

WESTERN ASSET INCOME CIF R1

Investment objective

The Western Asset Income CIF seeks to provide investors with high current income by investing in a globally diverse portfolio of fixed-income securities across a range of fixed-income sectors and strategies. There is no guarantee or assurance the CIF will achieve its objective.

Average annual total returns & fund expenses[^] (%) as of Dec. 31, 2020

	3 Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Expenses		Inception date
								Gross	Net	
Class R1	4.95	3.73	3.73	3.54	5.58	—	3.63	0.59	0.59	12/08/14
Bloomberg Barclays U.S. Universal	1.29	7.58	7.58	5.45	4.87	—	4.12			

An investor making a \$1,000 investment would pay \$5.90/year based on the net expense ratio or \$5.90/year based on the gross expense ratio shown above. The expense ratio includes no service fees payable to the plan's service providers.

Class R1 of the CIF commenced operations on December 6, 2017. The performance shown includes periods prior to the inception of Class R1 of the CIF, reflecting the performance of Class R3 of the CIF, which commenced operations on December 8, 2014, restated to reflect the fees and expenses of this unit class, as shown in the table above. The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and unit value of the CIF will fluctuate, and units may be worth more or less than their original cost when redeemed. Returns for periods less than one year are cumulative. Performance would have been lower if fees and expenses had not been waived in various periods. Total returns assume the reinvestment of all distributions at net asset value and deduction of all CIF expenses. Performance for other unit classes will vary due to differences in class expenses.

[^]Expenses consist of the annual management fee and ordinary operating expenses for this particular unit class of the CIF. Gross expenses are the CIF's total annual operating expenses for the unit class indicated. Net expenses are the CIF's total annual operating expenses for the unit class indicated and reflect fee waivers and/or reimbursements, where these reductions reduce the CIF's gross expenses. Hand Benefits & Trust Company, the CIF's Trustee, has agreed to waive fees and/or reimburse operating expenses so that the CIF's annual net expenses do not exceed the value shown above. These waivers and/or reimbursements may be reduced or terminated at any time.

This information is provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security. Risks are summarized on the next page.

The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a Benefit Plans Administrative Services, Inc. (BPAS) company, or Western Asset Management Company, LLC, and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. The CIF is newly organized and does not have a long-term operating history. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees. For a more complete description of the investment strategy and principal risk factors, please consult the CIF's Investment Policy Statement, which is available upon request by calling 1-866-807-0886.

Sector allocation (%) as of Dec. 31, 2020

High Yield Corporate Bonds	32.2
Bank Loans	20.6
Emerging Market	16.6
Mortgage-Backed Securities	11.2
Investment Grade Corporate Bonds	9.9
Asset-Backed Securities	6.8
Cash & Other Securities	2.2
Government	0.5

Detail of mortgage-backed security allocation (%)

CMBS	4.6
Non-Agency MBS	6.6

Credit quality allocation (%) as of Dec. 31, 2020

AAA	3.7
AA	3.0
A	3.4
BBB	25.1
Below BBB	55.7
Not Rated	9.1

Emerging Markets Debt (EMD) sectors (%) as of Dec. 31, 2020

Sovereign Debt External Currency	6.4
Sovereign Debt Local Currency	5.4
Corporates External Currency	4.8

Share class codes

	CUSIP	Ticker
R1	41026E335	HWINAX

Investment strategy

Team management and intensive proprietary research
Western Asset's approach emphasizes team management and intensive proprietary research to identify undervalued securities with the potential to outperform over the long term. The teams employ multiple investment strategies in an effort to manage risk and create diversified portfolios, including sector rotation, issue selection and duration management.

Hand Composite Employee Benefit Trust

The Western Asset Income CIF is a collective investment fund created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company (Trustee), that invests in strategies of Western Asset Management Company, LLC, which serves as the Sub-Adviser to the CIF. The Trustee has appointed Western Asset to serve as the investment Sub-Adviser for the CIF, subject to the supervision and oversight of the Trustee. Neither the CIF nor the Trust are registered under the Investment Company Act of 1940, as amended, and their units are not registered under the Securities Act of 1933, as amended, or applicable securities laws of any state or other jurisdiction. As described in the Trust's governing documents, the CIF is only available for investment by eligible plan investors. The CIF is not insured by the Trustee or Western Asset, or any of their respective affiliates, the FDIC or any other person.

