

# WESTERN ASSET CORE PLUS BOND CIF R3

## Investment objective

The Western Asset Core Plus Bond CIF seeks to maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain an average duration of within 30% of the duration of the domestic bond market as a whole. There is no guarantee or assurance the CIF will achieve its objective.

## Average annual total returns & fund expenses<sup>^</sup> (%) as of Dec. 31, 2018

	3 Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Expenses		Inception date
								Gross	Net	
Class R3	0.96	-1.76	-1.76	3.56	3.78	5.87	4.97	0.29	0.25	05/06/08
Bloomberg Barclays U.S. Aggregate Index	1.64	0.01	0.01	2.06	2.52	3.48	3.59			

Inception date shown above reflects the performance inception date of the predecessor collective investment fund, Legg Mason Collective Trust – Western Asset Core Plus Bond CIF.

An investor making a \$1,000 investment would pay \$2.50/year based on the net expense ratio or \$2.90/year based on the gross expense ratio shown above. The expense ratio includes no service fees payable to the plan's service providers.

**Because this unit class of the CIF has not yet commenced operations, performance shown above reflects the performance of Class R1 of the CIF, which commenced operations on January 2, 2014, restated to reflect the fees and expenses of this unit class, as shown in the table above. Performance shown includes periods prior to the CIF's inception date, reflecting performance of a predecessor collective investment fund, Legg Mason Collective Trust – Western Asset Core Plus Bond CIF (Legg Mason CIF). The Legg Mason CIF terminated operations and was liquidated effective as of the close of business on December 31, 2013, at which time the Legg Mason CIF's investors transferred the assets they received upon liquidation into this CIF, which commenced operation on January 2, 2014. Prior thereto, the Legg Mason CIF was managed by Western Asset Management Company, LLC (Western Asset) as a Sub-Adviser retained by Legg Mason Investment Counsel & Trust Company, N.A., the trustee of the Legg Mason CIF (LMIC&T), in accordance with investment objective, policies and strategies substantially similar to those of the CIF, which is also managed by Western Asset as a Sub-Adviser retained by Hand Benefits & Trust Company, the CIF's trustee (Trustee). LMIC&T waived and/or reimbursed operating expenses of the Legg Mason CIF so that the Legg Mason CIF's annual net expenses did not exceed 0.35%. The Trustee also has agreed to waive and/or reimburse operating expenses of the CIF so that the CIF's annual net expenses do not exceed 0.27%. Past performance is no guarantee of future results.**

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.

<sup>^</sup>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, 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 Legg Mason Shareholder Services at 1-866-807-0886.

## Share class codes

	Symbol
R3	41026E426

## 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 Core Plus Bond 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 invest in strategies of Western Asset 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.

## Benchmark (BM)

Bloomberg Barclays U.S. Aggregate Index

## Statistics as of Dec. 31, 2018

Net assets (\$ millions)	\$396.1M
Number of holdings	975
Effective duration	6.1 yrs
Weighted average life	10.6 yrs
Yield to worst (%)	4.10
Turnover	N/A
Morningstar category	Intermediate Term Bond

## Credit quality allocation (%) as of Dec. 31, 2018

AAA	57.7
AA	5.5
A	16.2
BBB	14.0
Below BBB	7.8
Not Rated	-1.2

Percentages are based on total portfolio as of quarter-end, are unaudited 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.

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

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

