

Semi-Annual Shareholder Report

June 30, 2020



Share Class

Primary

Service

Federated Hermes Managed Volatility Fund II

(formerly, Federated Managed Volatility Fund II)

A Portfolio of Federated Hermes Insurance Series

(formerly, Federated Insurance Series)

IMPORTANT NOTICE TO SHAREHOLDERS

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from the insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a website, and the insurance company will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company electronically by following the instructions provided by the insurance company.

You may elect to receive all future reports in paper free of charge from the insurance company. You can inform the insurance company that you wish to continue receiving paper copies of your shareholder reports by contacting the insurance company that offers your contract or your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract.

Dear Valued Shareholder,

I am pleased to present the Semi-Annual Shareholder Report for your fund covering the period from January 1, 2020 through June 30, 2020.

As we all confront the unprecedented effects of the coronavirus and the challenges it presents to our families, communities, businesses and the financial markets, I want you to know that everyone at Federated Hermes is dedicated to helping you successfully navigate the uncertainty ahead. You can count on us for the insights, investment management knowledge and client service that you have come to expect. Please refer to our website, [FederatedInvestors.com](https://www.federatedinvestors.com), for timely updates on this and other economic and market matters.

Thank you for investing with us. I hope you find this information useful and look forward to keeping you informed.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. Fisher".

John B. Fisher, President

Not FDIC Insured • May Lose Value • No Bank Guarantee

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Portfolio of Investments Summary Tables (unaudited)

At June 30, 2020, the Fund's portfolio composition¹ was as follows:

Portfolio Composition	Percentage of Total Net Assets
Domestic Fixed-Income Securities	48.3%
Domestic Equity Securities	39.1%
Federated Hermes High Income Bond Fund II, Class P	2.4%
Emerging Markets Core Fund	2.0%
Project and Trade Finance Core Fund	1.7%
Federated Bank Loan Core Fund	0.8%
International Equity Securities	0.7%
Federated Hermes Short-Intermediate Government Fund, Institutional Shares ²	0.0%
Cash Equivalents ³	2.0%
Other Security Types ⁴	0.3%
Derivative Contracts ⁵	0.8%
Repurchase Agreement	6.0%
Other Assets and Liabilities—Net ⁶	(4.1)%
TOTAL	100.0%

At June 30, 2020, the Fund's sector composition⁷ for its equity securities was as follows:

Sector Composition of Equity Holdings	Percentage of Equity Securities
Financials	18.6%
Health Care	14.7%
Industrials	12.3%
Information Technology	9.8%
Communication Services	9.1%
Consumer Staples	9.1%
Consumer Discretionary	6.7%
Utilities	5.7%
Energy	5.1%
Real Estate	4.6%
Materials	4.3%
TOTAL	100.0%

1 See the Fund's Prospectus and Statement of Additional Information for a description of the types of securities in which the Fund invests. As of the date specified above, the Fund owned shares of one or more affiliated investment companies. For purposes of this table, affiliated investment companies (other than an affiliated money market mutual fund) in which the Fund invested greater than 10% of its net assets are not treated as a single portfolio security, but rather the Fund is treated as owning a pro rata portion of each security and each other asset and liability owned by the affiliated investment company. Accordingly, the percentages of total net assets shown in the table will differ from those presented on the Portfolio of Investments. Affiliated investment companies (other than an affiliated money market mutual fund) in which the Fund invested less than 10% of its net assets are listed individually in the table.

2 Represents less than 0.1%.

3 Cash Equivalents include any investments in money market mutual funds.

4 Other Security Types consist of purchased options.

5 Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the tables at the end of the Portfolio of Investments included in this Report.

6 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

7 Sector classifications are based upon, and individual portfolio securities are assigned to, the classifications of the Global Industry Classification Standard (GICS) except that the Co-Advisers assign a classification to securities not classified by the GICS and to securities for which the Co-Advisers do not have access to the classification made by the GICS.

Portfolio of Investments

June 30, 2020 (unaudited)

Shares,
Principal
Amount or
Contracts

Value

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—39.8%	
	Communication Services—3.6%	
136,948	AT&T, Inc.	\$ 4,139,938
13,628	Activision Blizzard, Inc.	1,034,365
1,892	¹ Alphabet, Inc., Class A	2,682,951
585	¹ Alphabet, Inc., Class C	826,962
2,445	¹ Charter Communications, Inc.	1,247,048
65,551	Comcast Corp., Class A	2,555,178
48	¹ DISH Network Corp., Class A	1,656
8,981	¹ Discovery, Inc., Class C	172,974
6,724	Fox Corp.	180,338
2,756	Fox Corp.	73,971
12,228	¹ Liberty Sirius Group	421,255
4,044	¹ Pinterest, Inc.	89,655
4,243	¹ Take-Two Interactive Software, Inc.	592,195
79,367	Verizon Communications, Inc.	4,375,503
24,546	Walt Disney Co.	2,737,124
12,000	¹ Warner Music Group	354,000
17,002	¹ Zynga, Inc.	162,199
	TOTAL	21,647,312
	Consumer Discretionary—2.7%	
1,705	Aptiv PLC	132,854
1,887	Best Buy Co., Inc.	164,679
13,816	Brunswick Corp.	884,362
9,170	¹ Caesars Entertainment Corp.	111,232
1,421	Carter's, Inc.	114,675
1,068	Darden Restaurants, Inc.	80,922
12,592	eBay, Inc.	660,450
5,100	Extended Stay America, Inc.	57,069
197,607	Ford Motor Co.	1,201,451
10,145	Gentex Corp.	261,437
5,711	Hilton Worldwide Holdings, Inc.	419,473
8,038	Home Depot, Inc.	2,013,599
929	Kohl's Corp.	19,295
17,751	L Brands, Inc.	265,732
38,812	¹ LKQ Corp.	1,016,874
5,066	Lennar Corp., Class A	312,167
5,882	Marriott International, Inc., Class A	504,264
16,457	McDonald's Corp.	3,035,823
331	¹ Mohawk Industries, Inc.	33,683
42,163	Newell Brands, Inc.	669,548
9,000	¹ Onewater Marine, Inc.	218,520
12,392	PVH Corp.	595,436
660	¹ Peloton Interactive, Inc.	38,128
8,440	¹ Planet Fitness, Inc.	511,211
14,865	Six Flags Entertainment Corp.	285,557
14,930	Target Corp.	1,790,555

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Consumer Discretionary—continued	
18,947	Wyndham Destinations, Inc.	\$ 533,926
	TOTAL	15,932,922
	Consumer Staples—3.6%	
90,000	¹ Albertsons Cos., Inc.	1,419,300
45,633	Altria Group, Inc.	1,791,095
45,000	¹ Bellring Brands, Inc.	897,300
136	¹ Beyond Meat, Inc.	18,221
8,292	Colgate-Palmolive Co.	607,472
13,193	Coty, Inc. - CL A	58,973
7,612	Hershey Foods Corp.	986,667
8,000	¹ Jde Peet's B.V.	324,287
17,650	Kraft Heinz Co./The	562,859
26,121	Kroger Co.	884,196
26,856	Mondelez International, Inc.	1,373,147
6,132	PepsiCo, Inc.	811,018
28,845	Philip Morris International, Inc.	2,020,881
31,320	Procter & Gamble Co.	3,744,932
9,813	Spectrum Brands Holdings, Inc.	450,417
15,369	¹ Sprouts Farmers Market, Inc.	393,293
47,230	The Coca-Cola Co.	2,110,236
1,663	Walgreens Boots Alliance, Inc.	70,495
24,507	WalMart, Inc.	2,935,448
	TOTAL	21,460,237
	Energy—2.0%	
31,253	Apache Corp.	421,916
5,155	Cabot Oil & Gas Corp., Class A	88,563
43,017	Chevron Corp.	3,838,407
7,257	Concho Resources, Inc.	373,736
23,516	ConocoPhillips	988,142
9,889	Diamondback Energy, Inc.	413,558
12,078	EOG Resources, Inc.	611,871
42,892	Exxon Mobil Corp.	1,918,130
158	Helmerich & Payne, Inc.	3,083
38,729	Kinder Morgan, Inc.	587,519
5,059	Phillips 66	363,742
866	Pioneer Natural Resources, Inc.	84,608
63,154	Schlumberger Ltd.	1,161,402
11,495	Valero Energy Corp.	676,136
31,409	Williams Cos., Inc.	597,399
	TOTAL	12,128,212
	Financials—7.4%	
69,868	AGNC Investment Corp.	901,297
12,971	Allstate Corp.	1,258,057
23,972	Ally Financial, Inc.	475,365
26,858	American International Group, Inc.	837,432
8,151	Ameriprise Financial, Inc.	1,222,976
12,000	¹ BRP Group, Inc.	207,240
172,977	Bank of America Corp.	4,108,204
37,911	Bank of New York Mellon Corp.	1,465,260

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Financials—continued	
32,470	¹ Berkshire Hathaway, Inc., Class B	\$ 5,796,220
994	BlackRock, Inc.	540,826
40,005	¹ Brighthouse Financial, Inc.	1,112,939
1,416	CME Group, Inc.	230,157
730	Chubb Ltd.	92,433
43,724	Citigroup, Inc.	2,234,296
2,785	Discover Financial Services	139,501
51,580	Equitable Holdings, Inc.	994,978
1,635	First Citizens Bancshares, Inc., Class A	662,208
98	First Horizon National Corp.	976
5,549	Goldman Sachs Group, Inc.	1,096,593
11,817	Hanover Insurance Group, Inc.	1,197,417
55,932	JPMorgan Chase & Co.	5,260,964
4,742	Kemper Corp.	343,890
6,654	Lazard Ltd., Class A	190,504
1,892	Lincoln National Corp.	69,607
84,311	MGIC Investment Corp.	690,507
34,039	MetLife, Inc.	1,243,104
19,651	Morgan Stanley	949,143
11,424	NASDAQ, Inc.	1,364,825
21,595	OneMain Holdings, Inc.	529,941
52,000	¹ Oportun Financial Corp.	698,880
31,109	Popular, Inc.	1,156,322
12,420	Prudential Financial, Inc.	756,378
632	Regions Financial Corp.	7,028
109,331	SLM Corp.	768,597
536	¹ SVB Financial Group	115,524
8,000	¹ SelectQuote, Inc.	202,640
30,000	¹ Silvergate Capital Corp.	420,000
7,191	Sterling Bancorp	84,279
29,133	Synchrony Financial	645,587
3,029	U.S. Bancorp	111,528
73,268	Unum Group	1,215,516
6,222	VOYA Financial, Inc.	290,256
48,000	¹ Velocity Financial, LLC	189,600
7,377	Virtu Financial, Inc.	174,097
60,512	Wells Fargo & Co.	1,549,107
13,228	Zions Bancorporation, N.A.	449,752
	TOTAL	44,051,951
	Health Care—5.9%	
18,616	Abbott Laboratories	1,702,061
6,438	AbbVie, Inc.	632,083
10,000	¹ Akouos, Inc.	225,000
2,501	¹ Alkermes, Inc.	48,532
3,128	Anthem, Inc.	822,601
8,572	Baxter International, Inc.	738,049
163	Becton Dickinson & Co.	39,001
2,994	¹ Biogen, Inc.	801,045
31,155	Bristol-Myers Squibb Co.	1,831,914