Statistics as of Dec. 31, 2020

Net assets (\$ millions)	\$411.3M
Number of holdings	658
Effective duration	4.0 yrs
Weighted average life	6.7 yrs
Turnover	N/A
Morningstar category	Multisector Bond

Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, if two or more of the agencies have assigned differing ratings to a security, the highest rating is used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the CIF's portfolio does not apply to the stability or safety of the CIF. These ratings are updated monthly and may change over time. **Please note, the CIF itself has not been rated by an independent rating agency.**

Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security. Selected portfolio statistics and information are unaudited and are subject to change at any time without notice. Percentages are based on total portfolio.

For use only with eligible qualified retirement plan sponsors and participants.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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Top Holdings (%) as of Dec. 31, 2020

RUSSIA GOVT BOND OFZ BONDS 0	2.1
INDONESIA GOVERNMENT	2.1
REPUBLIC OF INDONESIA	0.7
FIRST QUANTUM MINERALS L	0.6
PETROBRAS GLOBAL FINANCE BV	0.6
UNITED RENTALS NORTH AMERICA I	0.6
SPRINT CAPITAL CORP	0.5
LEGACY MORTGAGE ASSET TRUST LM	0.5
BOEING CO BA TL DD SR USD	0.5
RANGE RESOURCES CORP	0.5

Top countries-EMD (%) as of Dec. 31, 2020

Indonesia	3.3
Brazil	2.7
Russia	2.2
Argentina	1.3
Mexico	1.0
Kazakhstan	0.9
United Arab Emirates	0.9
Macau	0.6
Qatar	0.6
Ghana	0.3
Ivory Coast	0.3
Hong Kong	0.3
Colombia	0.3
Singapore	0.3
Israel	0.3

Top currencies (%) as of Dec. 31, 2020

US Dollar	92.4	Australian Dollar	0.4
Russian Ruble	2.6	Japanese Yen	0.4
Canadian Dollar	1.5	Norwegian Krone	0.2
Euro	1.4	New Zealand Dollar	-0.1
Mexican Peso	1.0	Saudi Riyal	-0.7
Indonesian Rupiah	0.8		

Western Asset

Western Asset Management Company, LLC (Western Asset), a subsidiary of Franklin Resources, Inc., acts as the sub-advisor to the Western Asset Income CIF (CIF) and uses a team-based approach. One of the world's leading fixed-income managers, Western Asset has focused exclusively on fixed income since its founding in 1971. They offer investors a broad range of core and specialized bond portfolios from across the fixed-income universe, all managed using a long-term, value-oriented investment process.

Principal investment risks

Investments in fixed-income securities involve interest rate, credit, inflation and reinvestment risks; and possible loss of principal. An increase in interest rates will reduce the value of fixed income securities. High-yield bonds possess greater price volatility, illiquidity and possibility of default. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks. International investments are subject to special risks, including currency fluctuations, as well as social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. The CIF may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on CIF performance. Potential active and frequent trading may result in higher transaction costs and increased investor liability. Diversification does not assure a profit or protect against market loss. Plans and their participants could lose money by investing in the CIF.

A more complete description of the principal risks of investing in the CIF can be found in the CIF's Investment Policy Statement, which is available upon request by calling 1-866-807-0886.

This information is not intended as authoritative guidance or tax or legal advice. You should consult with your attorney or tax advisor for guidance on your specific situation.

The **Bloomberg Barclays U.S. Universal Index** (Benchmark) represents the union of the U.S. Aggregate Index, U.S. Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment-grade or below investment-grade. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

A general rise in interest rates may lead to increased portfolio volatility.

Any information, statements and opinions set forth herein are general in nature, are not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.