Hand Composite Employee Benefit Trust
Western Asset Long Duration Credit CIF

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

June 22, 2025 (Date of Dissolution)

Hand Composite Employee Benefit Trust
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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 Long Duration Credit CIF (Fund), included in the Hand Composite Employee Benefit Trust, which comprise the statement of assets and liabilities, as of June 22, 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 June 22, 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 (GAAP).

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 are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are 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 are conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust's and the selected fund's ability to continue as a going concern within one year after the date that these financial statements are 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, is 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 is 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 are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hand Composite Employee Benefit Trust's 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 are conditions or events, considered in the aggregate, that raise substantial doubt about Hand Composite Employee Benefit Trust's 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 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 GAAS. In our opinion, the information is 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
Western Asset Long Duration Credit CIF
Statement of Assets and Liabilities – Selected Fund
June 22, 2025 (Date of Dissolution)

	Western Asset Long Duration Credit CIF
ASSETS	
Cash	$ 42
Receivable for	
Dividends and interest	340
Total Assets	$ 382
LIABILITIES	
Accounts payable and accrued liabilities	$ 382
Total Liabilities	$ 382
Net assets held for participants	
Class R	$ -
Class R1	-
Total net assets held for participants	$ -
Units outstanding	
Class R	-
Class R1	-
Total units outstanding	-
Net asset value per unit	
Class R	$ -
Class R1	$ -

Hand Composite Employee Benefit Trust
Statement of Operations – Selected Fund
Period Ended June 22, 2025 (Date of Dissolution)

	Western Asset Long Duration Credit CIF
Income	
Interest (including foreign withholding tax benefit of $1,602)	$ 260,852
Dividends	2,903
Total Income	263,755
Expenses	
Trustee and administrative	105,312
Class R expenses	63
Class R1 expenses	7,115
Total Expenses Before Reimbursement	112,490
Reimbursement of fees	(102,773)
Net Expenses	9,717
Net Investment Income	254,038
Net Realized Gains (Losses) on Investments, Futures Contracts, Contracts, Foreign Currency, and Foreign Currency Forward Exchange Contracts	
Net realized losses on investments	(1,757,708)
Net realized losses on futures contracts	(107,909)
Net realized gains on foreign currency transactions	105
Net realized losses on foreign currency forward exchange contracts	(19,418)
Net Realized Losses	(1,884,930)
Change in Net Unrealized Appreciation/Depreciation	
Investments	1,862,699
Futures contracts	139,576
Foreign currencies	(13)
Foreign currency forward exchange contracts	19,418
Changes in Net Unrealized Appreciation/Depreciation	2,021,680
Net Realized and Unrealized Gains (Losses) on Investments, Futures Contracts, Foreign Currency, and Foreign Currency Forward Exchange Contracts	136,750
Net Increase in Net Assets From Operations	$ 390,788

Hand Composite Employee Benefit Trust
Statement of Changes in Net Assets – Selected Fund
Period Ended June 22, 2025 (Date of Dissolution)

	Western Asset Long Duration Credit CIF
Operations	
Net investment income	$ 254,038
Net realized losses	(1,884,930)
Change in net unrealized appreciation/depreciation	2,021,680
Net Increase in Net Assets From Operations	390,788
Net Decrease in Net Assets From Participant Unit Transactions	(18,632,694)
Decrease in Net Assets	(18,241,906)
Net Assets, Beginning of Period	18,241,906
Net Assets, End of Period	$ -

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 June 22, 2025, with all participants redeeming their shares prior to this date.

Individual share classes closed on different dates throughout this period. The dates of dissolution for each class were as follows: Class R closed on June 22, 2025, and Class R1 closed on February 14, 2025.

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 were 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) were recognized on the period ending date. As of June 22, 2025, the Fund held no financial instruments measured at fair value following the liquidation of all investments.

Investment Transactions

Investment transactions were accounted for on the trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments were reported on the identified cost basis. As of June 22, 2025, the fund held no financial instruments measured at fair value following the liquidation of all investments.

Foreign Currency

Investment securities and other assets and liabilities denominated in, or expected to settle in, foreign currencies were 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 were translated into U.S. dollar amounts on the respective dates of such transactions.

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 foreign currency at June 22, 2025, 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 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 accompanying statement of operations and the Fund recognizes 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.