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Health Care—continued	
25,857	CVS Health Corp.	\$ 1,679,929
10,315	Danaher Corp.	1,824,002
15,699	¹ Davita, Inc.	1,242,419
7,033	Dentsply Sirona, Inc.	309,874
18,000	¹ Frequency Therapeutics, Inc.	418,500
20,000	¹ Genetron Holdings Ltd., ADR	241,400
34,155	Gilead Sciences, Inc.	2,627,886
2,603	HCA Healthcare, Inc.	252,647
4,288	Humana, Inc.	1,662,672
2,643	¹ IQVIA Holdings, Inc.	374,989
520	¹ Jazz Pharmaceuticals PLC.	57,377
44,076	Johnson & Johnson	6,198,408
12,000	¹ Lyra Therapeutics, Inc.	136,080
7,858	McKesson Corp.	1,205,574
34,124	Medtronic PLC	3,129,171
8,065	Merck & Co., Inc.	623,666
67,011	Pfizer, Inc.	2,191,260
20,000	¹ PolyPid Ltd.	360,600
40,030	¹ Progenity, Inc.	360,270
42,000	¹ Progyny, Inc.	1,084,020
1,867	STERIS PLC	286,473
210	¹ Teladoc, Inc.	40,076
2,421	Thermo Fisher Scientific, Inc.	877,225
1,237	UnitedHealth Group, Inc.	364,853
2,727	Universal Health Services, Inc., Class B	253,311
2,534	Zimmer Biomet Holdings, Inc.	302,458
	TOTAL	34,945,426
	Industrials—4.9%	
3,193	3M Co.	498,076
30,534	ADT, Inc.	243,661
7,033	¹ AECOM	264,300
6,846	Ametek, Inc.	611,827
1,709	Armstrong World Industries, Inc.	133,234
2,826	Boeing Co.	518,006
6,000	¹ CPG Newco LLC	191,160
19,721	CSX Corp.	1,375,343
1,780	Carlisle Cos., Inc.	213,013
12,057	Carrier Global Corp.	267,907
4,685	Caterpillar, Inc.	592,653
6,297	Crane Co.	374,420
4,622	Cummins, Inc.	800,808
555	Deere & Co.	87,218
9,385	¹ Delta Air Lines, Inc.	263,249
6,481	Dover Corp.	625,805
13,021	Eaton Corp. PLC	1,139,077
22,997	Emerson Electric Co.	1,426,504
60,000	GFL Environmental, Inc.	1,126,200
154,056	General Electric Co.	1,052,203
40,657	GrafTech International Ltd.	324,443

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Industrials—continued	
11,166	¹ HD Supply, Inc.	\$ 386,902
10,807	Honeywell International, Inc.	1,562,584
3,118	Hubbell, Inc.	390,872
1,751	Hunt (J.B.) Transportation Services, Inc.	210,715
478	Huntington Ingalls Industries, Inc.	83,406
5,486	Kansas City Southern Industries, Inc.	819,005
153	¹ Kirby Corp.	8,195
4,777	¹ Lyft, Inc.	157,689
2,636	Manpower, Inc.	181,225
13,234	Masco Corp.	664,479
327	Nielsen Holdings PLC	4,859
597	Nordson Corp.	113,257
2,709	Norfolk Southern Corp.	475,619
2,778	Northrop Grumman Corp.	854,068
5,939	Old Dominion Freight Lines, Inc.	1,007,195
6,028	Otis Worldwide Corp.	342,752
22,146	Owens Corning, Inc.	1,234,861
2,475	Parker-Hannifin Corp.	453,593
14,466	Raytheon Technologies Corp.	891,395
1,694	Regal Beloit Corp.	147,920
5,384	Rockwell Automation, Inc.	1,146,792
1,834	Southwest Airlines Co.	62,686
3,917	¹ Teledyne Technologies, Inc.	1,217,991
6,364	Trane Technologies PLC	566,269
2,674	TransUnion	232,745
12,228	¹ Uber Technologies, Inc.	380,046
5,463	Union Pacific Corp.	923,629
1,427	¹ United Rentals, Inc.	212,680
9,505	Valmont Industries, Inc.	1,079,958
519	W.W. Grainger, Inc.	163,049
11,093	Waste Management, Inc.	1,174,860
	TOTAL	29,280,403
	Information Technology—3.9%	
3,197	¹ Akamai Technologies, Inc.	342,367
3,936	Alliance Data Systems Corp.	177,592
369	¹ Arista Networks, Inc.	77,501
8,996	¹ Arrow Electronics, Inc.	617,935
6,033	¹ Autodesk, Inc.	1,443,033
7,891	Avnet, Inc.	220,041
2,282	¹ CACI International, Inc., Class A	494,920
14,165	¹ Ciena Corp.	767,176
19,621	¹ Cirrus Logic, Inc.	1,212,185
44,127	Cisco Systems, Inc.	2,058,083
1,500	Citrix Systems, Inc.	221,865
40,670	¹ CommScope Holdings Co., Inc.	338,781
2,378	¹ CrowdStrike Holdings, Inc.	238,490
49,525	DXC Technology Co.	817,163
1,785	¹ Euronet Worldwide, Inc.	171,039
1,378	Fidelity National Information Services, Inc.	184,776

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Information Technology—continued	
11,453	HP, Inc.	\$ 199,626
7,495	IBM Corp.	905,171
87,735	Intel Corp.	5,249,185
2,345	¹ Keysight Technologies, Inc.	236,329
3,419	¹ Lumentum Holdings, Inc.	278,409
20,124	¹ Micron Technology, Inc.	1,036,788
4,819	Motorola, Inc.	675,286
4,937	¹ ON Semiconductor Corp.	97,851
31,169	¹ Pure Storage, Inc.	540,159
4,432	¹ Qorvo, Inc.	489,869
6,809	Science Applications International Corp.	528,923
3,068	Skyworks Solutions, Inc.	392,274
3,650	Synnex Corp.	437,161
6,110	¹ Synopsys, Inc.	1,191,450
803	¹ Verisign, Inc.	166,085
6,983	¹ WEX, Inc.	1,152,265
16,726	Xerox Holdings Corp.	255,741
	TOTAL	23,215,519
	Materials—1.7%	
6,163	Air Products & Chemicals, Inc.	1,488,118
6,736	Aptargroup, Inc.	754,297
12,522	CF Industries Holdings, Inc.	352,369
20,157	Cabot Corp.	746,817
9,309	Celanese Corp.	803,739
11,154	Dow, Inc.	454,637
16,632	¹ Eagle Materials, Inc.	1,167,899
85,466	Graphic Packaging Holding Co.	1,195,669
2,973	International Paper Co.	104,679
4,715	Linde PLC	1,000,099
2,812	LyondellBasell Industries N.V.	184,805
191	Newmarket Corp.	76,492
2,963	Newmont Corp.	182,935
13,145	Reliance Steel & Aluminum Co.	1,247,855
12,623	Steel Dynamics, Inc.	329,334
	TOTAL	10,089,744
	Real Estate—1.8%	
3,292	Avalonbay Communities, Inc.	509,075
17,154	¹ CBRE Group, Inc.	775,704
1,977	Crown Castle International Corp.	330,851
34,150	Duke Realty Corp.	1,208,568
37,129	Equity Commonwealth	1,195,554
23,394	Equity Residential Properties Trust	1,376,035
1,843	Essex Property Trust, Inc.	422,360
802	Extra Space Storage, Inc.	74,081
19,131	Highwoods Properties, Inc.	714,160
50,341	Invitation Homes, Inc.	1,385,888
42	Life Storage, Inc.	3,988
11,933	Mid-American Apartment Communities, Inc.	1,368,357
6,738	Public Storage	1,292,955

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Real Estate—continued	
5,330	VEREIT, Inc.	\$ 34,272
7,729	Vornado Realty Trust L.P.	295,325
	TOTAL	10,987,173
	Utilities—2.3%	
3,332	American Electric Power Co., Inc.	265,361
5,536	American Water Works Co., Inc.	712,262
3,459	Consolidated Edison Co.	248,806
3,366	Dominion Energy, Inc.	273,252
22,676	Evergy, Inc.	1,344,460
26,209	Exelon Corp.	951,125
37,398	FirstEnergy Corp.	1,450,294
19,507	MDU Resources Group, Inc.	432,665
11,799	NRG Energy, Inc.	384,175
12,625	NextEra Energy, Inc.	3,032,146
55,353	NiSource, Inc.	1,258,727
8,538	¹ P G & E Corp.	75,732
31,027	Public Service Enterprises Group, Inc.	1,525,287
1,417	Southern Co.	73,472
51,835	Vistra Energy Corp.	965,168
7,074	WEC Energy Group, Inc.	620,036
	TOTAL	13,612,968
	TOTAL COMMON STOCKS (IDENTIFIED COST \$226,411,597)	237,351,867
	ADJUSTABLE RATE MORTGAGE—0.0%	
\$ 2,589	² Federal National Mortgage Association ARM, 3.978%, 9/1/2037 (IDENTIFIED COST \$2,608)	2,693
	COMMERCIAL MORTGAGE-BACKED SECURITIES—1.1%	
	Agency Commercial Mortgage-Backed Securities—0.5%	
790,000	FREMF Mortgage Trust 2015-K49 REMIC, Class B, 3.847%, 10/25/2048	842,929
1,832,321	Federal Home Loan Mortgage Corp. REMIC, Series K105, Class A1, 1.536%, 9/25/2029	1,892,505
3,671	Federal Home Loan Mortgage Corp. REMIC, Series K504, Class A2, 2.566%, 9/25/2020	3,675
	TOTAL	2,739,109
	Commercial Mortgage—0.6%	
1,335,000	Banc of America Commercial Mortgage Trust 2016-UBS10, Class A4, 3.170%, 7/15/2049	1,427,566
340,000	Bank 2018-BN12, Class A4, 4.255%, 5/15/2061	400,905
85,000	Bank 2017-BN8, Class A4, 3.488%, 11/15/2050	95,561
50,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	52,989
1,000,000	Fontainebleau Miami Beach Trust, Class B, 3.447%, 12/10/2036	960,406
100,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	109,020
590,000	UBS-Barclays Commercial Mortgage Trust 2013-C6, Class B, 3.875%, 4/10/2046	551,580
105,000	WF-RBS Commercial Mortgage Trust 2014-C25, Class B, 4.236%, 11/15/2047	107,566
	TOTAL	3,705,593
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$6,308,648)	6,444,702
	CORPORATE BONDS—20.4%	
	Basic Industry - Chemicals—0.1%	
200,000	Albemarle Corp., 4.150%, 12/1/2024	214,578
200,000	Albemarle Corp., Sr. Unsecd. Note, 5.450%, 12/1/2044	210,688

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Basic Industry - Chemicals—continued	
\$300,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	\$ 337,737
	TOTAL	763,003
	Basic Industry - Metals & Mining—0.2%	
156,000	Carpenter Technology Corp., Sr. Unsecd. Note, 4.450%, 3/1/2023	154,532
650,000	Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023	698,405
150,000	Worthington Industries, Inc., Sr. Unsecd. Note, 4.300%, 8/1/2032	169,704
55,000	Worthington Industries, Inc., Sr. Unsecd. Note, 4.550%, 4/15/2026	62,596
	TOTAL	1,085,237
	Capital Goods - Aerospace & Defense—0.8%	
750,000	Airbus Group SE, Sr. Unsecd. Note, 144A, 3.150%, 4/10/2027	775,166
340,000	Boeing Co., Sr. Unsecd. Note, 2.950%, 2/1/2030	332,303
90,000	Boeing Co., Sr. Unsecd. Note, 3.950%, 8/1/2059	78,980
200,000	Boeing Co., Sr. Unsecd. Note, 4.508%, 5/1/2023	211,319
200,000	Boeing Co., Sr. Unsecd. Note, 4.875%, 5/1/2025	218,002
400,000	Embraer Netherlands BV, Sr. Unsecd. Note, 5.050%, 6/15/2025	355,462
50,000	Embraer Overseas Ltd., Sr. Unsecd. Note, 144A, 5.696%, 9/16/2023	47,808
160,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	172,600
140,000	Leidos, Inc., Unsecd. Note, 144A, 3.625%, 5/15/2025	153,178
400,000	Leidos, Inc., Unsecd. Note, 144A, 4.375%, 5/15/2030	451,580
155,000	Lockheed Martin Corp., Sr. Unsecd. Note, 1.850%, 6/15/2030	159,047
400,000	Lockheed Martin Corp., Sr. Unsecd. Note, 2.900%, 3/1/2025	438,809
585,000	Northrop Grumman Corp., Sr. Unsecd. Note, 3.250%, 1/15/2028	654,040
500,000	Textron, Inc., Sr. Unsecd. Note, 3.650%, 3/15/2027	518,581
20,000	Textron, Inc., Sr. Unsecd. Note, 4.000%, 3/15/2026	21,357
25,000	Textron, Inc., Sr. Unsecd. Note, 4.300%, 3/1/2024	26,670
	TOTAL	4,614,902
	Capital Goods - Building Materials—0.1%	
60,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	63,139
110,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	114,886
490,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.550%, 10/1/2027	513,778
40,000	Masco Corp., Sr. Unsecd. Note, 4.375%, 4/1/2026	45,730
165,000	Masco Corp., Sr. Unsecd. Note, 4.500%, 5/15/2047	173,468
	TOTAL	911,001
	Capital Goods - Construction Machinery—0.2%	
770,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	813,910
450,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 3.450%, 3/7/2029	522,357
	TOTAL	1,336,267
	Capital Goods - Diversified Manufacturing—0.4%	
125,000	General Electric Co., Sr. Unsecd. Note, 3.625%, 5/1/2030	125,369
105,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	107,899
110,000	Honeywell International, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2050	117,676
750,000	Lennox International, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2023	774,610
305,000	Otis Worldwide Corp., Sr. Unsecd. Note, 144A, 2.565%, 2/15/2030	320,503
500,000	Roper Technologies, Inc., Sr. Unsecd. Note, 2.800%, 12/15/2021	514,464
120,000	Wabtec Corp., Sr. Unsecd. Note, 3.200%, 6/15/2025	122,642
220,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	221,732
	TOTAL	2,304,895

