Hand Composite Employee Benefit Trust
Western Asset Core Plus 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 Plus 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 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 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 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 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
September 21, 2026

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

	Western Asset Core Plus Bond CIF
ASSETS	
Cash	$ 837
Receivable for	
Expense reimbursement from investment advisor	217,242
Dividends and interest	23,901
Principal paydowns	1,334
Total Assets	$ 243,314
LIABILITIES	
Management fee payable	47,083
Accounts payable and accrued liabilities	196,231
Total Liabilities	$ 243,314
Net assets held for participants	
Class R1	$ -
Class R2	-
Class R3	-
Class R-INT	-
Class R-LM	-
Total net assets held for participants	$ -
Units outstanding	
Class R1	-
Class R2	-
Class R3	-
Class R-INT	-
Class R-LM	-
Total units outstanding	-
Net asset value per unit	
Class R1	$ -
Class R2	$ -
Class R3	$ -
Class R-INT	$ -
Class R-LM	$ -

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

	Western Asset Core Plus Bond CIF
Income	
Interest	$ 2,179,726
Total Income	2,179,726
Expenses	
Trustee and administrative	276,153
Class R1 expenses	43,941
Class R2 expenses	17,244
Class R3 expenses	39,265
Total Expenses Before Reimbursement	376,603
Reimbursement of fees	(148,673)
Net Expenses	227,930
Net Investment Income	1,951,796
Net Realized Gains (Losses) on Investments, Written Options, Futures Contracts, Swap Contracts, Foreign Currency, and Foreign Currency Forward Exchange Contracts	
Net realized losses on investments	(25,932,343)
Net realized gains on options written	512,774
Net realized losses on futures contracts	(784,275)
Net realized losses on swap contracts	(1,257,734)
Net realized losses on foreign currency transactions	(931,000)
Net realized gains on foreign currency forward exchange contracts	770,501
Net Realized Losses	(27,622,077)
Change in Net Unrealized Appreciation/Depreciation	
Investments	26,186,435
Options written	42,789
Futures contracts	1,191,590
Swap contracts	1,528,359
Foreign currencies	186,883
Foreign currency forward exchange contracts	(807,297)
Change in Net Unrealized Appreciation/Depreciation	28,328,759
Net Realized and Unrealized Gains on Investments, Written Options, Futures Contracts, Swap Contracts, Foreign Currency, and Foreign Currency Forward Exchange Contracts	706,682
Net Increase in Net Assets From Operations	$ 2,658,478

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

	Western Asset Core Plus Bond CIF
Operations	
Net investment income	$ 1,951,796
Net realized losses	(27,622,077)
Change in net unrealized appreciation/depreciation	28,328,759
Net Increase in Net Assets From Operations	2,658,478
Net Decrease in Net Assets From Participant Unit Transactions	(319,127,886)
Decrease in Net Assets	(316,469,408)
Net Assets, Beginning of Period	316,469,408
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 July 31, 2025, with all participants redeeming their shares on or prior to this date.

Individual share classes closed on different dates throughout this period. The date of dissolution for each class were as follows: Class R1 closed on July 31, 2025; Class R2 and R-LM closed on July 25, 2025; Class R3 closed on April 14, 2025; and Class R-INT closed on July 30, 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 July 31, 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 July 31, 2025, the fund held no financial instruments measured at fair value following the liquidation of all investments.

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

The Fund was among the accounts under review for 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, Western Asset was not in a position to address the potential outcomes of the still-ongoing investigations, including any conclusions regarding any potential impact to particular accounts. As of July 31, 2025, there was no accrual booked in relation to the ongoing investigations, as there has been no determination if there were misallocations that affected the Fund.

Subsequent Events

Subsequent events have been evaluated through September 21, 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. Fund Dissolution and Liquidation Account

On July 31, 2025, the Fund was closed and all participant units redeemed, with some remaining assets retained as a holdback related to illiquid investments. The remaining investments, Spirit Airlines Inc. Class A with a fair value of approximately $51 and foreign currency denominated in Russian rubles (“RUB”) valued at approximately $217,000 were transferred to and continue to be held within a designated liquidation account, in accordance with the governing trust agreement, solely to facilitate an orderly liquidation. As a result, all participant shares were reduced to zero as of the date of dissolution.

