

Annual Shareholder Report

December 31, 2022



Share Class Primary Service

Federated Hermes Managed Volatility Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

We are pleased to present the Annual Shareholder Report for your fund covering the period from January 1, 2022 through December 31, 2022. This report includes Management's Discussion of Fund Performance, a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

As a global leader in active, responsible investment management, Federated Hermes is guided by our conviction that responsible investing is the best way to create wealth over the long term. The company provides capabilities across a wide range of asset classes to investors around the world.

In addition, [FederatedInvestors.com](https://www.federatedinvestors.com) offers quick and easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists and financial planning tools. You can also access many of those insights by following us on Twitter (@FederatedHermes) and LinkedIn.

Thank you for investing with us. We 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

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Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes Managed Volatility Fund II (the "Fund"), based on net asset value for the 12-month reporting period ended December 31, 2022, was -13.75% for the Primary Shares and -14.00% for the Service Shares. For the same period, the Standard & Poor's 500 Index (S&P 500)¹ returned -18.11%, the Russell 1000[®] Value Index (R1000V) returned -7.54%, and the Bloomberg U.S. Aggregate Bond Index (BAB) returned -13.01%. Weighting these benchmarks (40% R1000V, 60% BAB) with daily rebalancing, the Fund's custom benchmark (the "Blended Index")² return for the period was -10.57%. The total return of the Morningstar US Insurance Tactical Allocation Funds Average (MUITA)³, a peer group average for the Fund, was -13.81% during the same period. The Fund's and the MUITA's total returns for the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses, which are not reflected in the total return of the Blended Index.

The Fund's investment strategy focused on income-earning investments, specifically equity and fixed-income⁴ securities that have high income potential, and managing the realized volatility of the overall portfolio through: (1) derivatives; (2) sector and security selection for bonds, and; (3) sector and security selection for equities. These are the factors that most affected Fund performance relative to the Blended Index in the period. These factors were used in pursuit of the Fund objectives of high current income and moderate capital appreciation, while managing the volatility of the overall portfolio.

The following discussion will focus on the performance of the Fund's Primary Shares relative to the Blended Index.

MARKET OVERVIEW

The reporting period was defined by global central bankers raising interest rates, which pushed the prices of most asset classes, including stocks and bonds, lower. The first three quarters of 2022 were characterized by negative returns for both stocks and bonds as well as heightened volatility of both asset classes. There was some relief in the fourth quarter of 2022 as some market participants perceived that the central banks' work in raising rates was nearing an end. In the fourth quarter, stocks and bonds produced their first positive return quarter of the year, and volatility was somewhat reduced, particularly for stocks.

Large amounts of fiscal stimulus in the U.S. and large amounts of fiscal and monetary stimulus in China drove solid credit growth in the world's two largest countries. In the U.S., the labor market was very strong in terms of both low unemployment and wage gains. The services side of the U.S. economy was resilient to the Federal Reserve (the "Fed") monetary tightening, whereas the manufacturing side of the economy decelerated notably during the period.

On the bond side, the total return of -13.01% for 2022 was the worst total return in BAB history, far worse than the previous record low of -2.92% in 1994. Significantly higher U.S. Treasury rates across the curve and wider credit spreads drove the negative returns in the year. Despite the Consumer Price Index ending 2021 at a decade high 6.8%, the Fed was slow to recognize the persistency of inflation in the U.S. Once the Fed acknowledged the increase in inflation was no longer transitory, the Fed accelerated the taper of its asset purchase program to end in March and began an aggressive Fed Funds hiking cycle. Specifically, the Fed initially raised the Fed Funds target rate by 25 basis points (bps) in March, but quickly accelerated rate hikes to include four successive 75 bps hikes. In 2022, the Fed Funds target rate increased by 425 bps from 0% - 0.25% at the start of the reporting period to 4.25% - 4.50% at the end of the reporting period. In addition, the Fed began reducing the size of its balance sheet by \$47.5 billion a month in June and increased to the monthly reduction cap to \$95 billion in September. The Fed was not the only central bank fighting inflation in 2022, and higher global rates also put upward pressure on U.S. rates. Against this backdrop of higher inflation and tighter monetary policy, U.S. Treasury rates were up materially across the curve. The yield-to-maturity on the Bloomberg U.S. Treasury Index⁵ began the year at 1.23% and ended the year at 4.18%. The U.S. Treasury curve "bear flattened" in 2022 with short-term rates up more than longer-term rates and ended the year "inverted" with short-term rates higher than longer-term rates. The increase in U.S. Treasury rates led to negative total returns for all major U.S. fixed income markets in 2022. The Bloomberg U.S. Treasury Index 2022 total return was -12.46%, compared to the Bloomberg High Yield Index total return of -11.18%, the Bloomberg Emerging Markets USD Aggregate Index⁶ total return of -15.26%, the Bloomberg U.S. Corporate Investment Grade Index⁷ of -15.76% and the Bloomberg MBS Index⁸ of -11.81%.

On the equity side, 2022 was the largest down year since 2008, with the Russell 1000[®] Index⁹ total return of -19.13%. Perhaps the most notable skew to U.S. equities in 2022 was the relative outperformance of value versus growth as interest rates surged higher. The total returns of the R1000V and Russell 1000 Growth indices for the year were -7.54% and -29.14%, respectively. In terms of sectors, the top performing equity sectors were Energy, Utilities and Health Care, while the worst performing sectors were Information Technology and Communications Services.

DERIVATIVES¹⁰

During the reporting period, the Fund invested in S&P 500 futures contracts (SP5FUT) for volatility risk management purposes. The goal of all SP5FUT trades was to attempt to achieve a realized Fund annualized volatility of returns of 10%. The actual realized volatility of daily returns for the Fund for the reporting period was 10.35%, near the middle of the target range of 8% to 12%. To achieve this, the Fund was long SP5FUT for most of the reporting period, with an average, minimum and maximum weight of 7%, -16% and 44%, respectively. The decrease in the 2022 Fund return relative to the Blended Index due to the SP5FUT holdings was -8.21% (gross of fees). This was the largest factor affecting Fund performance relative to the Blended Index.

Also, during the reporting period, the Fund invested in S&P 500 equity put options (SP5EPO) for volatility risk management purposes. Fund management deemed the market environment for most of the reporting period to be favorable for being long (owning) SP5EPO securities, and these securities served as a partial hedge/offset against the SP5FUT holdings mentioned above. Fund management was active in trading the SP5EPO holdings, attempting to buy when the implied volatilities were relatively low and sell after the SP5EPO holdings went into the money. This strategy was generally successful during the reporting period. The increase in the 2022 Fund return relative to the Blended Index due to the SP5EPO holdings was 3.10% (gross of fees). This was the second largest factor affecting Fund performance relative to the Blended Index.

Also, during the reporting period, the Fund invested in U.S. Treasury Note Futures (USTFUT). The primary usage of the USTFUT holdings was to express Fund management's duration¹¹ view in relation to the Blended Index. In the reporting period, fund management expressed the view that interest rates would shift up, which turned out to be correct. The secondary usage category of the USTFUT holdings was to express yield curve twist bets relative to the Blended Index. Yield curve¹² twists pertains to changes over time in the shape of the U.S. Treasury yield curve, either "flatter" or "steeper." The USTFUT active strategies were generally successful during the reporting period. The increase in the 2022 Fund return relative to its benchmark due to the USTFUT duration views was 2.40% (gross of fees), a portion of which is discussed in the Sector and Security Selection—Bonds section below. This was the third largest factor affecting Fund performance relative to its benchmark. The impact to fund performance relative to the benchmark for the USTFUT yield curve views was not material in the reporting period.