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Capital Goods - Packaging—0.2%	
\$ 600,000	Packaging Corp. of America, Sr. Unsecd. Note, 3.650%, 9/15/2024	\$ 655,247
360,000	WestRock Co., Sr. Unsecd. Note, Series WI, 4.000%, 3/15/2028	402,785
	TOTAL	1,058,032
	Communications - Cable & Satellite—0.7%	
250,000	CCO Safari II LLC, 6.484%, 10/23/2045	333,321
200,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 2.800%, 4/1/2031	203,197
1,600,000	Comcast Corp., Sr. Unsecd. Note, 3.150%, 2/15/2028	1,787,574
650,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	729,818
250,000	Comcast Corp., Sr. Unsecd. Note, 3.400%, 4/1/2030	285,270
300,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	344,027
300,000	Time Warner Cable, Inc., Company Guarantee, 5.500%, 9/1/2041	362,005
	TOTAL	4,045,212
	Communications - Media & Entertainment—0.6%	
600,000	British Sky Broadcasting Group PLC, 144A, 3.750%, 9/16/2024	668,900
300,000	Discovery Communications LLC, Sr. Unsecd. Note, 4.650%, 5/15/2050	341,647
135,000	Fox Corp., Sr. Unsecd. Note, Series WI, 4.709%, 1/25/2029	162,366
180,000	Fox Corp., Sr. Unsecd. Note, Series WI, 5.576%, 1/25/2049	253,863
500,000	Grupo Televisa S.A., Sr. Unsecd. Note, 5.000%, 5/13/2045	552,408
100,000	Omnicom Group, Inc., Sr. Unsecd. Note, 3.600%, 4/15/2026	111,675
260,000	Omnicom Group, Inc., Sr. Unsecd. Note, 4.200%, 6/1/2030	302,665
400,000	ViacomCBS, Inc., Sr. Unsecd. Note, 4.950%, 1/15/2031	468,729
200,000	Walt Disney Co., Sr. Unsecd. Note, 2.000%, 9/1/2029	205,750
110,000	Walt Disney Co., Sr. Unsecd. Note, 3.600%, 1/13/2051	122,894
135,000	Walt Disney Co., Sr. Unsecd. Note, 3.800%, 5/13/2060	155,431
	TOTAL	3,346,328
	Communications - Telecom Wireless—0.6%	
425,000	America Movil S.A.B. de C.V., Sr. Unsecd. Note, 2.875%, 5/7/2030	449,406
400,000	American Tower Corp., Sr. Unsecd. Note, 2.100%, 6/15/2030	401,708
300,000	American Tower Corp., Sr. Unsecd. Note, 5.000%, 2/15/2024	341,860
350,000	Bell Canada, Sr. Unsecd. Note, 4.464%, 4/1/2048	444,160
250,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.250%, 1/15/2051	250,698
160,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.300%, 7/1/2030	175,056
400,000	T-Mobile USA, Inc., Sec. Fac. Bond, 144A, 3.875%, 4/15/2030	446,578
120,000	T-Mobile USA, Inc., Sec. Fac. Bond, 144A, 4.500%, 4/15/2050	141,654
250,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	284,063
280,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.250%, 5/30/2048	369,018
	TOTAL	3,304,201
	Communications - Telecom Wirelines—0.9%	
800,000	AT&T, Inc., Sr. Unsecd. Note, 3.200%, 3/1/2022	834,990
350,000	AT&T, Inc., Sr. Unsecd. Note, 3.500%, 6/1/2041	368,916
350,000	AT&T, Inc., Sr. Unsecd. Note, 3.650%, 6/1/2051	366,816
800,000	AT&T, Inc., Sr. Unsecd. Note, 4.800%, 6/15/2044	948,477
800,000	Deutsche Telekom International Finance BV, Sr. Unsecd. Note, 144A, 3.600%, 1/19/2027	896,575
580,000	Telefonica Emisiones SAU, Sr. Unsecd. Note, 5.213%, 3/8/2047	728,268
350,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.125%, 8/15/2046	437,815
534,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.672%, 3/15/2055	726,995
125,000	Verizon Communications, Inc., Sr. Unsecd. Note, 5.150%, 9/15/2023	142,364
	TOTAL	5,451,216

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Automotive—0.6%	
\$ 500,000	Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.350%, 2/22/2023	\$ 524,012
350,000	Fiat Chrysler Automobiles NV, Sr. Unsecd. Note, 5.250%, 4/15/2023	362,493
450,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	506,278
400,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.000%, 10/6/2026	415,558
205,000	Hyundai Capital America, Sr. Unsecd. Note, 144A, 2.375%, 2/10/2023	207,332
720,000	Toyota Motor Credit Corp., Sr. Unsecd. Note, Series GMTN, 2.700%, 1/11/2023	757,009
365,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 3.125%, 5/12/2023	384,147
200,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/12/2021	208,303
	TOTAL	3,365,132
	Consumer Cyclical - Retailers—0.6%	
589,000	Advance Auto Parts, Inc., 4.500%, 12/1/2023	639,378
300,000	Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 3.800%, 1/25/2050	312,240
170,000	AutoNation, Inc., Sr. Unsecd. Note, 4.750%, 6/1/2030	184,536
215,000	AutoZone, Inc., Sr. Unsecd. Note, 4.000%, 4/15/2030	248,952
310,000	CVS Health Corp., Sr. Unsecd. Note, 4.300%, 3/25/2028	362,654
540,000	Dollar General Corp., Sr. Unsecd. Note, 3.875%, 4/15/2027	621,169
600,000	Dollar Tree, Inc., Sr. Unsecd. Note, 3.700%, 5/15/2023	642,535
120,000	Home Depot, Inc., Sr. Unsecd. Note, 2.950%, 6/15/2029	134,847
40,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 3.550%, 3/15/2026	45,349
115,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2030	134,909
	TOTAL	3,326,569
	Consumer Cyclical - Services—0.3%	
400,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.875%, 8/22/2037	495,764
200,000	Booking Holdings, Inc., Sr. Unsecd. Note, 4.625%, 4/13/2030	234,364
400,000	IHS Markit Ltd., Sr. Unsecd. Note, 4.750%, 8/1/2028	470,534
480,000	Visa, Inc., Sr. Unsecd. Note, 2.750%, 9/15/2027	529,818
200,000	Visa, Inc., Sr. Unsecd. Note, 2.800%, 12/14/2022	211,200
30,000	Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025	33,493
	TOTAL	1,975,173
	Consumer Non-Cyclical - Food/Beverage—1.0%	
165,000	Anheuser-Busch InBev Finance, Inc., 4.900%, 2/1/2046	201,358
1,000,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.500%, 6/1/2050	1,197,595
400,000	Campbell Soup Co., Sr. Unsecd. Note, 2.375%, 4/24/2030	415,088
230,000	Coca-Cola Femsa S.A.B. de C.V., Sr. Unsecd. Note, 2.750%, 1/22/2030	243,893
75,000	Constellation Brands, Inc., Sr. Unsecd. Note, 3.750%, 5/1/2050	81,906
500,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	539,145
200,000	General Mills, Inc., Sr. Unsecd. Note, 3.700%, 10/17/2023	217,840
150,000	General Mills, Inc., Sr. Unsecd. Note, 4.550%, 4/17/2038	189,420
500,000	Grupo Bimbo S.A.B. de CV, 144A, 4.875%, 6/27/2044	561,401
250,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 3.200%, 5/1/2030	277,142
220,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 4.417%, 5/25/2025	253,834
105,000	McCormick & Co., Inc., Sr. Unsecd. Note, 2.500%, 4/15/2030	109,738
160,000	Mondelez International, Inc., Sr. Unsecd. Note, 1.500%, 5/4/2025	163,250
800,000	PepsiCo, Inc., Sr. Unsecd. Note, 3.000%, 10/15/2027	898,159
300,000	Smucker (J.M.) Co., Sr. Unsecd. Note, 3.500%, 3/15/2025	332,911
495,000	Tyson Foods, Inc., Sr. Unsecd. Note, 3.550%, 6/2/2027	548,943
	TOTAL	6,231,623
	Consumer Non-Cyclical - Health Care—0.2%	
155,000	Agilent Technologies, Inc., Sr. Unsecd. Note, 2.750%, 9/15/2029	168,767

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Health Care—continued	
\$200,000	Alcon Finance Corp., Sr. Unsecd. Note, 144A, 2.600%, 5/27/2030	\$ 205,816
392,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.700%, 6/6/2027	438,831
79,000	Becton Dickinson & Co., Sr. Unsecd. Note, 4.685%, 12/15/2044	97,471
140,000	DH Europe Finance II S.a r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	149,258
135,000	Dentsply Sirona, Inc., Sr. Unsecd. Note, 3.250%, 6/1/2030	141,733
300,000	PerkinElmer, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2029	322,097
10,000	Stryker Corp., Sr. Unsecd. Note, 3.500%, 3/15/2026	11,263
	TOTAL	1,535,236
	Consumer Non-Cyclical - Pharmaceuticals—1.1%	
283,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	329,539
225,000	AbbVie, Inc., Sr. Unsecd. Note, 144A, 3.200%, 11/21/2029	251,224
255,000	AbbVie, Inc., Sr. Unsecd. Note, 144A, 4.250%, 11/21/2049	307,029
250,000	Amgen, Inc., 2.300%, 2/25/2031	262,160
500,000	Amgen, Inc., Sr. Unsecd. Note, 2.450%, 2/21/2030	529,653
190,000	AstraZeneca PLC, Sr. Unsecd. Note, 2.375%, 6/12/2022	196,798
600,000	AstraZeneca PLC, Sr. Unsecd. Note, 3.125%, 6/12/2027	669,148
600,000	Bayer US Finance LLC, Sr. Unsecd. Note, 144A, 3.375%, 10/8/2024	655,198
375,000	Biogen, Inc., Sr. Unsecd. Note, 5.200%, 9/15/2045	492,991
500,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, 144A, 3.900%, 2/20/2028	588,680
110,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, 144A, 4.250%, 10/26/2049	146,728
500,000	Eli Lilly & Co., Sr. Unsecd. Note, 3.375%, 3/15/2029	578,890
700,000	Merck & Co., Inc., Sr. Unsecd. Note, 3.400%, 3/7/2029	808,115
210,000	Takeda Pharmaceutical Co. Ltd., Sr. Unsecd. Note, 2.050%, 3/31/2030	208,312
450,000	Zoetis, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2050	464,885
	TOTAL	6,489,350
	Consumer Non-Cyclical - Products—0.2%	
230,000	Clorox Co., Sr. Unsecd. Note, 1.800%, 5/15/2030	232,491
70,000	Newell Rubbermaid, Inc., Sr. Unsecd. Note, 4.700%, 4/1/2026	73,525
600,000	Reckitt Benckiser Treasury Services PLC, Sr. Unsecd. Note, 144A, 3.000%, 6/26/2027	656,922
	TOTAL	962,938
	Consumer Non-Cyclical - Supermarkets—0.1%	
300,000	Kroger Co., Sr. Unsecd. Note, 2.650%, 10/15/2026	327,557
200,000	Kroger Co., Sr. Unsecd. Note, 4.450%, 2/1/2047	243,037
	TOTAL	570,594
	Consumer Non-Cyclical - Tobacco—0.3%	
400,000	Altria Group, Inc., Sr. Unsecd. Note, 5.950%, 2/14/2049	525,253
350,000	Bat Capital Corp., Sr. Unsecd. Note, Series WI, 4.540%, 8/15/2047	381,584
315,000	Philip Morris International, Inc., Sr. Unsecd. Note, 2.100%, 5/1/2030	324,913
280,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	346,585
	TOTAL	1,578,335
	Energy - Independent—0.2%	
100,000	Canadian Natural Resources Ltd., 3.900%, 2/1/2025	107,215
250,000	Canadian Natural Resources Ltd., Sr. Unsecd. Note, 2.050%, 7/15/2025	250,793
250,000	Cimarex Energy Co., Sr. Unsecd. Note, 3.900%, 5/15/2027	251,944
430,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 3/15/2029	442,181
	TOTAL	1,052,133
	Energy - Integrated—0.6%	
600,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 2.520%, 9/19/2022	623,483