Former participants retain a beneficial interest in the residual assets held in the designated liquidation account, and distributions are made on a pro rata basis as cash is received from the sale or cash flows from the underlying investments. Accordingly, the ongoing activities after July 31, 2025, are administered through the designated liquidation account and are limited to the orderly liquidation of these assets and the distribution of proceeds to former participants. Additionally, minimal liquid assets were kept in the Fund upon closure. Management expects these balances to be used to settle outstanding expenses, with any residual amounts to be distributed to participants who held interest in the Fund prior to liquidation.

Subsequent changes in value of the illiquid assets will be recorded through the designated liquidation account. As a result of recently implemented global economic policies, economic uncertainties have arisen that may negatively impact the valuation of the assets held by the liquidation account. The duration of these uncertainties and the ultimate financial impacts cannot be reasonably estimated at this time. Due to international sanctions imposed on Russia, management’s ability to convert RUB into U.S. dollars or transfer the funds outside of Russia was currently subject to significant restrictions and uncertainties, and the timing and ability to convert and distribute the remaining RUB was dependent on future geopolitical developments.

Note 3. Futures Contracts

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

Note 4. Foreign Currency Forward Exchange Contracts

The Fund had no foreign currency forward exchange contracts as of July 31, 2025.

Note 5. Swap Contracts

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

Note 6. 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	2,755,737	$ 382,307
Options written	1,622,221	691,052
Options closed	(246,480)	(518,244)
Options expired	(4,131,478)	(555,115)
Written options, outstanding as of July 31, 2025	-	$ -

Note 7. Investment Advisory Fees and Other Transactions With Affiliates

The Fund was 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 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 Plus Bond CIF				
Class R1	0.04%	0.30%	0.45%	0.79%
Class R2	0.04%	0.25%	0.25%	0.54%
Class R3	0.04%	0.20%	0.36%	0.60%
Class R-INT	0.06%	0.00%	1.70%	1.76%
Class R-LM	0.05%	0.00%	1.34%	1.39%

Note 8. Financial Highlights

	Western Asset Core Plus Bond CIF				
	Class R1[1]	Class R2[2]	Class R3[3]	Class R-INT[4]	Class R-LM[2]
Net asset value, beginning of period	$ 17.64	$ 17.72	$ 17.72	$ 18.04	$ 18.01
Net investment income	0.45	0.45	0.21	0.27	0.33
Net realized and unrealized losses	(0.12)	(0.05)	(0.04)	(0.05)	(0.04)
Net increase from operations	0.33	0.40	0.17	0.22	0.29
Net asset value, prior to liquidation	17.97	18.12	17.89	18.26	18.30
Liquidating redemption	(17.97)	(18.12)	(17.89)	(18.26)	(18.30)
Net asset value, end of period	$ -	$ -	$ -	$ -	$ -
Total return	1.87%	2.26%	0.96%	1.22%	1.61%
Ratio to average net assets					
Net investment income[5]	4.22%	4.26%	3.98%	2.51%	3.19%
Expenses without reimbursement[5]	0.79%	0.54%	0.60%	1.82%	1.40%
Expenses with reimbursement[5]	0.35%	0.30%	0.25%	1.82%	1.40%

[1] *For the period January 1, 2025 through July 31, 2025 (closing date)*
[2] *For the period January 1, 2025 through July 25, 2025 (closing date)*
[3] *For the period January 1, 2025 through April 14, 2025 (closing date)*
[4] *For the period January 1, 2025 through July 30, 2025 (closing date)*
[5] *Annualized*