SECTOR AND SECURITY SELECTION – BONDS

For the 12 months ended December 31, 2022, the fixed income component of the Fund outperformed the return of its benchmark, the BAB. The fixed income portfolio's duration during the year averaged 92% of its benchmark, resulting in the largest positive contribution to performance in a rising rate environment. Security selection in investment-grade¹³ corporates, agency mortgage-backed securities (MBS) and emerging market credits were negative contributors to performance. Sector allocation was a negative contributor to the fund's fixed income performance in 2022 due primarily to the allocations to high yield,¹⁴ bank loans and trade finance loans which more than offset the positive contribution from tactical over-weights during the year to the agency MBS sector.

SECTOR SELECTION – EQUITIES

The equity component of the Fund contributed to the Fund's current income objective and outperformed the R1000V during the reporting period. Fund management focused on realization of the Fund's income and total return objectives by purchasing and holding benchmark securities with favorable forward return prospects based on our quantitative framework. Relative to the equity component of the blended index, the main positive contributor to Fund performance was stock selection. This stock selection was helped by holdings in the Health Care, Information Technology and Financials sectors and hindered by holdings in the Communications Services sector.

1 Please see the footnotes to the line graph under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the S&P 500 Index.

2 Please see the footnotes to the line graph under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the Blended Index.

3 Please see the footnotes to the line graphs below for definitions of, and further information about, the Morningstar peer group average.

4 Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

5 The Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.*

6 The Bloomberg Emerging Markets USD Aggregate Index tracks total returns for external-currency-denominated debt instruments of the emerging markets.*

7 The Bloomberg U.S. Corporate Investment Grade Index measures the investment-grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.*

8 The Bloomberg MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae, Fannie Mae and Freddie Mac.*

9 The Russell 1000[®] Index measures the performance of the large-cap segment of the U.S. equity universe. It includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.*

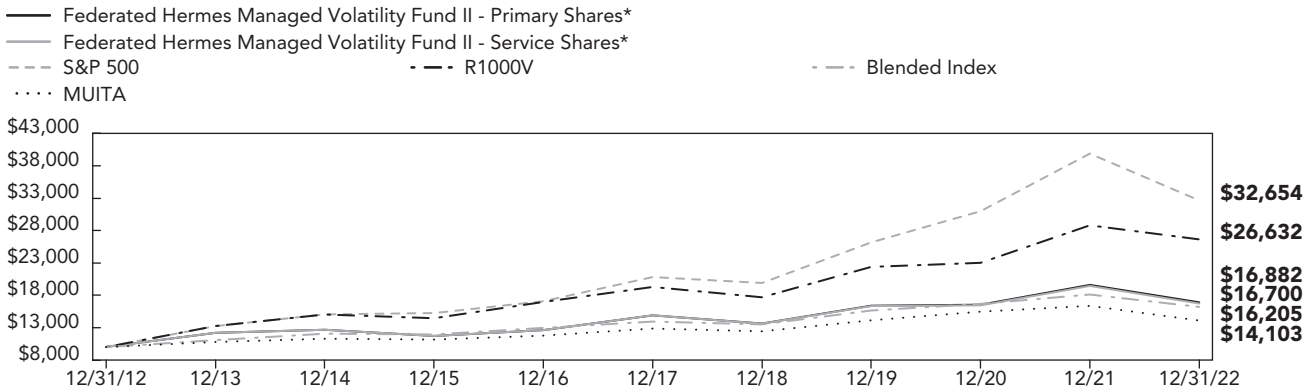
- 10 *The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities or other traditional instruments.*
 - 11 *Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.*
 - 12 *The yield curve is a graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.*
 - 13 *Investment-grade securities are securities that are rated at least "BBB- (minus)" or unrated securities of a comparable quality. Noninvestment-grade securities are securities that are not rated at least "BBB- (minus)" or unrated securities of a comparable quality. Credit ratings are an indication of the risk that a security will default. They do not protect a security from credit risk. Lower-rated bonds typically offer higher yields to help compensate investors for the increased risk associated with them. Among these risks are lower credit-worthiness, greater price volatility, more risk to principal and income than with higher-rated securities and increased possibilities of default.*
 - 14 *High-yield, lower-rated securities generally entail greater market, credit and liquidity risks than investment-grade securities and may include higher volatility and a higher risk of default.*
- * *The index is unmanaged, and it is not possible to invest directly in an index.*

FUND PERFORMANCE AND GROWTH OF A \$10,000 INVESTMENT

The graph below illustrates the hypothetical investment of \$10,000¹ in the Federated Hermes Managed Volatility Fund II (the “Fund”) from December 31, 2012 to December 31, 2022, compared to the Standard & Poor’s 500 Index (S&P 500),^{2,3} the Russell 1000[®] Value Index (R1000V),^{3,4} both broad-based securities market indexes, a blend of indexes comprised of 40% R1000V/60% Bloomberg U.S. Aggregate Bond Index (BAB) (“Blended Index”),^{3,4} and the Morningstar US Insurance Tactical Allocation Funds Average (MUITA).⁵ The Average Annual Total Return table below shows returns averaged over the stated periods.

GROWTH OF A \$10,000 INVESTMENT

Growth of \$10,000 as of December 31, 2022



* The performance of the Primary Shares and Service Shares is substantially similar for the time period shown and, therefore, only one line appears in the graph.

Average Annual Total Returns for the Period Ended 12/31/2022

	1 Year	5 Years	10 Years
Primary Shares	-13.75%	2.56%	5.38%
Service Shares ⁶	-14.00%	2.34%	5.26%
S&P 500	-18.11%	9.43%	12.56%
R1000V	-7.54%	6.67%	10.29%
Blended Index	-10.57%	3.05%	4.95%
MUITA	-13.81%	1.78%	3.45%

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Performance of a variable investment option changes over time and current performance may be lower or higher than what is stated. For current to the most recent month end performance, contact your insurance company. The performance information presented does not include the charges and expenses imposed by the insurance company under the variable insurance product contract. The inclusion of such charges would lower performance. Please refer to the variable insurance product prospectus for a complete listing of these expenses. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. Variable investment options are not obligations of or guaranteed by any bank and are not federally insured.

- 1 The Fund's performance assumes the reinvestment of all dividends and distributions. The S&P 500, R1000V and the Blended Index have been adjusted to reflect reinvestment of dividends on securities in the indexes.
- 2 The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- 3 The S&P 500, R1000V and the Blended Index are not adjusted to reflect sales charges, expenses or other fees that the Securities and Exchange Commission (SEC) requires to be reflected in the Fund's performance. The indexes are unmanaged and, unlike the Fund, are not affected by cash flows. It is not possible to invest directly in an index.
- 4 The R1000V measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000[®] Index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The R1000V is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The Bloomberg U.S. Aggregate Bond Index measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage-backed securities.
- 5 Morningstar figures represent the average of the total returns reported by all the funds designated by Morningstar as falling into the respective category indicated. They do not reflect sales charges. The Morningstar figures in the Growth of a \$10,000 Investment line graph are based on historical return information published by Morningstar and reflect the return of the funds comprising the category in the year of publication. Because the funds designated by Morningstar as falling into the category can change over time, the Morningstar figures in the line graph may not match the Morningstar figures in the Average Annual Total Returns table, which reflect the return of the funds that currently comprise the category.
- 6 The Fund's Service (S) Class commenced operations on April 26, 2018. For the periods prior to the commencement of operations of the Fund's S class, the performance information shown is for the Fund's Primary (P) class. The performance of the P class has not been adjusted to reflect the expenses applicable to the S class. The total returns of the S class would have been substantially similar to the annual returns for the P class over the same period because the classes are invested in the same portfolio of securities and would differ only to the extent the classes do not have the same expenses. The expenses of the S class are higher than those of the P class; accordingly, the performance of the S class is anticipated to be lower than the performance of the P class.