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Energy - Integrated—continued	
\$ 110,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026	\$ 120,041
325,000	Chevron Corp., Sr. Unsecd. Note, 3.078%, 5/11/2050	345,855
600,000	Exxon Mobil Corp., Sr. Unsecd. Note, 3.482%, 3/19/2030	684,628
300,000	Husky Energy, Inc., 4.000%, 4/15/2024	308,059
75,000	Shell International Finance B.V., Sr. Unsecd. Note, 4.000%, 5/10/2046	88,688
500,000	Shell International Finance B.V., Sr. Unsecd. Note, 4.125%, 5/11/2035	610,451
500,000	Suncor Energy, Inc., Sr. Unsecd. Note, 3.600%, 12/1/2024	540,116
	TOTAL	3,321,321
	Energy - Midstream—0.5%	
115,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	122,608
40,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	43,274
875,000	Energy Transfer Partners LP, Sr. Unsecd. Note, Series 10Y, 4.950%, 6/15/2028	940,088
400,000	Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.700%, 1/31/2051	417,770
70,000	Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.950%, 2/15/2027	79,916
200,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	243,316
200,000	Kinder Morgan, Inc., 5.050%, 2/15/2046	230,357
335,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	323,021
120,000	TC Pipelines, LP, Sr. Unsecd. Note, 3.900%, 5/25/2027	126,377
490,000	Williams Partners LP, Sr. Unsecd. Note, 4.900%, 1/15/2045	518,373
	TOTAL	3,045,100
	Energy - Refining—0.1%	
220,000	Phillips 66, Sr. Unsecd. Note, 4.875%, 11/15/2044	273,097
175,000	Valero Energy Corp., Sr. Unsecd. Note, 2.700%, 4/15/2023	181,689
	TOTAL	454,786
	Financial Institution - Banking—4.0%	
600,000	American Express Credit Corp., Sr. Unsecd. Note, Series MTN, 3.300%, 5/3/2027	682,029
400,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	419,966
1,850,000	Bank of America Corp., Sr. Unsecd. Note, 3.419%, 12/20/2028	2,061,603
50,000	² Bank of America Corp., Sr. Unsecd. Note, Series MTN, 0.946% (3-month USLIBOR +0.650%), 10/1/2021	50,041
150,000	Bank of America Corp., Sub. Note, 6.500%, 9/15/2037	202,303
50,000	Bank of America Corp., Sub. Note, Series L, 3.950%, 4/21/2025	55,362
300,000	Bank of America Corp., Sub. Note, Series MTN, 4.000%, 1/22/2025	331,305
800,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.200%, 8/16/2023	836,623
200,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.661%, 5/16/2023	207,220
125,000	Capital One Financial Corp., Sr. Unsecd. Note, 3.900%, 1/29/2024	136,025
580,000	Citigroup, Inc., Sr. Unsecd. Note, 3.352%, 4/24/2025	627,004
570,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	632,525
900,000	Citigroup, Inc., Sr. Unsecd. Note, 3.668%, 7/24/2028	1,003,890
250,000	Citizens Bank N.A., Sr. Unsecd. Note, Series BKNT, 3.750%, 2/18/2026	280,824
265,000	Citizens Bank, N.A., Providence, Sr. Unsecd. Note, Series BKNT, 2.250%, 4/28/2025	281,534
30,000	Comerica, Inc., 3.800%, 7/22/2026	32,434
350,000	Compass Bank, Birmingham, Sub. Note, Series BKNT, 3.875%, 4/10/2025	369,980
165,000	FNB Corp. (PA), Sr. Unsecd. Note, 2.200%, 2/24/2023	164,248
800,000	Fifth Third Bancorp, Sr. Unsecd. Note, 3.950%, 3/14/2028	936,871
1,300,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 2.876%, 10/31/2022	1,333,166
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 6.250%, 2/1/2041	747,592
1,400,000	HSBC Holdings PLC, Sr. Unsecd. Note, 3.900%, 5/25/2026	1,555,540
345,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 2.550%, 2/4/2030	356,997
1,850,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.509%, 1/23/2029	2,068,169

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 850,000	JPMorgan Chase & Co., Sub. Note, 3.375%, 5/1/2023	\$ 909,737
210,000	M&T Bank Corp., Sr. Unsecd. Note, 3.550%, 7/26/2023	228,040
500,000	Manufacturers & Traders Trust Co., Sr. Unsecd. Note, Series BKNT, 2.500%, 5/18/2022	517,472
950,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.772%, 1/24/2029	1,082,086
250,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 6.250%, 8/9/2026	320,217
275,000	Morgan Stanley, Sub. Note, Series MTN, 4.100%, 5/22/2023	297,339
400,000	Northern Trust Corp., Sr. Unsecd. Note, 1.950%, 5/1/2030	412,072
400,000	PNC Bank N.A., Sr. Unsecd. Note, Series BKNT, 3.250%, 1/22/2028	448,029
235,000	Regions Financial Corp., Sr. Unsecd. Note, 2.250%, 5/18/2025	246,106
250,000	Synovus Bank GA, Sr. Unsecd. Note, 2.289%, 2/10/2023	253,229
600,000	Truist Bank, Sr. Unsecd. Note, Series BKNT, 3.000%, 2/2/2023	634,845
60,000	Truist Financial Corp., Sr. Unsecd. Note, 2.900%, 3/3/2021	60,914
495,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 2.750%, 4/1/2022	513,314
250,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 3.750%, 12/6/2023	274,039
50,000	² Wells Fargo & Co., Sr. Unsecd. Note, 1.990% (3-month USLIBOR +1.230%), 10/31/2023	50,368
410,000	Wells Fargo & Co., Sr. Unsecd. Note, 2.188%, 4/30/2026	424,412
300,000	Wells Fargo & Co., Sr. Unsecd. Note, 3.000%, 10/23/2026	327,478
1,300,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	1,443,659
	TOTAL	23,816,607
	Financial Institution - Broker/Asset Mgr/Exchange—0.2%	
130,000	BlackRock, Inc., Sr. Unsecd. Note, 1.900%, 1/28/2031	133,126
40,000	Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026	43,865
165,000	Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028	195,348
265,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	317,429
350,000	Stifel Financial Corp., Sr. Unsecd. Note, 4.000%, 5/15/2030	371,376
	TOTAL	1,061,144
	Financial Institution - Finance Companies—0.1%	
150,000	GE Capital Funding LLC, Sr. Unsecd. Note, 144A, 4.400%, 5/15/2030	156,152
600,000	GE Capital International Funding, Inc., Sr. Unsecd. Note, 4.418%, 11/15/2035	609,825
	TOTAL	765,977
	Financial Institution - Insurance - Health—0.0%	
190,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2050	202,731
	Financial Institution - Insurance - Life—0.7%	
500,000	AIA Group Ltd., Sr. Unsecd. Note, 144A, 3.600%, 4/9/2029	553,970
800,000	Aflac, Inc., Sr. Unsecd. Note, 3.625%, 6/15/2023	875,595
800,000	American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024	893,018
450,000	Lincoln National Corp., Sr. Unsecd. Note, 3.625%, 12/12/2026	496,845
150,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 4.900%, 4/1/2077	194,414
250,000	MetLife, Inc., Sr. Unsecd. Note, 4.050%, 3/1/2045	294,483
170,000	Pacific Life Insurance Co., Sub. Note, 144A, 4.300%, 10/24/2067	177,497
350,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.600%, 5/15/2044	422,516
	TOTAL	3,908,338
	Financial Institution - Insurance - P&C—0.3%	
30,000	Chubb INA Holdings, Inc., 3.350%, 5/3/2026	34,234
240,000	Hartford Financial Services Group, Inc., Sr. Unsecd. Note, 4.400%, 3/15/2048	290,148
340,000	Liberty Mutual Group, Inc., Sr. Unsecd. Note, 144A, 3.951%, 10/15/2050	360,388
500,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	805,220

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Insurance - P&C—continued	
\$ 90,000	Travelers Cos., Inc., Sr. Unsecd. Note, 2.550%, 4/27/2050	\$ 89,202
	TOTAL	1,579,192
	Financial Institution - REIT - Apartment—0.4%	
750,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	837,615
95,000	Camden Property Trust, Sr. Unsecd. Note, 2.800%, 5/15/2030	102,845
750,000	Mid-America Apartment Communities LP, 4.000%, 11/15/2025	834,070
200,000	UDR, Inc., Series MTN, 3.750%, 7/1/2024	216,272
550,000	UDR, Inc., Sr. Unsecd. Note, Series GMTN, 3.500%, 1/15/2028	602,288
	TOTAL	2,593,090
	Financial Institution - REIT - Healthcare—0.2%	
600,000	Physicians Realty Trust, Sr. Unsecd. Note, 3.950%, 1/15/2028	612,610
450,000	Welltower, Inc., Sr. Unsecd. Note, 4.250%, 4/1/2026	505,041
	TOTAL	1,117,651
	Financial Institution - REIT - Office—0.3%	
350,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.900%, 6/15/2023	378,910
400,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 3.950%, 1/15/2028	456,815
750,000	Boston Properties LP, Sr. Unsecd. Note, 3.650%, 2/1/2026	831,922
	TOTAL	1,667,647
	Financial Institution - REIT - Other—0.2%	
650,000	ProLogis LP, Sr. Unsecd. Note, 4.250%, 8/15/2023	719,945
295,000	WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029	307,144
250,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	266,439
	TOTAL	1,293,528
	Financial Institution - REIT - Retail—0.1%	
700,000	Regency Centers LP, Sr. Unsecd. Note, 4.125%, 3/15/2028	764,601
	Technology—0.9%	
350,000	Apple, Inc., Sr. Unsecd. Note, 2.500%, 2/9/2022	361,930
75,000	Autodesk, Inc., Sr. Unsecd. Note, 4.375%, 6/15/2025	85,620
318,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 4.110%, 9/15/2028	348,408
250,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 4.150%, 11/15/2030	272,578
75,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 4.700%, 4/15/2025	84,531
350,000	Cisco Systems, Inc., 3.625%, 3/4/2024	391,219
525,000	Dell International LLC / EMC Corp., Sec. Fac. Bond, 144A, 5.850%, 7/15/2025	603,931
240,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	254,134
200,000	Experian Finance PLC., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2029	232,897
145,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 3.750%, 5/21/2029	169,992
185,000	Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029	208,134
380,000	Fiserv, Inc., Sr. Unsecd. Note, 3.800%, 10/1/2023	415,438
120,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 3.000%, 10/30/2029	129,954
245,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	291,304
70,000	Micron Technology, Inc., Sr. Unsecd. Note, 2.497%, 4/24/2023	72,752
200,000	Micron Technology, Inc., Sr. Unsecd. Note, 4.975%, 2/6/2026	229,685
245,000	Microsoft Corp., Sr. Unsecd. Note, 2.675%, 6/1/2060	257,245
600,000	Microsoft Corp., Sr. Unsecd. Note, 3.125%, 11/3/2025	673,575
20,000	Total System Services, Inc., Sr. Unsecd. Note, 4.800%, 4/1/2026	23,480
200,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	233,800
25,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	34,378
	TOTAL	5,374,985

