

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 Sept. 30, 2018

	3 Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Expenses		Inception date
								Gross	Net	
Class R1	0.65	-3.46	-3.03	3.66	—	—	2.03	0.69	0.59	12/08/14
Bloomberg Barclays U.S. Universal	0.27	-1.41	-1.00	1.98	—	—	1.89			

An investor making a \$1,000 investment would pay \$5.90/year based on the net expense ratio or \$6.90/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 Sept. 30, 2018

High Yield Corporate Bonds	27.5
Emerging Market	24.4
Mortgage-Backed Securities	12.2
Bank Loans	11.5
Government	11.4
Investment Grade Corporate Bonds	9.4
Asset-Backed Securities	2.3
Cash & Other Securities	1.3

Detail of mortgage-backed security allocation (%)

CMBS	4.7
Non-Agency MBS	7.5

Credit quality allocation (%) as of Sept. 30, 2018

AAA	12.8
AA	2.5
A	10.3
BBB	21.7
Below BBB	46.8
Not Rated	5.8

Emerging Markets Debt (EMD) sectors (%) as of Sept. 30, 2018

Sovereign Debt External Currency	10.8
Sovereign Debt Local Currency	7.9
Corporates External Currency	5.7

Share class codes

	CUSIP
R1	41026E335

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 Sept. 30, 2018

Net assets (\$ millions)	\$163.5M
Number of holdings	389
Effective duration	4.9 yrs
Weighted average life	7.3 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

WESTERN ASSET INCOME CIF R1

Top Holdings (%) as of Sept. 30, 2018		Top countries-EMD (%) as of Sept. 30, 2018	
CANADIAN GOVERNMENT BONDS 05/2	5.2	Indonesia	4.7
US TREASURY N/B 03/19 1.25	2.8	Brazil	4.5
RUSSIA GOVT BOND OFZ BONDS 0	2.1	Argentina	3.5
REPUBLIC OF INDONESIA	2.0	Russia	2.4
UNITED MEXICAN STATES	1.8	Mexico	1.9
INDONESIA GOVERNMENT	1.7	Kazakhstan	0.8
NOTA DO TESOURO NACIONAL NOTES	1.4	Egypt	0.8
US TREASURY N/B 05/48 3.125	1.3	Ecuador	0.8
US TREASURY N/B 11/27 2.25	1.2	Senegal	0.7
WELLS FARGO COMMERCIAL MORTGAG	1.1	Ghana	0.6
		United Arab Emirates	0.5
		Morocco	0.4
		South Africa	0.3
		Kuwait	0.3
		Qatar	0.3

Top currencies (%) as of Sept. 30, 2018			
US Dollar	92.1	Polish Zloty	0.3
Indonesian Rupiah	3.2	Australian Dollar	0.3
Brazilian Real	2.4	British Pound	0.1
Russian Ruble	1.4	New Zealand Dollar	0.1
Mexican Peso	0.9	Colombian Peso	-0.0
Japanese Yen	0.9	Canadian Dollar	-0.2
Egyptian Pound	0.8	Philippine Peso	-0.8
Indian Rupee	0.7	Euro	-2.6
Argentine Peso	0.4		
Czech Koruna	0.3		

The Western Asset Income CIF is newly organized and does not have a long-term operating history. Information shown below is for a mutual fund ("Related Fund") managed by Western Asset in accordance with investment objectives, policies and strategies substantially similar to the CIF. The performance information shown below reflects the fees and expenses of the Related Fund, but not the fees and expenses of the CIF. The net expense ratio of the class of shares of the Related Fund whose performance is shown below is higher than the CIF's net expense ratio. It is important to note that the performance results presented do not represent the performance of the CIF and are no indication of how the CIF would have performed in the past or will perform in the future. This information is intended for illustrative purposes only.

Average annual total returns & fund expenses [^] (%) as of Sept. 30, 2018							
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Net	Inception date
Class I	-1.08	4.37	3.68	7.06	5.52	0.70	10/10/95
Benchmark	-1.00	1.98	2.53	4.22	-		

Cumulative total returns (%) as of Sept. 30, 2018 (without sales charges)											
	3 Mo	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009
Class I	0.81	-2.16	8.87	8.94	-2.80	4.40	1.44	13.05	7.29	12.33	29.65
Benchmark	0.27	-1.41	4.09	3.91	0.43	5.55	-1.35	5.54	7.40	7.16	8.60

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than the original cost. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Related Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Related Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. YTD is calculated from January 1 of the reporting year. Returns for periods of less than one year are cumulative. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.leggmasonfunds.com.

[^] Related Fund net expenses for Class I reflects contractual fee waivers and/or reimbursements, where these reductions reduce the Related Fund's gross expenses, which cannot be terminated prior to Dec 31, 2018 without Board consent.

Western Asset

Western Asset Management Company, LLC (Western Asset), a subsidiary of Legg Mason, 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 Legg Mason Shareholder Services at 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.