Portfolio of Investments Summary Tables (unaudited)

At December 31, 2022, the Fund's portfolio composition¹ was as follows:

Portfolio Composition	Percentage of Total Net Assets
Domestic Fixed-Income Securities	45.8%
Domestic Equity Securities	36.6%
International Equity Securities	2.4%
Other ²	0.1%
Project and Trade Finance Core Fund	2.0%
Federated Hermes High Income Bond Fund II, Class P	1.6%
Emerging Markets Core Fund	1.4%
Bank Loan Core Fund ³	0.0%
Federated Hermes Short-Intermediate Government Fund, Institutional Shares ³	0.0%
Cash Equivalents ⁴	9.9%
Derivative Contracts ⁵	0.3%
Other Assets and Liabilities—Net ⁶	(0.1)%
TOTAL	100%

At December 31, 2022, the Fund's sector composition⁷ of the Fund's equity holdings was as follows:

Sector Composition of Equity Holdings	Percentage of Equity Securities
Financials	20.0%
Health Care	17.5%
Industrials	10.7%
Energy	8.6%
Information Technology	8.1%
Consumer Staples	7.4%
Communication Services	7.3%
Consumer Discretionary	6.0%
Utilities	5.8%
Real Estate	4.3%
Materials	4.3%
TOTAL	100%

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 Other Security Type consists of purchased put options.

3 Represents less than 0.1%.

4 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.

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 table 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

December 31, 2022

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—39.0%	
	Communication Services—2.8%	
5,438	¹ Alphabet, Inc., Class A	\$ 479,795
3,673	¹ Alphabet, Inc., Class C	325,905
1,320	¹ AMC Entertainment Holdings, Inc.	5,372
14,447	AT&T, Inc.	265,969
6	Cable One, Inc.	4,271
19,877	Comcast Corp., Class A	695,099
2,386	Electronic Arts, Inc.	291,522
1,169	Fox Corp	33,258
854	Interpublic Group of Cos., Inc.	28,447
332	¹ Live Nation Entertainment, Inc.	23,154
28,432	Lumen Technologies, Inc.	148,415
456	¹ Madison Square Garden Sports Corp.	83,598
6,888	¹ Meta Platforms, Inc.	828,902
393	Nexstar Media Group, Inc., Class A	68,787
621	¹ Pinterest, Inc.	15,078
3,124	¹ Playtika Holding Corp.	26,585
2,489	¹ T-Mobile USA, Inc.	348,460
6,546	¹ TripAdvisor, Inc.	117,697
16,268	Verizon Communications, Inc.	640,959
6,046	Walt Disney Co.	525,277
	TOTAL	4,956,550
	Consumer Discretionary—2.3%	
30	ADT, Inc.	272
2,565	¹ Aptiv PLC	238,878
108	¹ AutoZone, Inc.	266,347
366	Best Buy Co., Inc.	29,357
868	¹ Bright Horizons Family Solutions, Inc.	54,771
275	Domino's Pizza, Inc.	95,260
44	¹ DoorDash, Inc.	2,148
6,824	eBay, Inc.	282,991
10,133	Ford Motor Co.	117,847
41	General Motors Co.	1,379
1,334	Genuine Parts Co.	231,462
2,199	¹ Grand Canyon Education, Inc.	232,346
559	Home Depot, Inc.	176,566
316	Lear Corp.	39,190
1,155	LKQ Corp.	61,689
548	Lowe's Cos., Inc.	109,183
3,764	Macy's, Inc.	77,727
2,675	McDonald's Corp.	704,943
255	¹ O'Reilly Automotive, Inc.	215,228
1,788	PVH Corp.	126,215
7,685	¹ Rivian Automotive, Inc.	141,634
90	¹ Royal Caribbean Cruises, Ltd.	4,449
170	Starbucks Corp.	16,864
7,107	Tapestry, Inc.	270,635
668	Target Corp.	99,559
452	Toll Brothers, Inc.	22,564
7,945	¹ Under Armour, Inc., Class A	80,721
1,734	¹ Under Armour, Inc., Class C	15,467

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Consumer Discretionary—continued	
95	Vail Resorts, Inc.	\$ 22,643
660	Whirlpool Corp.	93,364
1,518	Wyndham Hotels & Resorts, Inc.	108,249
1,018	Yum! Brands, Inc.	130,385
	TOTAL	4,070,333
	Consumer Staples—2.9%	
13	Albertsons Cos., Inc.	269
13,883	Altria Group, Inc.	634,592
3,242	Archer-Daniels-Midland Co.	301,020
864	Casey's General Stores, Inc.	193,838
1,520	Hershey Foods Corp.	351,986
9	Kimberly-Clark Corp.	1,222
260	Kraft Heinz Co./The	10,584
9,602	Kroger Co.	428,057
3,661	Mondelez International, Inc.	244,006
2,059	PepsiCo, Inc.	371,979
4,943	Philip Morris International, Inc.	500,281
6,819	Procter & Gamble Co.	1,033,488
8,644	The Coca-Cola Co.	549,845
75	Tyson Foods, Inc., Class A	4,669
2,992	WalMart, Inc.	424,236
	TOTAL	5,050,072
	Energy—3.4%	
5,252	APA Corp.	245,163
2,501	Cheniere Energy, Inc.	375,050
5,959	Chevron Corp.	1,069,581
7,350	ConocoPhillips	867,300
3,503	EQT Corp.	118,507
16,031	Exxon Mobil Corp.	1,768,219
80,769	¹ Ithaca Energy PLC	178,594
5,427	Kinder Morgan, Inc.	98,120
14,083	Marathon Oil Corp.	381,227
2,121	Marathon Petroleum Corp.	246,863
1,116	Occidental Petroleum Corp.	70,297
1,952	ONEOK, Inc.	128,246
3,895	Schlumberger Ltd.	208,227
965	Valero Energy Corp.	122,420
	TOTAL	5,877,814
	Financials—7.8%	
2,335	Affiliated Managers Group	369,934
352	Allstate Corp.	47,731
9,742	Ally Financial, Inc.	238,192
687	American Express Co.	101,504
1,023	American Financial Group, Inc.	140,438
8,248	American International Group, Inc.	521,604
839	Ameriprise Financial, Inc.	261,239
5,790	Annaly Capital Management, Inc.	122,053
5,130	Axis Capital Holdings Ltd.	277,892
21,409	Bank of America Corp.	709,066
7,861	Bank of New York Mellon Corp.	357,833
5,678	¹ Berkshire Hathaway, Inc., Class B	1,753,934
267	BlackRock, Inc.	189,204
827	¹ Brighthouse Financial, Inc.	42,400