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Technology Services—0.0%	
\$145,000	Global Payments, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2030	\$ 151,841
	Transportation - Airlines—0.0%	
140,000	Southwest Airlines Co., Sr. Unsecd. Note, 4.750%, 5/4/2023	144,655
140,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.250%, 5/4/2025	147,838
	TOTAL	292,493
	Transportation - Railroads—0.1%	
175,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 3.000%, 4/1/2025	192,657
105,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 2.050%, 3/5/2030	107,668
310,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.500%, 5/1/2050	335,358
230,000	Union Pacific Corp., Sr. Unsecd. Note, 2.400%, 2/5/2030	246,352
	TOTAL	882,035
	Transportation - Services—0.3%	
400,000	Enterprise Rent-A-Car USA Finance Co., Sr. Unsecd. Note, 144A, 3.300%, 10/15/2022	414,434
100,000	FedEx Corp., Sr. Unsecd. Note, 3.100%, 8/5/2029	106,924
300,000	FedEx Corp., Sr. Unsecd. Note, 4.050%, 2/15/2048	308,705
500,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 2.700%, 3/14/2023	512,114
500,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.400%, 3/1/2023	524,313
	TOTAL	1,866,490
	Utility - Electric—1.5%	
600,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 3.200%, 11/13/2027	659,499
400,000	Avangrid, Inc., Sr. Unsecd. Note, 3.800%, 6/1/2029	465,169
300,000	Berkshire Hathaway Energy Co., Sr. Unsecd. Note, 3.750%, 11/15/2023	330,028
195,000	Black Hills Corp., Sr. Unsecd. Note, 2.500%, 6/15/2030	199,626
165,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	177,352
210,000	Dominion Energy, Inc., Sr. Unsecd. Note, Series C, 3.375%, 4/1/2030	232,785
900,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	976,564
200,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 3.625%, 7/15/2024	215,753
400,000	Emera US Finance LP, Sr. Unsecd. Note, 3.550%, 6/15/2026	449,225
400,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	475,587
470,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 4.625%, 9/14/2025	535,626
200,000	Enel Finance International SA, Company Guarantee, 144A, 6.000%, 10/7/2039	266,894
70,000	EverSource Energy, Sr. Unsecd. Note, 3.350%, 3/15/2026	75,882
500,000	EverSource Energy, Sr. Unsecd. Note, Series N, 3.800%, 12/1/2023	547,833
195,000	Exelon Corp., Sr. Unsecd. Note, 4.700%, 4/15/2050	248,836
50,000	Exelon Generation Co. LLC, Sr. Unsecd. Note, 4.250%, 6/15/2022	52,985
160,000	FirstEnergy Transmission LLC, Sr. Unsecd. Note, 144A, 4.550%, 4/1/2049	194,664
93,000	Fortis, Inc. / Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	100,484
20,000	Indiana Michigan Power Co., Sr. Unsecd. Note, Series K, 4.550%, 3/15/2046	25,419
490,000	Kansas City Power and Light Co., Sr. Unsecd. Note, 4.200%, 3/15/2048	613,158
200,000	Mississippi Power Co., Sr. Unsecd. Note, 3.950%, 3/30/2028	227,418
50,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	53,157
110,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 2.950%, 2/7/2024	117,849
500,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.250%, 6/1/2030	514,751
65,000	NiSource Finance Corp., Sr. Unsecd. Note, 4.375%, 5/15/2047	78,639
300,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	325,280
500,000	Southern Co., Sr. Unsecd. Note, 3.250%, 7/1/2026	554,533
135,000	Southern Co., Sr. Unsecd. Note, Series A, 3.700%, 4/30/2030	154,647
140,000	Virginia Electric & Power Co., Sr. Unsecd. Note, Series A, 3.500%, 3/15/2027	158,972
	TOTAL	9,028,615

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Utility - Natural Gas—0.5%	
\$ 35,000	Dominion Energy Gas Holdings LLC, Sr. Unsecd. Note, Series B, 3.000%, 11/15/2029	\$ 37,443
115,000	Dominion Energy Gas Holdings LLC, Sr. Unsecd. Note, Series C, 3.900%, 11/15/2049	121,761
700,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 5.500%, 9/15/2040	847,842
395,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	420,665
750,000	Sempra Energy, Sr. Unsecd. Note, 3.400%, 2/1/2028	825,092
120,000	Southern Natural Gas, Sr. Unsecd. Note, 144A, 4.800%, 3/15/2047	134,130
690,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	881,359
	TOTAL	3,268,292
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$109,632,517)	121,763,841
	MORTGAGE-BACKED SECURITIES—0.0%	
28,042	Federal National Mortgage Association, Pool AO8829, 3.500%, 7/1/2042	30,453
5,939	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	6,780
3,592	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	4,151
10,363	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	11,973
11,758	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	13,646
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$61,129)	67,003
	PURCHASED CALL OPTION—0.0%	
3,300	¹ Invesco QQQ Trust Series 1, Notional Amount \$81,708,000, Exercise Price \$260.00, Expiration Date 7/17/2020 (IDENTIFIED COST \$762,483)	260,700
	PURCHASED PUT OPTIONS—0.3%	
3,600	¹ iShares 20+ Year Treasury Bond ETF, Notional Amount \$59,014,800, Exercise Price \$148.00, Expiration Date 7/17/2020	19,800
5,000	¹ SPDR S&P 500 ETF Trust, Notional Amount \$154,180,000, Exercise Price \$290.00, Expiration Date 7/17/2020	1,105,000
2,500	¹ SPDR S&P 500 ETF Trust, Notional Amount \$77,090,000, Exercise Price \$250.00, Expiration Date 8/21/2020	398,750
	TOTAL PURCHASED PUT OPTIONS (IDENTIFIED COST \$2,682,056)	1,523,550
	U.S. TREASURIES—13.5%	
\$ 10,823	U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2046	14,023
1,000,000	United States Treasury Bond, 2.000%, 2/15/2050	1,144,556
20,000	United States Treasury Bond, 2.750%, 11/15/2047	26,145
2,000,000	United States Treasury Bond, 2.875%, 5/15/2049	2,704,076
1,000	United States Treasury Bond, 3.000%, 11/15/2044	1,338
3,000,000	United States Treasury Bond, 3.000%, 2/15/2049	4,139,145
2,000,000	United States Treasury Bond, 3.125%, 5/15/2048	2,800,414
20,200,000	United States Treasury Note, 0.500%, 3/15/2023	20,378,774
18,000,000	United States Treasury Note, 1.375%, 6/30/2023	18,643,331
4,500,000	United States Treasury Note, 1.500%, 8/31/2021	4,569,441
2,500,000	United States Treasury Note, 1.500%, 9/15/2022	2,573,870
2,300,000	United States Treasury Note, 1.750%, 12/31/2024	2,453,186
8,900,000	United States Treasury Note, 1.750%, 11/15/2029	9,821,843
1,000,000	United States Treasury Note, 2.000%, 10/31/2022	1,042,543
2,020,000	United States Treasury Note, 2.125%, 5/31/2021	2,055,938
2,300,000	United States Treasury Note, 2.125%, 11/30/2024	2,488,775
50,000	United States Treasury Note, 2.250%, 11/15/2027	56,287
3,500,000	United States Treasury Note, 2.500%, 2/15/2022	3,631,900
40,000	United States Treasury Note, 2.875%, 5/31/2025	45,035
1,200,000	United States Treasury Note, 2.875%, 5/15/2028	1,415,764

Shares, Principal Amount or Contracts		Value
	U.S. TREASURIES—continued	
\$ 500,000	United States Treasury Note, 3.125%, 11/15/2028	\$ 604,264
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$75,104,584)	80,610,648
	FOREIGN GOVERNMENTS/AGENCIES—0.3%	
	Sovereign—0.3%	
600,000	Colombia, Government of, Sr. Unsecd. Note, 4.500%, 3/15/2029	657,936
600,000	Mexico, Government of, 3.750%, 1/11/2028	624,384
200,000	Poland, Government of, 4.000%, 1/22/2024	221,756
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$1,434,800)	1,504,076
	INVESTMENT COMPANIES—18.9%	
1,230,103	Emerging Markets Core Fund	11,993,505
540,193	Federated Bank Loan Core Fund	4,931,961
2,483,221	Federated Hermes High Income Bond Fund II, Class P	14,427,516
7,064,020	Federated Mortgage Core Portfolio	71,487,879
1,044	Federated Hermes Short-Intermediate Government Fund, Institutional Shares	11,901
1,139,958	Project and Trade Finance Core Fund	9,986,031
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$108,581,358)	112,838,793
	REPURCHASE AGREEMENT—6.0%	
\$35,864,000	Interest in \$1,400,000,000 joint repurchase agreement 0.09%, dated 6/30/2020 under which Bank of America, N.A. will repurchase securities provided as collateral for \$1,400,003,500 on 7/1/2020. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 7/20/2045 and the market value of those underlying securities was \$1,428,003,570. (IDENTIFIED COST \$35,864,000)	35,864,000
	TOTAL INVESTMENT IN SECURITIES—100.3% (IDENTIFIED COST \$566,845,780) ³	598,231,873
	OTHER ASSETS AND LIABILITIES - NET—(0.3)% ⁴	(1,502,136)
	TOTAL NET ASSETS—100%	\$ 596,729,737

At June 30, 2020, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation (Depreciation)
Long Futures				
¹ United States Treasury Notes 2-Year Long Futures	75	\$ 16,562,109	September 2020	\$ 5,105
¹ United States Treasury Notes 5-Year Long Futures	80	\$ 10,059,375	September 2020	\$ 21,695
¹ United States Treasury Ultra Bond Long Futures	35	\$ 7,635,469	September 2020	\$ 3,359
Short Futures				
¹ S&P 500 E-Mini Short Futures	967	\$149,411,170	September 2020	\$5,042,567
¹ United States Treasury Notes 10-Year Short Futures	40	\$ 5,566,875	September 2020	\$ (37,181)
¹ United States Treasury Notes 10-Year Ultra Short Futures	20	\$ 3,149,687	September 2020	\$ (20,358)
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$5,015,187

At June 30, 2020, the Fund had the following outstanding written option contracts:

Counterparty	Description	Notional Amount	Expiration Date	Exercise Price	Value
Call Options:					
J.P. Morgan	Invesco QQQ Trust Series 1	\$ 81,708,000	July 2020	\$270.00	\$ (39,600)
Put Options:					
J.P. Morgan	SPDR S&P 500 ETF Trust	\$154,180,000	July 2020	\$280.00	\$(590,000)
J.P. Morgan	SPDR S&P 500 ETF Trust	\$ 77,090,000	August 2020	\$230.00	\$(207,500)
(PREMIUMS RECEIVED \$1,430,585)					\$(837,100)

Net Unrealized Appreciation on Futures Contracts and the value of Written Option Contracts is included in "Other Assets and Liabilities—Net."

Affiliated fund holdings are investment companies which are managed by Federated Global Investment Management Corp., Federated Investment Management Company and Federated Equity Management Company of Pennsylvania (collectively, the "Co-Advisers") or an affiliate of the Co-Advisers. Transactions with affiliated fund holdings during the period ended June 30, 2020, were as follows:

Affiliates	Balance of Shares Held 12/31/2019	Purchases/ Additions	Sales/ Reductions	Balance of Shares Held 6/30/2020	Value	Change in Unrealized Appreciation/ Depreciation	Net Realized Gain/ (Loss)	Dividend Income
Emerging Markets Core Fund	1,200,291	285,990	(256,178)	1,230,103	\$ 11,993,505	\$ (338,174)	\$ 7,421	\$ 275,387
Federated Bank Loan Core Fund	735,995	15,208	(211,010)	540,193	\$ 4,931,961	\$ (322,608)	\$(235,418)	\$ 140,422
Federated Hermes High Income Bond Fund II, Class P	2,624,254	809,629	(950,662)	2,483,221	\$ 14,427,516	\$ (970,648)	\$ 65,400	\$ 846,383
Federated Mortgage Core Portfolio	8,479,435	1,920,556	(3,335,971)	7,064,020	\$ 71,487,879	\$1,415,574	\$ 754,617	\$1,141,130
Federated Hermes Short-Intermediate Government Fund, Institutional Shares	1,035	9	—	1,044	\$ 11,901	\$ 529	\$ —	\$ 109
Project and Trade Finance Core Fund	1,933,087	31,673	(824,802)	1,139,958	\$ 9,986,031	\$ 83,486	\$(457,481)	\$ 278,482
TOTAL OF AFFILIATED TRANSACTIONS	14,974,097	3,063,065	(5,578,623)	12,458,539	\$112,838,793	\$ (131,841)	\$ 134,539	\$2,681,913

1 Non-income-producing security.

2 Floating/adjustable note with current rate and current maturity or next reset date shown. Adjustable rate mortgage security coupons are based on the weighted average note rates of the underlying mortgages less the guarantee and servicing fees. These securities do not indicate an index and spread in their description above.

