

WESTERN ASSET LONG DURATION CREDIT CIF R1

Investment objective

The Western Asset Long Duration Credit CIF seeks to maximize risk-adjusted returns while adhering to a disciplined risk control process by investing to exceed Bloomberg Barclays U.S. Long Credit Index by 115 basis points annually over the medium term (3-7 years) while targeting annual tracking error volatility of 230 basis points. There is no guarantee or assurance that 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	5.42	14.41	14.41	9.47	10.33	8.86	9.08	0.41	0.40	02/12/08
Bloomberg Barclays U.S. Long Credit	4.92	13.32	13.32	9.23	10.02	8.23	8.26			

An investor making a \$1,000 investment would pay \$4.10/year based on the estimated gross expense ratio and \$4.00/year based on the net expense ratio shown above.

Class R1 of the CIF commenced operations on January 15, 2017. The performance shown includes periods prior to the inception of Class R1 of the CIF, reflecting the performance of Class R of the CIF, which commenced operations on March 2, 2015, restated to reflect the fees and expenses of this unit class, as shown in the table above. This CIF is the successor to an institutional separately managed account (the "Predecessor Account") that was managed by Western Asset Management Company, LLC ("Western Asset"). On March 2, 2015 ("CIF Inception Date"), the Predecessor Account transferred its assets to the CIF in exchange for Class R units of the CIF. Prior to such transfer, the Predecessor Account was managed by the same Western Asset portfolio managers as the CIF and in accordance with investment policies, objectives, guidelines and restrictions that were substantially similar to those of the CIF. The performance shown above includes (1) the performance of the Predecessor Account for the periods prior to the CIF Inception Date, net of the Predecessor Account's annual investment management fee (0.23% on average), and (2) the performance of Class R of the CIF for the periods after the CIF Inception Date, net of all applicable Class R fees and expenses, as stated herein. The inception date shown above reflects the inception date of the Predecessor Account.

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.

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.

Share class codes

	Symbol	CUSIP
R1	HWLDAX	41026E608

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 Long Duration Credit 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)	\$409.6M
Number of holdings	707
Effective duration	15.2 yrs
Weighted average life	22.9 yrs

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

AAA	4.4
AA	11.5
A	31.2
BBB	41.6
Below BBB	8.8
Not Rated	2.5

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

Investment Grade Corporate Bonds	78.4
High Yield Corporate Bonds	7.1
Emerging Market	6.6
Government	3.2
Cash & Other Securities	2.1
Municipal	2.0
Bank Loans	0.4
Asset-Backed Securities	0.2

Top 10 holdings (%) as of Dec. 31, 2020

US TREASURY N/ 1.375 8/50 1.3750%	2.0
GENERAL ELEC CAP CORP 6.8750% Mat 01/10/2039	1.7
VERIZON COMMUNICATIONS 4.5220% Mat 09/15/2048	1.5
AT+T INC SR UNSECURED 03/48 4.45000% Mat 03/09/2048	1.0
ABBVIE INC SR UNSECURED 11/49 4.2500% Mat 11/21/2049	0.9
CITIGROUP INC 8.1250% Mat 07/15/2039	0.8
US TS 0.875% 11/15/30	0.8
COMCAST CORP COMPANY GUAR 10/3 4.6000% Mat 10/15/2038	0.8
FIRSTENERGY CORP 7.3750% Mat 11/15/2031	0.8
Wells Fargo & Company 5.0130% Mat 04/04/2051	0.8

Western Asset

Western Asset Management Company, LLC (Western Asset), a subsidiary of Franklin Resources, Inc., acts as the sub-adviser to the Western Asset Long Duration Credit 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.

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 Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Duration** measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

The **Bloomberg Barclays U.S. Long Credit Index** is a broad-based unmanaged index of investment-grade corporate bonds. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

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