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 June 22, 2025.

Note 3. Foreign Currency Forward Exchange Contracts

The Fund had no open forward foreign currency contracts as of June 22, 2025.

Note 4. 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 June 22, 2025, the investment advisor voluntarily reimbursed the Fund for a portion of its expenses.

The following table indicates the contractual 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 Long Duration Credit CIF				
Class R	0.04%	0.02%	0.09%	0.15%
Class R1	0.04%	0.03%	0.11%	0.18%

Note 5. Financial Highlights

	Western Asset Long Duration Credit CIF	
	Class R[1]	Class R1[2]
Net asset value, beginning of period	$ 12.25	$ 12.06
Net investment income	6.60	0.08
Net realized and unrealized gains (losses)	(6.39)	0.18
Net increase from investment operations	0.21	0.26
Net asset value, prior to liquidation	12.46	12.32
Liquidating redemption	(12.46)	(12.32)
Net asset value, end of period	$ -	$ -
Total return	1.71%	2.16%
Ratio to average net assets		
Net investment income[3]	112.48%	5.29%
Expenses without reimbursement[3]	72.28%	1.21%
Expenses with reimbursement[3]	0.20%	0.39%

[1] *For the period January 1, 2025 through June 22, 2025 (closing date)*

[2] *For the period January 1, 2025 through February 14, 2025 (closing date)*

[3] *Annualized*

Note 6. Participant Unit Transactions

	Western Asset Long Duration Credit CIF	
	Units	Dollars
Class R		
Proceeds from sales of units	-	$ -
Cost of units redeemed	(19,528)	(243,292)
Net change in Class R from participant transactions	(19,528)	(243,292)
Class R1		
Proceeds from sales of units	-	-
Cost of units redeemed	(1,492,618)	(18,389,402)
Net change in Class R1 from participant transactions	(1,492,618)	(18,389,402)
Net decrease in net assets from participant transactions		$ (18,632,694)

Note 7. Risk Factors

Prior to liquidation, the Fund was exposed to various market risks (investment securities risk, foreign securities risk, currency risk, etc.) from its investments in debt securities. As of June 22, 2025, the Fund holds no investment securities and thus has no exposure to such market risks.

Note 8. Derivative Instruments and Hedging Activities

The following tables provide information about the effect of derivatives and hedging activities on the Fund's accompanying statement of operations for the period ended June 22, 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 Losses on Derivatives Recognized		
	Interest Rate Risk	Foreign Exchange Risk	Total
Futures contracts	$ (107,909)	$ -	$ (107,909)
Forward foreign currency contracts	-	(19,418)	(19,418)
Total	$ (107,909)	$ (19,418)	$ (127,327)

	Change in Unrealized Appreciation on Derivatives Recognized		
	Interest Rate Risk	Foreign Exchange Risk	Total
Futures contracts	$ 139,576	$ -	$ 139,576
Forward foreign currency contracts	-	19,418	19,418
Total	$ 139,576	$ 19,418	$ 158,994

The volume of derivative activity for the Fund was as follows during the period ended June 22, 2025:

	Average Market Value
Futures contracts (to buy)	$ 11,109,500
Futures contracts (to sell)	3,131,156
Foreign currency exchange contracts (to buy)	395,195
Foreign currency exchange contracts (to sell)	410,388

Supplementary Information

Hand Composite Employee Benefit Trust
Western Asset Long Duration Credit CIF
Schedule of Investment Purchases and Sales
Period Ended June 22, 2025

Purchases

Investment Class	Cost
Corporate Bonds	$ 1,471,000
U.S. Government Obligations	187,870
Exchange-Traded Funds	154,820
Total investments purchased	$ 1,813,690

Sales

Investment Class	Proceeds	Cost	Gains (Losses)
Corporate Bonds	$ 16,509,065	$ 18,168,468	$ (1,659,403)
Floating Rate Loans	196,955	196,227	728
Foreign Government Obligations	380,416	391,037	(10,621)
Municipals	494,592	585,479	(90,887)
Preferred Stock	84,597	85,837	(1,240)
U.S. Government Obligations	235,740	237,586	(1,846)
Asset-Backed Securities	675,693	665,840	9,853
Exchange-Traded Funds	150,033	154,820	(4,787)
Total investments sold	$ 18,727,091	$ 20,485,294	$ (1,758,203)