3 The cost of investments for federal tax purposes amounts to \$566,682,421.

4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at June 30, 2020.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of June 30, 2020, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Equity Securities:				
Common Stocks				
Domestic	\$233,142,959	\$ —	\$—	\$233,142,959
International	4,208,908	—	—	4,208,908
Debt Securities:				
Adjustable Rate Mortgage	—	2,693	—	2,693
Commercial Mortgage-Backed Securities	—	6,444,702	—	6,444,702
Corporate Bonds	—	121,763,841	—	121,763,841
Mortgage-Backed Securities	—	67,003	—	67,003
U.S. Treasuries	—	80,610,648	—	80,610,648
Foreign Governments/Agencies	—	1,504,076	—	1,504,076
Purchased Call Option	260,700	—	—	260,700
Purchased Put Options	1,523,550	—	—	1,523,550
Investment Companies¹	102,852,762	—	—	112,838,793
Repurchase Agreement	—	35,864,000	—	35,864,000
TOTAL SECURITIES	\$341,988,879	\$246,256,963	\$—	\$598,231,873
Other Financial Instruments				
Assets				
Futures Contracts	\$ 5,072,726	\$ —	\$—	\$ 5,072,726
Liabilities				
Futures Contracts	(57,539)	—	—	(57,539)
Written Option Contracts	(837,100)	—	—	(837,100)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ 4,178,087	\$ —	\$—	\$ 4,178,087

1 As permitted by U.S. generally accepted accounting principles (GAAP), an Investment Company valued at \$9,986,031 is measured at fair value using the net asset value (NAV) per share practical expedient and has not been categorized in the chart above but is included in the Total column. The amount included herein is intended to permit reconciliation of the fair value classifications to the amounts presented on the Statement of Assets and Liabilities. The price of shares redeemed of Project and Trade Finance Core Fund may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request.

The following acronyms are used throughout this portfolio:

ADR —American Depositary Receipt
 ARM —Adjustable Rate Mortgage
 BKNT —Bank Notes
 ETF —Exchange-Traded Fund
 FREMF—Freddie Mac Multifamily K-Deals
 GMTN —Global Medium Term Note
 MTN —Medium Term Note
 REIT —Real Estate Investment Trust
 REMIC —Real Estate Mortgage Investment Conduit
 SPDR —Standard & Poor's Depositary Receipt

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2020	Year Ended December 31,				
		2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	\$11.30	\$9.60	\$10.80	\$9.52	\$9.29	\$10.54
Income From Investment Operations:						
Net investment income ¹	0.11	0.24	0.23	0.29	0.34	0.44
Net realized and unrealized gain (loss)	(1.16)	1.68	(1.13)	1.39	0.34	(1.20)
TOTAL FROM INVESTMENT OPERATIONS	(1.05)	1.92	(0.90)	1.68	0.68	(0.76)
Less Distributions:						
Distributions from net investment income	(0.27)	(0.22)	(0.30)	(0.40)	(0.45)	(0.44)
Distributions from net realized gain	—	—	—	—	—	(0.05)
TOTAL DISTRIBUTIONS	(0.27)	(0.22)	(0.30)	(0.40)	(0.45)	(0.49)
Net Asset Value, End of Period	\$9.98	\$11.30	\$9.60	\$10.80	\$9.52	\$9.29
Total Return²	(9.17)%	20.23%	(8.49)%	18.11%	7.69%	(7.64)%

Ratios to Average Net Assets:

Net expenses ³	0.91% ⁴	0.91%	0.89%	0.83%	0.79% ⁵	0.75% ⁵
Net investment income	2.14% ⁴	2.28%	2.26%	2.91%	3.72%	4.38%
Expense waiver/reimbursement ⁶	0.01% ⁴	0.02%	0.03%	0.09%	0.14%	0.16%

Supplemental Data:

Net assets, end of period (000 omitted)	\$559,507	\$651,498	\$632,957	\$621,804	\$563,745	\$631,701
Portfolio turnover	42%	47%	96%	71%	90%	97%

- 1 Per share numbers have been calculated using the average shares method.
- 2 Based on net asset value. Total returns do not reflect any additional fees or expenses that may be imposed by separate accounts of insurance companies or in connection with any variable annuity or variable life insurance contract. Total returns for periods of less than one year are not annualized.
- 3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 4 Computed on an annualized basis.
- 5 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratios were 0.79% and 0.75% for the years ended December 31, 2016 and 2015, respectively, after taking into account these expense reductions.
- 6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2020	Year Ended 12/31/2019	Period Ended 12/31/2018 ¹
Net Asset Value, Beginning of Period	\$11.27	\$9.59	\$10.08
Income From Investment Operations:			
Net investment income ²	0.10	0.21	0.13
Net realized and unrealized gain (loss)	(1.15)	1.68	(0.62)
TOTAL FROM INVESTMENT OPERATIONS	(1.05)	1.89	(0.49)
Less Distributions:			
Distributions from net investment income	(0.22)	(0.21)	—
Distributions from net realized gain	—	—	—
TOTAL DISTRIBUTIONS	(0.22)	(0.21)	—
Net Asset Value, End of Period	\$10.00	\$11.27	\$9.59
Total Return³	(9.19)%	19.92%	(4.86)%
Ratios to Average Net Assets:			
Net expenses ⁴	1.16% ⁵	1.16%	1.15% ⁵
Net investment income	1.89% ⁵	2.03%	1.91% ⁵
Expense waiver/reimbursement ⁶	0.01% ⁵	0.02%	0.02% ⁵
Supplemental Data:			
Net assets, end of period (000 omitted)	\$37,222	\$44,161	\$44,037
Portfolio turnover	42%	47%	96% ⁷

1 Reflects operations for the period from April 26, 2018 (date of initial investment) to December 31, 2018.

2 Per share numbers have been calculated using the average shares method.

3 Based on net asset value. Total returns do not reflect any additional fees or expenses that may be imposed by separate accounts of insurance companies or in connection with any variable annuity or variable life insurance contract. Total returns for periods of less than one year are not annualized.

4 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

5 Computed on an annualized basis.

6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

7 Portfolio turnover is calculated at the Fund level. Percentage indicated was calculated for the year ended December 31, 2018.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

June 30, 2020 (unaudited)

Assets:

Investment in securities, at value including \$112,838,793 of investment in affiliated holdings* (identified cost \$566,845,780)	\$598,231,873
Due from broker	2,000
Income receivable	1,663,887
Income receivable from affiliated holdings	263,736
Receivable for investments sold	32,143,597
Receivable for shares sold	276,141
TOTAL ASSETS	632,581,234

Liabilities:

Payable for investments purchased	\$32,356,786
Payable for shares redeemed	429,859
Written options outstanding (premium \$1,430,585), at value	837,100
Bank overdraft	16,697
Payable for variation margin on futures contracts	2,081,047
Payable for Directors'/Trustees' fees (Note 5)	151
Payable for investment adviser fee (Note 5)	11,988
Payable for administrative fee (Note 5)	1,610
Payable for distribution services fee (Note 5)	7,704
Accrued expenses (Note 5)	108,555
TOTAL LIABILITIES	35,851,497

Net assets for 59,783,324 shares outstanding \$596,729,737

Net Assets Consist of:

Paid-in capital	\$622,735,822
Total distributable earnings (loss)	(26,006,085)
TOTAL NET ASSETS	\$596,729,737

Net Asset Value, Offering Price and Redemption Proceeds Per Share

Primary Shares:

Net asset value per share ($\$559,507,315 \div 56,059,408$ shares outstanding), no par value, unlimited shares authorized \$9.98

Service Shares:

Net asset value per share ($\$37,222,422 \div 3,723,916$ shares outstanding), no par value, unlimited shares authorized \$10.00

* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended June 30, 2020 (unaudited)

Investment Income:

Dividends (including \$2,681,913 received from affiliated holdings* and net of foreign taxes withheld of \$2,900)	\$ 6,369,664
Interest	3,199,016
TOTAL INCOME	9,568,680

Expenses:

Investment adviser fee (Note 5)	\$2,351,507
Administrative fee (Note 5)	309,335
Custodian fees	19,345
Transfer agent fees	25,576
Directors'/Trustees' fees (Note 5)	2,552
Auditing fees	17,190
Legal fees	7,553
Portfolio accounting fees	86,374
Distribution services fee (Note 5)	49,297
Printing and postage	70,048
Miscellaneous (Note 5)	16,412
TOTAL EXPENSES	2,955,189
Reimbursement of investment adviser fee (Note 5)	(42,265)
Net expenses	2,912,924
Net investment income	6,655,756

Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Written Options and Foreign Currency

Transactions:

Net realized gain on investments (including net realized gain of \$134,539 on sales of investments in affiliated holdings*)	10,403,331
Net realized loss on foreign currency transactions	(1,230)
Net realized loss on futures contracts	(42,206,730)
Net realized loss on written options	(3,364,688)
Net change in unrealized appreciation of investments (including net change in unrealized appreciation of \$(131,841) on investments in affiliated holdings*)	(27,442,676)
Net change in unrealized appreciation of futures contracts	(6,442,497)
Net change in unrealized appreciation of written options	589,396
Net realized and unrealized gain (loss) on investments, futures contracts, written options and foreign currency transactions	(68,465,094)
Change in net assets resulting from operations	\$(61,809,338)

* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 6/30/2020	Year Ended 12/31/2019
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 6,655,756	\$ 15,670,104
Net realized gain (loss)	(35,169,317)	24,776,133
Net change in unrealized appreciation/depreciation	(33,295,777)	87,210,130
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(61,809,338)	127,656,367
Distributions to Shareholders:		
Primary Shares	(14,937,718)	(13,858,559)
Service Shares	(827,265)	(900,138)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(15,764,983)	(14,758,697)
Share Transactions:		
Proceeds from sale of shares	15,102,043	25,506,299
Net asset value of shares issued to shareholders in payment of distributions declared	15,764,981	14,758,695
Cost of shares redeemed	(52,222,083)	(134,498,167)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(21,355,059)	(94,233,173)
Change in net assets	(98,929,380)	18,664,497
Net Assets:		
Beginning of period	695,659,117	676,994,620
End of period	\$596,729,737	\$ 695,659,117

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

June 30, 2020 (unaudited)

1. ORGANIZATION

Federated Hermes Insurance Series (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of six portfolios. The financial statements included herein are only those of Federated Hermes Managed Volatility Fund II (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Primary Shares and Service Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. The investment objective of the Fund is to achieve high current income and moderate capital appreciation. The Co-Advisers each are registered as a "commodity pool operator" with respect to operation of the Fund.

Prior to April 28, 2020, the name of the Trust and Fund were Federated Insurance Series and Federated Managed Volatility Fund II, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with GAAP.

Investment Valuation

In calculating its NAV, the Fund generally values investments as follows:

- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Fund's Board of Trustees (the "Trustees").
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and asked quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Trustees, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Fund's valuation policies and procedures, or if information furnished by a pricing service, in the opinion of the valuation committee ("Valuation Committee"), is deemed not representative of the fair value of such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share, and the actual value obtained could be materially different.

Fair Valuation and Significant Events Procedures

The Trustees have ultimate responsibility for determining the fair value of investments for which market quotations are not readily available. The Trustees have appointed a Valuation Committee comprised of officers of the Fund, the Co-Advisers and certain of the Co-Advisers' affiliated companies to assist in determining fair value and in overseeing the calculation of the NAV. The Trustees have also authorized the use of pricing services recommended by the Valuation Committee to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Co-Advisers based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Trustees. The Trustees periodically review and approve the fair valuations made by the Valuation Committee and any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

The Trustees also have adopted procedures requiring an investment to be priced at its fair value whenever the Co-Advisers determine that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded principally in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures contracts;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded;
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Trustees have adopted procedures whereby the Valuation Committee uses a pricing service to provide factors to update the fair value of equity securities traded principally in foreign markets from the time of the close of their respective foreign stock exchanges to the pricing time of the Fund. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Fund will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Trustees. The Trustees have ultimate responsibility for any fair valuations made in response to a significant event.