Note 9. Participant Unit Transactions

	Western Asset Core Plus Bond CIF	
	Units	**Dollars**
Class R1		
Proceeds from sales of units	179,358	$ 3,219,141
Cost of units redeemed	(5,845,890)	(104,277,246)
Net change in Class R1 from participant transactions	(5,666,532)	(101,058,105)
Class R2		
Proceeds from sales of units	48,131	858,261
Cost of units redeemed	(7,280,516)	(128,503,844)
Net change in Class R2 from participant transactions	(7,232,385)	(127,645,583)
Class R3		
Proceeds from sales of units	172,296	3,133,037
Cost of units redeemed	(4,332,577)	(78,665,394)
Net change in Class R3 from participant transactions	(4,160,281)	(75,532,357)
Class R-INT		
Proceeds from sales of units	90	1,657
Cost of units redeemed	(381)	(6,960)
Net change in Class R-INT from participant transactions	(291)	(5,303)
Class R-LM		
Proceeds from sales of units	24,045	440,216
Cost of units redeemed	(837,420)	(15,326,754)
Net change in Class R-LM from participant transactions	(813,375)	(14,886,538)
Net decrease in net assets from participant transactions		$ (319,127,886)

Note 10. 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 have exposure to such risks.

Note 11. 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	Foreign Exchange Risk	Equity Risk	Credit Risk	Total
Purchased options[1]	$ (668,686)	$ (24,875)	$ -	$ -	$ (693,561)
Written options	478,254	34,520	-	-	512,774
Futures contracts	(727,372)	(56,903)	-	-	(784,275)
Swap contracts	(1,294,554)	-	85,077	(48,257)	(1,257,734)
Foreign currency forward exchange contracts	-	770,501	-	-	770,501
Total	$ (2,212,358)	$ 723,243	$ 85,077	$ (48,257)	$ (1,452,295)

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

	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized				
	Interest Rate Risk	Foreign Exchange Risk	Equity Risk	Credit Risk	Total
Purchased options[1]	$ (68,472)	$ (6,749)	$ -	$ -	$ (75,221)
Written options	71,594	(28,805)	-	-	42,789
Futures contracts	1,076,762	114,828	-	-	1,191,590
Swap contracts	1,587,997	-	(50,922)	(8,716)	1,528,359
Foreign currency forward exchange contracts	-	(807,297)	-	-	(807,297)
Total	$ 2,667,881	$ (728,023)	$ (50,922)	$ (8,716)	$ 1,880,220

(1) The change in unrealized appreciation (depreciation) from purchased options was reported in the change 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	$ 274,916
Written options	155,052
Futures contracts (to buy)	99,620,809
Futures contracts (to sell)	62,344,341
Foreign currency forward exchange contracts (to buy)	26,969,067
Foreign currency forward exchange contracts (to sell)	31,022,381

	Average Notional Balance
Interest rate swap contracts	$ 32,379,679
Total return swap contracts	5,289
Credit default swap contracts (to buy protection)	7,389,229

Supplementary Information

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

Purchases	
Investment Class	**Cost**
Asset-Backed Securities	$ 1,918,304
Collateralized Mortgage Obligations	19,588
Corporate Bonds	4,167,940
Floating Rate Loans	844,477
Foreign Government Obligations	406,063
Mortgage-Backed Securities	229,962,276
U.S. Government and Agency Obligations	4,168,394
Warrants	163,139
Total investments purchased	$ 241,650,181

Sales			
Investment Class	**Proceeds**	**Cost**	**Losses**
Asset-Backed Securities	$ 28,855,159	$ 29,599,780	$ (744,621)
Collateralized Mortgage Obligations	62,018,830	67,389,710	(5,370,880)
Corporate Bonds	116,173,679	126,930,239	(10,756,560)
Floating Rate Loans	8,614,681	8,632,876	(18,195)
Foreign Government Obligations	12,746,755	14,415,644	(1,668,889)
Mortgage-Backed Securities	314,358,367	319,848,631	(5,490,264)
U.S. Government and Agency Obligations	12,608,449	12,989,659	(381,210)
Warrants	51,060	162,628	(111,568)
Total investments sold	$ 555,426,980	$ 579,969,167	$ (24,542,187)