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Financials—continued	
516	Capital One Financial Corp.	\$ 47,967
1,358	Charles Schwab Corp.	113,067
3,067	Chubb Ltd.	676,580
12,732	Citigroup, Inc.	575,868
1,269	CME Group, Inc.	213,395
1,984	Discover Financial Services	194,095
618	East West Bancorp, Inc.	40,726
12,989	Equitable Holdings, Inc.	372,784
1,268	Goldman Sachs Group, Inc.	435,406
3,516	Hartford Financial Services Group, Inc.	266,618
10,311	JPMorgan Chase & Co.	1,382,705
9,050	KeyCorp	157,651
3,434	Lincoln National Corp.	105,493
1,180	MetLife, Inc.	85,397
7,402	MGIC Investment Corp.	96,226
2,234	Morgan Stanley	189,935
4,794	OneMain Holdings, Inc.	159,688
5,627	Popular, Inc.	373,183
18,310	Regions Financial Corp.	394,764
240	S&P Global, Inc.	80,386
1,232	Signature Bank	141,951
17,712	SLM Corp.	294,019
2,184	State Street Corp.	169,413
5,942	Synchrony Financial	195,254
1,951	The Travelers Cos., Inc.	365,793
7,077	Truist Financial Corp.	304,523
1,345	U.S. Bancorp	58,656
16,256	Virtu Financial, Inc.	331,785
7,080	Wells Fargo & Co.	292,333
6,086	Western Alliance Bancorp	362,482
404	Zions Bancorporation, N.A.	19,861
	TOTAL	13,631,028
	Health Care—6.8%	
4,644	Abbott Laboratories	509,865
428	Agilent Technologies, Inc.	64,050
641	¹ Biogen, Inc.	177,506
439	¹ Bio-Rad Laboratories, Inc., Class A	184,595
11,982	Bristol-Myers Squibb Co.	862,105
4,024	Cardinal Health, Inc.	309,325
1,092	¹ Centene Corp.	89,555
112	CIGNA Corp.	37,110
3,753	CVS Health Corp.	349,742
2,089	Danaher Corp.	554,462
289	Dentsply Sirona, Inc.	9,202
1,283	Elevance Health, Inc.	658,141
423	Eli Lilly & Co.	154,750
8,532	Gilead Sciences, Inc.	732,472
791	HCA Healthcare, Inc.	189,808
5,426	¹ Hologic, Inc.	405,919
450	Humana, Inc.	230,486
796	¹ Illumina, Inc.	160,951
9,720	Johnson & Johnson	1,717,038
636	Laboratory Corp. of America Holdings	149,765

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Health Care—continued	
1,172	McKesson Corp.	\$ 439,641
2,017	Medtronic PLC	156,761
8,496	Merck & Co., Inc.	942,631
232	¹ Moderna, Inc.	41,672
59	¹ Molina Healthcare, Inc.	19,483
16,484	Pfizer, Inc.	844,640
9,478	Premier, Inc.	331,540
255	Quest Diagnostics, Inc.	39,892
216	¹ Regeneron Pharmaceuticals, Inc.	155,842
8,870	¹ Teladoc Health, Inc.	209,776
896	Thermo Fisher Scientific, Inc.	493,418
26,600	¹ TMS Co., Ltd.	125,663
716	UnitedHealth Group, Inc.	379,609
641	¹ Vertex Pharmaceuticals, Inc.	185,108
	TOTAL	11,912,523
	Industrials—4.2%	
2,530	3M Co.	303,398
2,707	AECOM	229,906
2,784	Allison Transmission Holdings, Inc.	115,814
167	¹ Avis Budget Group, Inc.	27,376
1,599	¹ Boeing Co.	304,593
5,536	¹ Builders Firstsource, Inc.	359,176
529	¹ CACI International, Inc., Class A	159,012
319	Caterpillar, Inc.	76,420
3,374	CSX Corp.	104,527
1,245	Eaton Corp. PLC	195,403
424	Emerson Electric Co.	40,729
439	Expeditors International Washington, Inc.	45,621
2,278	General Dynamics Corp.	565,195
2,271	General Electric Co.	190,287
3,359	Honeywell International, Inc.	719,834
1,589	Ingersoll-Rand, Inc.	83,025
6,439	Johnson Controls International PLC	412,096
2,097	L3Harris Technologies, Inc.	436,616
104	Leidos Holdings, Inc.	10,940
1,153	Manpower, Inc.	95,941
47	Masco Corp.	2,193
2,161	Norfolk Southern Corp.	532,514
3,468	OshKosh Truck Corp.	305,843
1,689	Otis Worldwide Corp.	132,266
236	Owens Corning, Inc.	20,131
692	Parker-Hannifin Corp.	201,372
4,296	Raytheon Technologies Corp.	433,552
266	Republic Services, Inc.	34,311
13,800	¹ Skymark Airlines, Inc.	151,207
1,013	Textron, Inc.	71,720
944	Trane Technologies PLC	158,677
11,439	¹ Uber Technologies, Inc.	282,886
566	¹ United Rentals, Inc.	201,168
1,865	Waste Management, Inc.	292,581
	TOTAL	7,296,330
	Information Technology—3.2%	
1,486	¹ Advanced Micro Devices, Inc.	96,248

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Information Technology—continued	
263	Automatic Data Processing, Inc.	\$ 62,820
15,724	Cisco Systems, Inc.	749,091
2,597	Cognizant Technology Solutions Corp.	148,522
2,353	¹ Coupa Software, Inc.	186,287
3,056	Dell Technologies, Inc.	122,912
6,234	¹ Dropbox, Inc.	139,517
3,669	¹ DXC Technology Co.	97,229
3,132	Fidelity National Information Services, Inc.	212,506
897	¹ Fiserv, Inc.	90,660
157	¹ GoDaddy, Inc.	11,747
26,297	Hewlett Packard Enterprise Co.	419,700
1,546	HP, Inc.	41,541
16,634	Intel Corp.	439,637
4,106	Juniper Networks, Inc.	131,228
1,784	¹ Kyndryl Holdings, Inc.	19,838
826	¹ Manhattan Associates, Inc.	100,276
6,758	Marvell Technology, Inc.	250,316
978	Microchip Technology, Inc.	68,705
9,131	Micron Technology, Inc.	456,367
8,275	¹ Nutanix, Inc.	215,564
312	¹ Okta, Inc.	21,319
1,608	¹ ON Semiconductor Corp.	100,291
754	Oracle Corp.	61,632
2,534	¹ PayPal Holdings, Inc.	180,472
271	Roper Technologies, Inc.	117,096
2,505	¹ Salesforce, Inc.	332,138
682	¹ Snowflake, Inc.	97,894
3,373	¹ Teradata Corp.	113,535
1,092	¹ Unity Software, Inc.	31,220
482	¹ Verisign, Inc.	99,022
5,310	¹ Western Digital Corp.	167,531
830	¹ WEX, Inc.	135,830
187	¹ Wolfspeed, Inc.	12,911
	TOTAL	5,531,602
	Materials—1.7%	
129	Air Products & Chemicals, Inc.	39,765
578	Alcoa Corp.	26,282
1,079	Avery Dennison Corp.	195,299
1,326	¹ Axalta Coating Systems Ltd.	33,773
548	¹ Cleveland-Cliffs, Inc.	8,828
1,109	Corteva, Inc.	65,187
5,374	Dow, Inc.	270,796
1,663	Ecolab, Inc.	242,066
6,327	Freeport-McMoRan, Inc.	240,426
1,497	Huntsman Corp.	41,138
2,484	Linde PLC	810,231
1,791	LyondellBasell Industries N.V.	148,707
3,113	Newmont Corp.	146,934
1,027	Nucor Corp.	135,369
2,687	Olin Corp.	142,250
670	Steel Dynamics, Inc.	65,459
1,425	United States Steel Corp.	35,696