Repurchase Agreements

The Fund may invest in repurchase agreements for short-term liquidity purposes. It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Co-Advisers and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

Repurchase agreements are subject to Master Netting Agreements which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated above, the cash or securities to be repurchased, as shown on the Portfolio of Investments, exceeds the repurchase price to be paid under the agreement reducing the net settlement amount to zero.

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Positive or negative inflation adjustments on Treasury Inflation-Protected Securities are included in interest income. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense reimbursement of \$42,265 is disclosed in Note 5.

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended June 30, 2020, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of June 30, 2020, tax years 2016 through 2019 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

The Fund may be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or gains are earned.

When-Issued and Delayed-Delivery Transactions

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Futures Contracts

The Fund purchases and sells financial futures contracts to manage duration and yield curve risks. Upon entering into a financial futures contract with a broker, the Fund is required to deposit with a broker, either U.S. government securities or a specified amount of cash, which is shown as due from broker in the Statement of Assets and Liabilities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. The Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. There is minimal counterparty risk to the Fund since futures contracts are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures contracts, guarantees the futures contracts against default.

Futures contracts outstanding at period end are listed after the Fund's Portfolio of Investments.

The average notional value of long and short futures contracts held by the Fund throughout the period was \$165,869,943 and \$105,296,488, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Foreign Currency Translation

The accounting records of the Fund are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the rates of exchange of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities, income and expenses are translated at the rate of exchange quoted on the respective date that such transactions are recorded. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at period end, resulting from changes in the exchange rate.

Option Contracts

The Fund buys or sells put and call options to manage market risks. The seller ("writer") of an option receives a payment or premium, from the buyer, which the writer keeps regardless of whether the buyer exercises the option. When the Fund writes a put or call option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the underlying reference instrument. When the Fund purchases a put or call option, an amount equal to the premium paid is recorded as an increase to the cost of the investment and subsequently marked to market to reflect the current value of the option purchased. Premiums paid for purchasing options which expire are treated as realized losses. Premiums received/paid for writing/purchasing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying reference instrument to determine the realized gain or loss. The risk associated with purchasing put and call options is limited to the premium paid. Options can trade on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. This protects investors against potential defaults by the counterparty.

Purchased option contracts outstanding at period-end are listed in the Fund's Portfolio of Investments and written option contracts outstanding at period end are listed after the Fund's Portfolio of Investments.

The average market value of purchased put and call options held by the Fund throughout the period was \$591,829 and \$1,765,957, respectively. This is based on amounts held as of each month-end throughout the six-month period.

The average market value of written put and call options held by the Fund throughout the period was \$276,286 and \$448,836, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the Trustees.

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Asset		Liability	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815				
Interest rate contracts		\$—	Payable for variation margin on futures contracts	\$27,380*
Equity contracts		\$—	Payable for variation margin on futures contracts	\$(5,042,567)*
Equity contracts		\$—	Written option contracts outstanding, at value	\$ 837,100
Equity contracts	Purchased options, Investment in securities at value	\$ 1,784,250		\$—
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$ 1,784,250		\$(4,178,087)

* Includes net cumulative appreciation/depreciation of futures contracts as reported in the footnotes to the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities

The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended June 30, 2020

Amount of Realized Gain or (Loss) on Derivatives Recognized in Income

	Futures Contracts	Purchased Option Contracts ¹	Written Option Contracts	Total
Interest rate contracts	\$ 1,119,193	\$ —	\$ —	\$ 1,119,193
Equity contracts	(43,325,923)	12,141,548	(3,364,688)	(34,549,063)
TOTAL	\$(42,206,730)	\$12,141,548	\$(3,364,688)	\$(33,429,870)

Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income

	Futures Contracts	Purchased Option Contracts ²	Written Option Contracts	Total
Interest rate contracts	\$ 184,794	\$ —	\$ —	\$ 184,794
Equity contracts	(6,627,291)	(1,628,385)	589,396	(7,666,280)
TOTAL	\$(6,442,497)	\$(1,628,385)	\$589,396	\$(7,481,486)

1 The net realized gain on Purchased Option Contracts is found within the Net realized gain on investments on the Statement of Operations.

2 The net change in unrealized depreciation of Purchased Option Contracts is found within the Net change in unrealized appreciation of investments on the Statement of Operations

Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ materially from those estimated. The Fund applies investment company accounting and reporting guidance.

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Six Months Ended 6/30/2020		Year Ended 12/31/2019	
	Shares	Amount	Shares	Amount
Primary Shares:				
Shares sold	1,372,001	\$ 14,012,757	2,373,923	\$ 24,532,576
Shares issued to shareholders in payment of distributions declared	1,577,373	14,937,718	1,369,423	13,858,559
Shares redeemed	(4,553,709)	(48,121,473)	(12,039,584)	(125,610,367)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(1,604,335)	\$(19,170,998)	(8,296,238)	\$(87,219,232)

	Six Months Ended 6/30/2020		Year Ended 12/31/2019	
	Shares	Amount	Shares	Amount
Service Shares:				
Shares sold	109,662	\$ 1,089,286	94,757	\$ 973,723
Shares issued to shareholders in payment of distributions declared	87,172	827,263	88,946	900,136
Shares redeemed	(390,065)	(4,100,610)	(858,584)	(8,887,800)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(193,231)	\$(2,184,061)	(674,881)	\$(7,013,941)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(1,797,566)	\$(21,355,059)	(8,971,119)	\$(94,233,173)

4. FEDERAL TAX INFORMATION

At June 30, 2020, the cost of investments for federal tax purposes was \$566,682,421. The net unrealized appreciation of investments for federal tax purposes was \$37,158,124. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$54,540,814 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$17,382,690. The amounts presented are inclusive of derivative contracts.

As of December 31, 2019, the Fund had a capital loss carryforward of \$21,108,517 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

The following schedule summarizes the Fund's capital loss carryforwards:

Short-Term	Long-Term	Total
\$11,134,453	\$9,974,064	\$21,108,517

At December 31, 2019, for federal income tax purposes, the Fund had \$582,345 in straddle loss deferrals.

As a result of the August 2018 tax-free transfer of assets from Federated Managed Tail Risk Fund II, certain capital loss carryforwards listed above may be limited.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The co-advisory agreement between the Fund and the Co-Advisers provides for an annual fee equal to 0.75% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Co-Advisers may voluntarily choose to waive any portion of their fee. The Co-Advisers have agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the six months ended June 30, 2020, the Co-Advisers reimbursed \$42,265.

Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

Administrative Fee	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

In addition to the fees described above, the Fund agrees to pay FAS an annual Administrative Service Charge of \$125,000 for administrative and compliance services related to commodities Futures Trading Commission Rule 4.5. Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the six months ended June 30, 2020, the annualized fee paid to FAS was 0.099% of average daily net assets of the Fund.

In addition, FAS may charge certain out-of-pocket expenses to the Fund.

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.25% of average daily net assets, annually, to compensate FSC. For the six months ended June 30, 2020, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$49,297

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended June 30, 2020, FSC did not retain any fees paid by the Fund.

Expense Limitation

The Co-Advisers and certain of their affiliates (which may include FAS and FSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy related expenses paid by the Fund, if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.95% and 1.20% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) June 1, 2021; or (b) the date of the Fund's next effective Prospectus. While the Co-Advisers and their applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Interfund Transactions

During the six months ended June 30, 2020, the Fund engaged in sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These sale transactions complied with Rule 17a-7 under the Act and amounted to \$240,000. Net realized gain recognized on these transactions was \$53,030.

Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses are paid by an affiliate of the Co-Advisers which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended June 30, 2020, were as follows:

Purchases	\$210,847,666
Sales	\$240,567,573

7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to the highest, on any day, of (a) (i) the federal funds effective rate, (ii) the one month London Interbank Offered Rate (LIBOR), or a replacement rate as appropriate, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of an upfront fee, and its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of June 30, 2020, the Fund had no outstanding loans. During the six months ended June 30, 2020, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of June 30, 2020, there were no outstanding loans. During the six months ended June 30, 2020, the program was not utilized.

9. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short-term or may last for an extended period of time and has resulted in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could continue to negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the Fund's performance.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds used as variable investment options. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2020 to June 30, 2020.

ACTUAL EXPENSES

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 1/1/2020	Ending Account Value 6/30/2020	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$ 908.30	\$4.32
Service Shares	\$1,000	\$ 908.10	\$5.50
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,020.40	\$4.57
Service Shares	\$1,000	\$1,019.10	\$5.82

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half-year period). The expenses shown in the table do not include the charges and expenses imposed by the insurance company under the variable insurance product contract. Please refer to the variable insurance product prospectus for a complete listing of these expenses. The annualized net expense ratios are as follows:

Primary Shares	0.91%
Service Shares	1.16%

Evaluation and Approval of Advisory Contract – May 2020

FEDERATED HERMES MANAGED VOLATILITY FUND II (THE “FUND”)

(FORMERLY, FEDERATED MANAGED VOLATILITY FUND II)

At its meetings in May 2020 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including a majority of those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Global Investment Management Corp., Federated Investment Management Company and Federated Equity Management Company of Pennsylvania under which they will serve as co-advisers to the Fund (the “Co-Advisers”), for an additional one-year term (the “Contract”). The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to continue the existing arrangements. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

Information Received and Review Process

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation presenting on the topics discussed below. The Board considered the CCO’s independent written evaluation (the “CCO Fee Evaluation Report”), along with other information, in evaluating the reasonableness of the Fund’s management fee and in determining to approve the continuation of the Contract. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Adviser and its affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes on behalf of the Independent Trustees encompassing a wide variety of topics. The Board also considered such additional matters as the Independent Trustees deemed reasonably necessary to evaluate the Contract, which included detailed information about the Fund and Federated Hermes furnished to the Board at its meetings throughout the year and in between regularly scheduled meetings on particular matters as the need arose, as well as information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings.

The Board’s consideration of the Contract included review materials and information covering the following matters, as among others: the Co-Advisers’ investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund’s short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund’s particular investment program a group of its peer funds and/or its benchmark, as appropriate) and comments on the reasons for the Fund’s performance; the Fund’s investment objectives; the Fund’s expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Co-Advisers and their affiliates. The Board also considered the preferences and expectations of Fund shareholders; the entrepreneurial and other risks assumed by the Co-Advisers in sponsoring and managing the Fund; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund’s relationship to the other funds advised by Federated Hermes (each, a Federated Hermes Fund”), which include a comprehensive array of funds with different investment objectives, policies and strategies which are generally available for exchange without the incurrence of additional sales charges; compliance and audit reports concerning the Federated Hermes Funds and the Federated Hermes affiliates that service them (including communications from regulatory agencies), as well as Federated Hermes’ responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated Hermes Funds and/or Federated Hermes may be responding to them. In addition, the Board received and considered information furnished by Federated Hermes on the impacts of the coronavirus (COVID-19) outbreak on Federated Hermes generally and the Fund in particular, including, among other information, the current and anticipated impacts on the management, operations and performance of the Fund. The Board noted that its Board’s evaluation process is evolutionary and that the criteria considered and the emphasis placed on relevant criteria may change in recognition of changing circumstances in the mutual fund marketplace.

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees in determining to approve the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser's fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by an adviser to a fund and its shareholders (including the performance of the fund, its benchmark, and comparable funds); (2) an adviser's cost of providing the services (including the profitability to an adviser of providing advisory services to a fund); (3) the extent to which an adviser may realize "economies of scale" as a fund grows larger and, if such economies of scale exist, whether they have been shared with a fund and its shareholders or the family of funds; (4) any "fall-out" financial benefits that accrue to an adviser because of its relationship with a fund (including research services received from brokers that execute fund trades and any fees paid to affiliates of an adviser for services rendered to a fund); (5) comparative fee and expense structures (including a comparison of fees paid to an adviser with those paid by similar funds both internally and externally as well as management fees charged to institutional and other advisory clients of the adviser for what might be viewed as like services); and (6) the extent of care, conscientiousness and independence with which the fund's board members perform their duties and their expertise (including whether they are fully informed about all facts the board deems relevant to its consideration of an adviser's services and fees). The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements regarding the basis a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was aware of these factors and was guided by them in its review of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below. Also, in weighing these factors, the Board considered the aggregate advisory fee paid by the Fund for the services of all Co-Advisers in addition to considering the allocation of that aggregate fee among the Co-Advisers and the rationale for that allocation.

