cost of units redeemed	(8,856,309)	(98,665,540)
Net change in Class R3 from participant transactions	(8,602,315)	(95,843,868)
Net decrease in net assets from participant transactions		$ (95,843,868)

Note 8. Risk Factors

Prior to liquidation, the Fund was exposed to various investment risks (such as market risk, concentration risk, credit risk, interest rate risk, foreign currency risk, etc.) from its investment portfolio. As of July 31, 2025, the Fund holds no material investment securities that would expose it to such risks.

Note 9. Derivative Instruments and Hedging Activities

The following tables provide information about the effect of derivatives and hedging activities on the Fund's statement of operations for the period ended July 31, 2025. 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 Gains (Losses) on Derivatives Recognized		
	Interest Rate Risk	**Credit Risk**	**Total**
Purchased options[1]	$ (271,992)	$ -	$ (271,992)
Written options	162,142	-	162,142
Futures contracts	518,686	-	518,686
Swap contracts	40,939	(31,351)	9,588
Total	$ 449,775	$ (31,351)	$ 418,424

(1) Net realized gains (losses) from purchased options were reported in net realized gains (losses) from investment transactions in the statement of operations.

	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized		
	Interest Rate Risk	**Credit Risk**	**Total**
Purchased options[1]	$ 11,294	$ -	$ 11,294
Written options	25,739	-	25,739
Futures contracts	52,139	-	52,139
Swap contracts	(146,230)	(19,011)	(165,241)
Total	$ (57,058)	$ (19,011)	$ (76,069)

(1) Net unrealized appreciation (depreciation) from purchased options was reported in net unrealized appreciation (depreciation) from investment transactions in the statement of operations.

The volume of derivative activity for the Fund was as follows during the period ended July 31, 2025:

	Average Market Value
Purchased options	$ 183,834
Written options	105,792
Futures contracts (to buy)	30,331,703
Futures contracts (to sell)	4,907,076

		Average Notional Balance
Interest rate swap contracts	$	18,028,500
Credit default swap contracts (to sell protection)		10,876,750

Supplementary Information

Hand Composite Employee Benefit Trust
Western Asset Core Bond CIF
Schedule of Investment Purchases and Sales
Period Ended July 31, 2025 (Date of Dissolution)

Purchases

Investment Class	Cost
Corporate Bonds	$ 842,003
Mortgage-Backed Securities	43,771,814
U.S. Government Obligations	586,650
Exchange-Traded Funds	301,630
Total investments purchased	$ 45,502,097

Sales

Investment Class	Proceeds	Cost	Gains (Losses)
Asset-Backed Securities	$ 3,045,786	$ 3,081,861	$ (36,075)
Collateralized Mortgage Obligations	11,734,676	12,300,018	(565,342)
Corporate Bonds	27,617,990	30,565,633	(2,947,643)
Foreign Government Obligations	908,061	1,234,885	(326,824)
Mortgage-Backed Securities	69,471,233	71,100,736	(1,629,503)
U.S. Government Obligations	20,153,521	22,167,183	(2,013,662)
Exchange-Traded Funds	306,280	301,630	4,650
Total investments sold	$ 133,237,547	$ 140,751,946	$ (7,514,399)