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Materials—continued	
7,612	WestRock Co.	\$ 267,638
	TOTAL	2,915,844
	Real Estate—1.7%	
293	American Tower Corp.	62,075
8,635	Apartment Income REIT Corp.	296,267
4,644	CBRE Group, Inc.	357,402
1,776	Extra Space Storage, Inc.	261,392
1,277	First Industrial Realty Trust	61,628
6,139	Host Hotels & Resorts, Inc.	98,531
896	Jones Lang LaSalle, Inc.	142,795
6,244	ProLogis, Inc.	703,886
1,254	Public Storage	351,358
262	SBA Communications Corp.	73,441
4,246	UDR, Inc.	164,448
12,373	Weyerhaeuser Co.	383,563
	TOTAL	2,956,786
	Utilities—2.2%	
13,826	AES Corp.	397,636
5	Brookfield Renewable Corp.	138
856	Consolidated Edison Co.	81,585
2,801	DTE Energy Co.	329,201
5,909	Duke Energy Corp.	608,568
161	FirstEnergy Corp.	6,752
11,021	NextEra Energy, Inc.	921,355
13,980	PPL Corp.	408,496
3,409	Public Service Enterprises Group, Inc.	208,869
5,431	Southern Co.	387,828
5,448	Vistra Corp.	126,394
6,807	Xcel Energy, Inc.	477,239
	TOTAL	3,954,061
	TOTAL COMMON STOCKS (IDENTIFIED COST \$56,321,859)	68,152,943
	U.S. TREASURIES—22.7%	
	Treasury Inflation-Indexed Note—0.0%	
\$ 12,576	U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2046	10,646
	U.S. Treasury Bond—3.3%	
150,000	United States Treasury Bond, 1.375%, 11/15/2040	97,565
760,000	United States Treasury Bond, 1.625%, 11/15/2050	454,682
860,000	United States Treasury Bond, 2.375%, 2/15/2042	656,921
20,000	United States Treasury Bond, 2.750%, 11/15/2047	15,685
3,450,000	United States Treasury Bond, 2.875%, 5/15/2052	2,776,710
1,000	United States Treasury Bond, 3.000%, 11/15/2044	828
900,000	United States Treasury Bond, 3.000%, 2/15/2049	744,895
1,100,000	United States Treasury Bond, 3.125%, 5/15/2048	928,349
	TOTAL	5,675,635
	U.S. Treasury Note—19.4%	
500,000	United States Treasury Note, 0.125%, 4/30/2023	493,012
1,900,000	United States Treasury Note, 0.125%, 6/30/2023	1,858,304
2,000,000	United States Treasury Note, 0.250%, 9/30/2023	1,934,633
5,200,000	United States Treasury Note, 0.500%, 3/15/2023	5,161,139
330,000	United States Treasury Note, 0.625%, 7/31/2026	291,479
900,000	United States Treasury Note, 0.625%, 8/15/2030	708,222
400,000	United States Treasury Note, 0.875%, 11/15/2030	319,704

Shares, Principal Amount or Contracts		Value
	U.S. TREASURIES—continued	
	U.S. Treasury Note—continued	
\$ 675,000	United States Treasury Note, 1.250%, 12/31/2026	\$ 604,373
300,000	United States Treasury Note, 1.375%, 11/15/2031	244,271
400,000	United States Treasury Note, 1.500%, 1/31/2027	361,160
400,000	United States Treasury Note, 1.625%, 5/15/2031	336,615
900,000	United States Treasury Note, 1.750%, 12/31/2024	854,267
775,000	United States Treasury Note, 1.750%, 3/15/2025	732,295
900,000	United States Treasury Note, 2.125%, 11/30/2024	861,471
1,150,000	United States Treasury Note, 2.250%, 3/31/2024	1,115,654
50,000	United States Treasury Note, 2.250%, 11/15/2027	46,070
3,500,000	United States Treasury Note, 2.500%, 4/30/2024	3,400,075
500,000	United States Treasury Note, 2.500%, 5/31/2024	484,980
3,800,000	United States Treasury Note, 2.625%, 5/31/2027	3,581,668
500,000	United States Treasury Note, 2.750%, 4/30/2027	473,928
5,700,000	United States Treasury Note, 2.750%, 7/31/2027	5,392,970
40,000	United States Treasury Note, 2.875%, 5/31/2025	38,669
300,000	United States Treasury Note, 2.875%, 5/15/2028	283,174
780,000	United States Treasury Note, 3.000%, 6/30/2024	761,185
110,000	United States Treasury Note, 3.125%, 8/31/2027	105,819
3,500,000	United States Treasury Note, 3.875%, 11/30/2027	3,480,734
	TOTAL	33,925,871
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$42,507,621)	39,612,152
	CORPORATE BONDS—10.3%	
	Basic Industry - Chemicals—0.1%	
50,000	Albemarle Corp., Sr. Unsecd. Note, 5.450%, 12/1/2044	45,431
75,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	69,592
	TOTAL	115,023
	Basic Industry - Metals & Mining—0.2%	
50,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	44,113
20,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 3.375%, 9/23/2051	13,057
225,000	Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023	224,962
	TOTAL	282,132
	Capital Goods - Aerospace & Defense—0.2%	
100,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	90,409
20,000	Boeing Co., Sr. Unsecd. Note, 3.950%, 8/1/2059	13,518
75,000	Boeing Co., Sr. Unsecd. Note, 4.875%, 5/1/2025	74,493
60,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	54,556
25,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 3.625%, 5/15/2025	24,033
100,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 4.375%, 5/15/2030	90,407
100,000	Textron, Inc., Sr. Unsecd. Note, 3.650%, 3/15/2027	93,394
	TOTAL	440,810
	Capital Goods - Building Materials—0.1%	
10,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	8,638
20,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	19,246
90,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.550%, 10/1/2027	81,376
	TOTAL	109,260
	Capital Goods - Construction Machinery—0.1%	
100,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	93,835
150,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 3.450%, 3/7/2029	139,469
	TOTAL	233,304
	Capital Goods - Diversified Manufacturing—0.1%	
35,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	32,387
35,000	Honeywell International, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2050	25,052