The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the Federated Hermes Funds. While individual members of the Board may have weighed certain factors differently, the Board's determination to continue the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The Independent Trustees were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Trustees met separately in executive session with their independent legal counsel and without management present to review the relevant materials and consider their responsibilities under applicable laws. In addition, senior management representatives of Federated Hermes also met with the Independent Trustees and their independent legal counsel to discuss the materials and presentations furnished to the Board at the May Meetings. The Board considered the approval of the Contract for the Fund as part of its consideration of agreements for funds across the Federated Hermes Funds family, but its approvals were made on a fund-by-fund basis.

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of the services provided to the Fund by the Co-Advisers and the resources of the Co-Advisers and their affiliates dedicated to the Fund. In particular, the Board considered the services provided by the Co-Advisers in the aggregate, to the extent that the Co-Advisers collaborate in the implementation of the Fund's strategy, as well as separately, to the extent to which specific services provided by a Co-Adviser are distinguishable and subject to meaningful assessment. In this regard, the Board evaluated, among other things, the Co-Advisers' personnel, experience and track record, as well as the financial resources and overall reputation of Federated Hermes and its willingness to invest in personnel and infrastructure that benefit the Federated Hermes Funds. The Board noted the significant acquisition of Hermes Fund Managers Limited by Federated Hermes in 2018, which has deepened the organization's investment management expertise and capabilities and expanded the investment process for all of the Federated Hermes Funds to incorporate environmental, social and governance ("ESG") factors and issuer engagement on ESG matters.

In addition, the Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and the Co-Advisers' ability and experience in attracting and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Co-Advisers and the compliance-related resources devoted by the Co-Advisers and its affiliates in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including the Co-Advisers' commitment to respond to rulemaking and other regulatory initiatives of the SEC, such as the liquidity risk management program rules. In addition, the Board considered the response by the Adviser to recent market conditions and considered the overall performance of the Adviser in this context. The Fund's ability to deliver competitive performance when compared to its Performance Peer Group (as defined below) was also deemed to be relevant by the Board as a useful indicator of how the Co-Advisers are executing the Fund's investment program. The Co-Advisers' ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent, and quality of the Co-Advisers' investment management and related services warrant the continuation of the Contract.

Fund Investment Performance

In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks, as disclosed in the Fund's prospectus. The Board also considered the Fund's performance in light of the overall recent market conditions. The Board considered detailed investment reports on the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings and evaluated the Co-Advisers' analysis of the Fund's performance for these time periods. The Board also reviewed comparative information regarding the performance of other mutual funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"), noting the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Co-Advisers in managing the Fund. The Board considered, in evaluating such comparisons, that in some cases there may be differences in the funds' objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group. In this connection, the Board considered that the longevity and experience of the Fund's portfolio management team and their extensive bottom-up approach to investing may limit the utility of comparisons to other equity mutual funds.

For the one-year, three-year and five-year periods ended December 31, 2019, the Fund's performance was above the median of the relevant Performance Peer Group.

Following such evaluation, and full deliberations, the Board concluded that the performance of the Fund supported renewal of the Contract.

Fund Expenses

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged by other advisers for managing funds with comparable investment programs, the Board has found the use of such comparisons to be relevant to its deliberations. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the "Expense Peer Group"). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category. The Board focused on comparisons with other similar mutual funds more heavily than non-mutual fund products or services because such comparisons are believed to be more relevant. The Board considered that other mutual funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's investors. The Board noted that the range of their fees and expenses, therefore, appears to be a relevant indicator of what consumers have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate and other expenses relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was below the median of the relevant Expense Peer Group and the Board was satisfied that the overall expense structure of the Fund remained competitive.

For comparison, the Board received and considered information about the fees charged by Federated Hermes for providing advisory services to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-mutual fund clients such as institutional separate accounts and third-party unaffiliated mutual funds for which the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-mutual fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) the time spent by portfolio managers and their teams (among other personnel across various departments, including legal, compliance and risk management) in reviewing securities pricing, addressing different administrative responsibilities, and addressing different degrees of risk associated with management; and (vi) a variety of different costs. The Board also considered information regarding the differences in the nature of the services required for Federated Hermes to manage its proprietary mutual fund business versus managing a discrete pool of assets as a sub-adviser to another institution's mutual fund, noting that Federated Hermes generally performs significant additional services and assumes substantially greater risks in managing the Fund and other Federated Hermes Funds than in its role as sub-adviser to an unaffiliated third-party mutual fund. The Board noted that the CCO did not consider the fees for providing advisory services to other types of clients to be determinative in judging the appropriateness of the Federated Hermes Funds' advisory fees.

Following such evaluation, and full deliberations, the Board concluded that the fees and expenses of the Fund are reasonable and supported renewal of the Fund's Contract.

Profitability and Other Benefits

The Board also received financial information about Federated Hermes, including information regarding the compensation and ancillary (or “fall-out”) benefits Federated Hermes derived from its relationships with the Federated Hermes Funds. This information covered not only the fees under the Federated Hermes Funds’ investment advisory contracts, but also fees received by Federated Hermes’ affiliates for providing other services to the Federated Hermes Funds under separate contracts (e.g., for serving as the Federated Hermes Funds’ administrator and distributor). In this regard, the Board considered that certain of Federated Hermes’ affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing any indirect benefit Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds. In addition, the Board considered the fact that, in order for the Federated Hermes Fund to be competitive in the marketplace, the Co-Advisers and their affiliates frequently waived fees and/or reimbursed expenses and have disclosed to Federated Hermes Fund shareholders and/or reported to the Board their intention to do so in the future. Moreover, the Board received and considered regular reports from Federated Hermes throughout the year as to the institution, adjustment or elimination of these voluntary waivers and/or reimbursements.

The investment advisory contract between the Fund and the Co-Advisers provides for payment of a single advisory fee by the Fund for all services provided by the Co-Advisers. The investment advisory contract permits the Co-Advisers to allocate the advisory fee in a manner commensurate with the services they provide to the Fund. Throughout the year, as well as in connection with its May Meetings, the Board considered the fee allocation and analyzed whether the allocation of fees among the Co-Advisers continued to be a reasonable proxy for and measurement of the level of resources and services provided by each Co-Adviser toward the management of the Fund. The Board considered Federated Hermes’ previous reductions in contractual management fees to certain Federated Hermes Funds during the prior year, including in response to the CCO’s recommendations in the prior year’s CCO Fee Evaluation Report.

The Board received and considered information furnished by Federated Hermes, as requested by the CCO that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO’s view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable, because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. The allocation information, including the CCO’s view that fund-by-fund estimations may be unreliable, was considered in the evaluation by the Board. In addition, the Board considered that, during the prior year, an independent consultant conducted a review of the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contract. The Board noted the consultant’s view that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable.

The Board also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. The Board considered the CCO’s conclusion that, based on such profitability information, Federated Hermes’ profit margins did not appear to be excessive. The Board also considered the CCO’s view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

Economies of Scale

The Board received and considered information about the notion of possible realization of “economies of scale” as a fund grows larger, the difficulties of calculating economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as personnel and processes for the portfolio management, trading operations, issuer engagement (including with respect to ESG matters), shareholder services, compliance, business continuity, internal audit and risk management functions, as well as systems technology (including technology relating to cybersecurity) and use of data. The Board noted that Federated Hermes’ investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments (as well as the benefits of any economies of scale, should they exist) are likely to be shared with the Federated Hermes Fund family as a whole. In addition, the Board considered that the Co-Advisers and their affiliates have frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and that such waivers and reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund’s assets decline. Federated Hermes, as it does throughout the year, and specifically in connection with the Board’s review of the Contract, furnished information relative to adviser-paid fees (commonly referred to as revenue sharing). The Board

considered the beliefs of Federated Hermes and the CCO that this information should be viewed to determine if there was an incentive to either not apply breakpoints or to apply breakpoints, at higher levels and should not be viewed to determine the appropriateness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with “breakpoints” that serve to reduce the fee as a fund attains a certain size.

Conclusions

The Board considered the CCO’s conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund was reasonable and the CCO’s recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contract by the CCO. The CCO also recognized that the Board’s evaluation of the Federated Hermes Funds’ advisory and subadvisory arrangements is a continuing and on-going process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its on-going oversight of the Federated Hermes Funds.

In its determination to continue an existing investment advisory contract, the Board was mindful of the potential disruptions of the Fund’s operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew an investment advisory contract. In particular, the Board recognized that many shareholders have invested in the Fund on the strength of the Co-Advisers’ industry standing and reputation and with the expectation that the Co-Advisers will have a continuing role in providing advisory services to the Fund. Thus, the Board’s approval of the Contract reflected the fact that it is the shareholders who have effectively selected the Co-Advisers by virtue of having invested in the Fund. The Board concluded that, in light of the factors summarized above, including the nature, quality and scope of the services provided to the Fund by the Co-Advisers and their affiliates, continuation of the Contract was appropriate.

The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view to past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were deemed to be relevant, the Board’s determination to approve the continuation of the Contract reflects its view that Federated Hermes’ performance and actions provided a satisfactory basis to support the determination to continue the existing arrangements.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “LRMP”) for Federated Hermes Managed Volatility Fund II (the “Fund” and collectively with the Federated Hermes funds, the “Funds”). The LRMP seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of the Funds’ investment advisers as the administrators for the LRMP (collectively, the “Administrator”). The Administrator has established a Liquidity Risk Management Committee (the “Committee”) comprised of representatives from various departments across the Administrator to assist it in the implementation and on-going administration of the LRMP. The Committee, in turn, has delegated to the Fixed Income and Equities Liquidity Committees, each a separate committee previously established by the Administrator, the responsibility to review and assess certain information related to the liquidity of the Funds that fall within their respective asset classes.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund’s liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund’s investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of “illiquid investments” (as defined under the Liquidity Rule); (4) to the extent a Fund does not invest primarily in “highly liquid investments” (as defined under the Liquidity Rule), the determination of a minimum percentage of the Fund’s assets that generally will be invested in highly liquid investments (an “HLIM”); (5) if a Fund has established an HLIM, the periodic review (no less frequently than annually) of the HLIM and the adoption of policies and procedures for responding to a shortfall of the Fund’s highly liquid investments below its HLIM; and (6) periodic reporting to the Board.

At its meetings in May 2020, the Board received and reviewed a written report from the Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the LRMP for the period from the LRMP’s inception on December 1, 2018 through March 31, 2020 (the “Period”). The Report addressed the operation of the LRMP and assessed its adequacy and effectiveness, including, where applicable, the operation of any HLIM established for a Fund. There were no material changes to the LRMP during the Period. The Report summarized the operation of the Program and the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Funds. Such information and factors included, among other things:

- the liquidity risk framework used to assess, manage, and periodically review each Fund’s liquidity risk and the results of this assessment, including a review of the Funds’ access to other available funding sources such as the Funds’ interfund lending facility, redemptions in-kind and committed lines of credit and confirmation that the Fund did not have to access any of these alternative funding sources during the Period;
- the periodic classifications of the Fund’s investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund’s reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund’s investments and the results of an evaluation of the services performed by the vendor in support of this process;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period and the procedures for monitoring this limit; and
- liquidity events during the Period, including the impact on liquidity caused by extended non-U.S. market closures and the market disruptions resulting from the novel coronavirus outbreak, and the fact that there were no specific liquidity events during the Period that materially affected the Fund’s liquidity risk.

Based on this review, the Administrator concluded that the LRMP is operating effectively to assess and manage the Fund’s liquidity risk, and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund’s liquidity developments.

Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at FederatedInvestors.com/FundInformation. Form N-PX filings are also available at the SEC's website at sec.gov.

Quarterly Portfolio Schedule

Each fiscal quarter, the Fund will file with the SEC a complete schedule of its monthly portfolio holdings on "Form N-PORT." The Fund's holdings as of the end of the third month of every fiscal quarter, as reported on Form N-PORT, will be publicly available on the SEC's website at sec.gov within 60 days of the end of the fiscal quarter upon filing. You may also access this information via the link to the Fund and share class name at FederatedInvestors.com.

Variable investment options are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in variable investment options involves investment risk, including the possible loss of principal.

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400.



Federated Hermes Managed Volatility Fund II
Federated Hermes Funds
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Contact us at [FederatedInvestors.com](https://www.federatedinvestors.com)
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