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Capital Goods - Diversified Manufacturing—continued	
\$ 55,000	Valmont Industries, Inc., Sr. Unsecd. Note, 5.000%, 10/1/2044	\$ 47,522
60,000	Vontier Corp., Sr. Unsecd. Note, Series WI, 1.800%, 4/1/2026	50,827
45,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	36,613
	TOTAL	192,401
	Capital Goods - Packaging—0.1%	
125,000	Packaging Corp., of America, Sr. Unsecd. Note, 3.650%, 9/15/2024	121,864
	Communications - Cable & Satellite—0.2%	
50,000	CCO Safari II LLC, 6.484%, 10/23/2045	45,301
25,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 3.850%, 4/1/2061	14,547
225,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	212,362
100,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	98,037
75,000	Time Warner Cable, Inc., Company Guarantee, 5.500%, 9/1/2041	62,522
	TOTAL	432,769
	Communications - Media & Entertainment—0.4%	
115,000	Alphabet, Inc., Sr. Unsecd. Note, 2.050%, 8/15/2050	67,730
200,000	British Sky Broadcasting Group PLC, Sr. Unsecd. Note, 144A, 3.750%, 9/16/2024	195,357
75,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.500%, 8/15/2027	70,027
75,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.850%, 8/15/2032	66,210
75,000	Netflix, Inc., Sr. Unsecd. Note, 4.875%, 4/15/2028	72,588
50,000	Paramount Global, Sr. Unsecd. Note, 4.200%, 6/1/2029	44,619
40,000	S&P Global, Inc., Sr. Unsecd. Note, 144A, 2.900%, 3/1/2032	34,230
40,000	Walt Disney Co., Sr. Unsecd. Note, 3.600%, 1/13/2051	30,660
45,000	Walt Disney Co., Sr. Unsecd. Note, 3.800%, 5/13/2060	34,527
	TOTAL	615,948
	Communications - Telecom Wireless—0.2%	
50,000	American Tower Corp., Sr. Unsecd. Note, 2.700%, 4/15/2031	40,820
50,000	American Tower Corp., Sr. Unsecd. Note, 3.100%, 6/15/2050	31,668
75,000	American Tower Corp., Sr. Unsecd. Note, 5.000%, 2/15/2024	74,757
75,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.250%, 1/15/2051	49,083
90,000	T-Mobile USA, Inc., Series WI, 3.000%, 2/15/2041	63,847
75,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 5.200%, 1/15/2033	74,564
50,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	49,250
60,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.250%, 5/30/2048	53,135
	TOTAL	437,124
	Communications - Telecom Wirelines—0.2%	
100,000	AT&T, Inc., Sr. Unsecd. Note, 1.700%, 3/25/2026	90,235
153,000	AT&T, Inc., Sr. Unsecd. Note, 3.800%, 12/1/2057	106,269
45,000	Rogers Communications, Inc., Sr. Unsecd. Note, 144A, 4.500%, 3/15/2042	36,862
55,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.400%, 3/22/2041	41,572
100,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.125%, 8/15/2046	79,908
	TOTAL	354,846
	Consumer Cyclical - Automotive—0.2%	
150,000	Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 2.375%, 12/14/2028	126,331
100,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	101,874
75,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	63,207
150,000	Mercedes-Benz Finance NA LLC, Sr. Unsecd. Note, 144A, 3.350%, 2/22/2023	149,452
	TOTAL	440,864
	Consumer Cyclical - Leisure—0.1%	
75,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 144A, 4.279%, 3/15/2032	61,970
75,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 144A, 5.050%, 3/15/2042	57,647
	TOTAL	119,617
	Consumer Cyclical - Retailers—0.2%	
45,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, 1.750%, 10/1/2027	37,846

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Retailers—continued	
\$ 75,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	\$ 65,904
50,000	AutoNation, Inc., Sr. Unsecd. Note, 3.850%, 3/1/2032	40,032
15,000	AutoZone, Inc., Sr. Unsecd. Note, 3.625%, 4/15/2025	14,527
75,000	CVS Health Corp., Sr. Unsecd. Note, 4.250%, 4/1/2050	60,059
30,000	Home Depot, Inc., Sr. Unsecd. Note, 2.950%, 6/15/2029	27,205
150,000	Home Depot, Inc., Sr. Unsecd. Note, 3.300%, 4/15/2040	120,051
	TOTAL	365,624
	Consumer Cyclical - Services—0.1%	
65,000	Amazon.com, Inc., Sr. Unsecd. Note, 2.500%, 6/3/2050	41,261
125,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.875%, 8/22/2037	111,240
	TOTAL	152,501
	Consumer Non-Cyclical - Food/Beverage—0.3%	
30,000	Anheuser-Busch InBev Finance, Inc., Sr. Unsecd. Note, 4.900%, 2/1/2046	27,424
75,000	Constellation Brands, Inc., Sr. Unsecd. Note, 3.750%, 5/1/2050	56,485
25,000	Flowers Foods, Inc., Sr. Unsecd. Note, 2.400%, 3/15/2031	20,188
100,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	93,740
145,000	International Flavors & Fragrances, Inc., Sr. Unsecd. Note, 144A, 2.300%, 11/1/2030	115,372
70,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	57,204
70,000	PepsiCo, Inc., Sr. Unsecd. Note, 2.750%, 10/21/2051	48,765
75,000	Sysco Corp., Sr. Unsecd. Note, 4.450%, 3/15/2048	61,908
	TOTAL	481,086
	Consumer Non-Cyclical - Health Care—0.1%	
27,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.794%, 5/20/2050	20,852
17,000	Becton Dickinson & Co., Sr. Unsecd. Note, 4.685%, 12/15/2044	15,277
65,000	Danaher Corp., Sr. Unsecd. Note, 2.600%, 10/1/2050	41,751
30,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	26,348
55,000	HCA, Inc., Sec. Fac. Bond, 3.500%, 7/15/2051	35,509
10,000	Stryker Corp., Sr. Unsecd. Note, 3.500%, 3/15/2026	9,610
100,000	Thermo Fisher Scientific, Inc., Sr. Unsecd. Note, 1.215%, 10/18/2024	93,919
	TOTAL	243,266
	Consumer Non-Cyclical - Pharmaceuticals—0.3%	
83,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	80,924
75,000	AstraZeneca PLC, Sr. Unsecd. Note, 1.375%, 8/6/2030	59,426
200,000	Bayer US Finance LLC, Sr. Unsecd. Note, 144A, 3.375%, 10/8/2024	193,398
70,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	57,184
75,000	Biogen, Inc., Sr. Unsecd. Note, 3.150%, 5/1/2050	49,074
40,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 4.250%, 10/26/2049	34,589
91,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 2.800%, 9/15/2050	56,828
100,000	Zoetis, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2050	68,033
	TOTAL	599,456
	Consumer Non-Cyclical - Tobacco—0.1%	
75,000	Altria Group, Inc., Sr. Unsecd. Note, 3.700%, 2/4/2051	47,255
50,000	BAT Capital Corp., Sr. Unsecd. Note, Series WI, 4.540%, 8/15/2047	35,517
115,000	Philip Morris International, Inc., Sr. Unsecd. Note, 2.100%, 5/1/2030	93,257
25,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.750%, 11/17/2032	25,564
55,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	54,616
	TOTAL	256,209
	Energy - Independent—0.1%	
40,000	Diamondback Energy, Inc., Sr. Unsecd. Note, 6.250%, 3/15/2033	40,723
70,000	Hess Corp., Sr. Unsecd. Note, 5.600%, 2/15/2041	66,476
75,000	Marathon Oil Corp., Sr. Unsecd. Note, 4.400%, 7/15/2027	71,744
	TOTAL	178,943

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Energy - Integrated—0.2%	
\$ 35,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026	\$ 33,219
80,000	Chevron Corp., Sr. Unsecd. Note, 3.078%, 5/11/2050	57,810
185,000	ConocoPhillips Co., Sr. Unsecd. Note, 2.400%, 3/7/2025	175,983
	TOTAL	267,012
	Energy - Midstream—0.4%	
25,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.600%, 9/1/2032	20,756
20,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	18,867
35,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2029	30,291
115,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.900%, 11/15/2049	81,756
50,000	Energy Transfer LP, Sr. Unsecd. Note, 5.750%, 2/15/2033	49,014
15,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	14,921
85,000	Energy Transfer LP, Sr. Unsecd. Note, Series 10Y, 4.950%, 6/15/2028	82,355
50,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	49,677
100,000	MPLX LP, Sr. Unsecd. Note, 4.950%, 9/1/2032	94,063
65,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	52,650
20,000	ONEOK, Inc., Sr. Unsecd. Note, 6.100%, 11/15/2032	20,061
80,000	Targa Resources, Inc., Sr. Unsecd. Note, 4.200%, 2/1/2033	69,057
90,000	Williams Partners LP, Sr. Unsecd. Note, 4.900%, 1/15/2045	76,964
	TOTAL	660,432
	Energy - Oil Field Services—0.1%	
75,000	Halliburton Co., Sr. Unsecd. Note, 5.000%, 11/15/2045	66,768
100,000	Schlumberger Investment SA, Sr. Unsecd. Note, 2.650%, 6/26/2030	86,018
	TOTAL	152,786
	Energy - Refining—0.1%	
50,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.750%, 9/15/2044	41,970
50,000	Phillips 66, Sr. Unsecd. Note, 4.875%, 11/15/2044	45,931
50,000	Valero Energy Corp., Sr. Unsecd. Note, 2.800%, 12/1/2031	40,882
	TOTAL	128,783
	Financial Institution - Banking—2.2%	
115,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	111,934
235,000	Bank of America Corp., Sr. Unsecd. Note, 2.299%, 7/21/2032	181,540
325,000	Bank of America Corp., Sr. Unsecd. Note, 3.419%, 12/20/2028	294,846
75,000	Bank of America Corp., Sub. Note, Series MTN, 4.000%, 1/22/2025	73,466
200,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.200%, 8/16/2023	196,957
50,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.992%, 6/13/2028	47,911
75,000	Capital One Financial Corp., Sr. Unsecd. Note, 3.273%, 3/1/2030	64,268
70,000	Citigroup, Inc., Sr. Unsecd. Note, 3.057%, 1/25/2033	56,671
180,000	Citigroup, Inc., Sr. Unsecd. Note, 3.352%, 4/24/2025	174,634
170,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	161,336
90,000	Citigroup, Inc., Sr. Unsecd. Note, 3.668%, 7/24/2028	82,797
100,000	Fifth Third Bancorp, Sr. Unsecd. Note, 6.361%, 10/27/2028	103,066
40,000	FNB Corp. (PA), Sr. Unsecd. Note, 2.200%, 2/24/2023	39,802
50,000	FNB Corp. (PA), Sr. Unsecd. Note, 5.150%, 8/25/2025	49,455
100,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.948%, 10/21/2027	87,569
275,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	210,128
275,000	HSBC Holdings PLC, Sr. Unsecd. Note, 3.900%, 5/25/2026	262,256
100,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 4.443%, 8/4/2028	95,414
120,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.953%, 2/4/2032	92,068
100,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.963%, 1/25/2033	81,651
325,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.509%, 1/23/2029	295,505
275,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.772%, 1/24/2029	252,306
40,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.794%, 2/13/2032	30,154
55,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.928%, 4/28/2032	41,627

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 80,000	Northern Trust Corp., Sub. Note, 6.125%, 11/2/2032	\$ 84,611
100,000	PNC Financial Services Group, Sub., 4.626%, 6/6/2033	92,670
75,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 3.750%, 12/6/2023	74,230
100,000	US Bancorp, 4.967%, 7/22/2033	95,174
450,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	418,517
	TOTAL	3,852,563
	Financial Institution - Broker/Asset Mgr/Exchange—0.1%	
65,000	Jefferies Group LLC, Sr. Unsecd. Note, 2.750%, 10/15/2032	49,048
75,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	72,395
	TOTAL	121,443
	Financial Institution - Finance Companies—0.0%	
60,000	Air Lease Corp., Sr. Unsecd. Note, 5.850%, 12/15/2027	60,038
	Financial Institution - Insurance - Health—0.1%	
130,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.050%, 5/15/2041	98,221
	Financial Institution - Insurance - Life—0.2%	
100,000	Lincoln National Corp., Sr. Unsecd. Note, 3.625%, 12/12/2026	93,814
100,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 4.900%, 4/1/2077	82,268
70,000	Pacific Life Insurance Co., Sub. Note, 144A, 4.300%, 10/24/2067	53,418
100,000	Principal Financial Group, Inc., Sr. Unsecd. Note, 2.125%, 6/15/2030	82,164
75,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.600%, 5/15/2044	67,044
	TOTAL	378,708
	Financial Institution - Insurance - P&C—0.2%	
30,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 3.350%, 5/3/2026	28,755
100,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 1.375%, 9/15/2030	77,855
200,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	258,313
	TOTAL	364,923
	Financial Institution - REIT - Apartment—0.2%	
125,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	116,314
125,000	Mid-America Apartment Communities LP, 4.000%, 11/15/2025	121,572
100,000	UDR, Inc., Sr. Unsecd. Note, Series GMTN, 3.500%, 1/15/2028	91,049
	TOTAL	328,935
	Financial Institution - REIT - Healthcare—0.2%	
100,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	75,934
125,000	Physicians Realty Trust, Sr. Unsecd. Note, 3.950%, 1/15/2028	114,394
75,000	Welltower, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2031	59,808
100,000	Welltower, Inc., Sr. Unsecd. Note, 4.250%, 4/1/2026	96,820
	TOTAL	346,956
	Financial Institution - REIT - Office—0.1%	
130,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 1.875%, 2/1/2033	97,018
100,000	Boston Properties LP, Sr. Unsecd. Note, 3.650%, 2/1/2026	94,902
40,000	Piedmont Operating Partnership, LP, Sr. Unsecd. Note, 2.750%, 4/1/2032	28,096
	TOTAL	220,016
	Financial Institution - REIT - Other—0.1%	
60,000	WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029	54,038
50,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	49,549
	TOTAL	103,587
	Financial Institution - REIT - Retail—0.1%	
125,000	Regency Centers LP, Sr. Unsecd. Note, 4.125%, 3/15/2028	116,271
	Technology—0.7%	
150,000	Apple, Inc., Sr. Unsecd. Note, 2.375%, 2/8/2041	106,614
65,000	Apple, Inc., Sr. Unsecd. Note, 2.400%, 8/20/2050	40,727
92,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	85,737
20,000	Broadcom, Inc., Sr. Unsecd. Note, 4.150%, 11/15/2030	17,972

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Technology—continued	
\$ 5,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.187%, 11/15/2036	\$ 3,607
50,000	CDW LLC / CDW Finance, Sr. Unsecd. Note, 2.670%, 12/1/2026	44,485
100,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	95,392
30,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 4.700%, 7/15/2027	29,317
10,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 5.625%, 7/15/2052	9,227
85,000	Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029	76,760
80,000	Fiserv, Inc., Sr. Unsecd. Note, 3.800%, 10/1/2023	79,171
100,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	95,436
65,000	Microsoft Corp., Sr. Unsecd. Note, 2.525%, 6/1/2050	43,087
200,000	Microsoft Corp., Sr. Unsecd. Note, 3.125%, 11/3/2025	193,420
100,000	Oracle Corp., Sr. Unsecd. Note, 3.600%, 4/1/2050	67,745
100,000	Oracle Corp., Sr. Unsecd. Note, 6.250%, 11/9/2032	104,978
100,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	93,823
25,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	23,605
40,000	VMware, Inc., Sr. Unsecd. Note, 1.400%, 8/15/2026	34,921
35,000	VMware, Inc., Sr. Unsecd. Note, 2.200%, 8/15/2031	26,644
	TOTAL	1,272,668
	Technology Services—0.1%	
100,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	87,650
75,000	Global Payments, Inc., Sr. Unsecd. Note, 4.950%, 8/15/2027	72,873
80,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	65,354
	TOTAL	225,877
	Transportation - Railroads—0.2%	
75,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 3.000%, 4/1/2025	72,194
110,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.500%, 5/1/2050	78,814
65,000	Union Pacific Corp., Sr. Unsecd. Note, 2.375%, 5/20/2031	54,893
100,000	Union Pacific Corp., Sr. Unsecd. Note, 2.400%, 2/5/2030	85,775
	TOTAL	291,676
	Transportation - Services—0.2%	
65,000	FedEx Corp., Sr. Unsecd. Note, 3.250%, 5/15/2041	46,524
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 1.650%, 7/15/2026	68,593
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 2.650%, 7/15/2031	59,253
200,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 2.700%, 3/14/2023	198,951
50,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.850%, 3/1/2027	45,208
	TOTAL	418,529
	Utility - Electric—1.1%	
165,000	Ameren Corp., Sr. Unsecd. Note, 1.750%, 3/15/2028	139,632
50,000	American Electric Power Co., Inc., Jr. Sub. Note, 2.031%, 3/15/2024	48,233
100,000	Black Hills Corp., Sr. Unsecd. Note, 2.500%, 6/15/2030	80,509
65,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	62,673
200,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	184,987
125,000	Duke Energy Corp., Sr. Unsecd. Note, 3.750%, 9/1/2046	93,293
75,000	Emera US Finance LP, Sr. Unsecd. Note, 3.550%, 6/15/2026	70,346
50,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	38,782
100,000	Enel Finance International SA, Company Guarantee, 144A, 6.000%, 10/7/2039	91,432
100,000	Exelon Corp., Sr. Unsecd. Note, 4.700%, 4/15/2050	87,632
25,000	Exelon Corp., Sr. Unsecd. Note, 144A, 4.100%, 3/15/2052	20,110
100,000	FirstEnergy Transmission LLC, Sr. Unsecd. Note, 144A, 4.550%, 4/1/2049	81,387
93,000	Fortis, Inc./Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	86,391
190,000	Kansas City Power and Light Co., Sr. Unsecd. Note, 4.200%, 3/15/2048	155,100
50,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	45,066
200,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.250%, 6/1/2030	164,925
65,000	NiSource Finance Corp., Sr. Unsecd. Note, 4.375%, 5/15/2047	54,665

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Utility - Electric—continued	
\$ 300,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	\$ 280,740
125,000	Puget Energy, Inc., Sec. Fac. Bond, 2.379%, 6/15/2028	106,580
100,000	Southern Co., Jr. Sub. Note, Series B, 4.000%, 1/15/2051	91,250
20,000	WEC Energy Group, Inc., Sr. Unsecd. Note, 5.150%, 10/1/2027	20,250
	TOTAL	2,003,983
	Utility - Natural Gas—0.3%	
100,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 5.500%, 9/15/2040	93,942
40,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	31,438
70,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	69,720
130,000	Sempra Energy, Sr. Unsecd. Note, 3.700%, 4/1/2029	118,762
120,000	Southern Natural Gas, Sr. Unsecd. Note, 144A, 4.800%, 3/15/2047	97,934
90,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	82,064
	TOTAL	493,860
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$20,468,312)	18,080,314
	COMMERCIAL MORTGAGE-BACKED SECURITIES—0.6%	
	Agency Commercial Mortgage-Backed Securities—0.1%	
290,000	FREMF Mortgage Trust 2015-K49 REMIC, Class B, 3.724%, 10/25/2048	274,971
	Commercial Mortgage—0.4%	
85,000	Bank, Class A4, 3.488%, 11/15/2050	78,335
110,000	Bank, Class A4, 3.507%, 3/15/2064	97,067
200,000	Benchmark Mortgage Trust 2020-B19, Class A5, 1.850%, 9/15/2053	161,198
50,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	47,168
200,000	Fontainebleau Miami Beach Trust, Class B, 3.447%, 12/10/2036	185,437
100,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	91,632
	TOTAL	660,837
	Federal Home Loan Mortgage Corporation REMIC—0.1%	
230,338	Federal Home Loan Mortgage Corp. REMIC, Series K105, Class A1, 1.536%, 9/25/2029	202,939
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$1,296,524)	1,138,747
	FOREIGN GOVERNMENTS/AGENCIES—0.2%	
	Sovereign—0.2%	
200,000	Mexico, Government of, 3.750%, 1/11/2028	188,756
100,000	Poland, Government of, Sr. Unsecd. Note, 4.000%, 1/22/2024	98,610
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$301,950)	287,366
	MORTGAGE-BACKED SECURITIES—0.0%	
	Government National Mortgage Association—0.0%	
3,435	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	3,557
2,128	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	2,220
6,008	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	6,252
7,067	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	7,370
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$18,624)	19,399
	ADJUSTABLE RATE MORTGAGE—0.0%	
	Federal National Mortgage Association—0.0%	
1,591	² Federal National Mortgage Association ARM, 4.094%, 9/1/2037 (IDENTIFIED COST \$1,603)	1,608
	PURCHASED PUT OPTIONS—0.1%	
30,000	SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$38,243,000, Exercise Price \$370, Expiration Date 1/11/2023	43,200
30,000	SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$38,243,000, Exercise Price \$380, Expiration Date 1/5/2023	60,300
	TOTAL PURCHASED PUT OPTIONS (IDENTIFIED COST \$126,923)	103,500
	INVESTMENT COMPANIES—17.4%	
1,582	Bank Loan Core Fund	13,706

Shares, Principal Amount or Contracts		Value
	INVESTMENT COMPANIES—continued	
300,979	Emerging Markets Core Fund	\$ 2,389,776
515,669	Federated Hermes High Income Bond Fund II	2,753,671
1,084	Federated Hermes Short-Intermediate Government Fund, Institutional Shares	10,633
2,582,585	Mortgage Core Fund	21,642,062
411,979	Project and Trade Finance Core Fund	3,567,737
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$32,499,547)	30,377,585
	REPURCHASE AGREEMENT—9.4%	
\$16,454,000	Interest in \$1,350,000,000 joint repurchase agreement 4.30%, dated 12/30/2022 under which Bank of Montreal will repurchase securities provided as collateral for \$1,350,645,000 on 1/3/2023. 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 5/20/2072 and the market value of those underlying securities was \$1,379,047,631. (IDENTIFIED COST \$16,454,000)	16,454,000
	TOTAL INVESTMENT IN SECURITIES—99.7% (IDENTIFIED COST \$169,996,963) ³	174,227,614
	OTHER ASSETS AND LIABILITIES - NET—0.3% ⁴	542,069
	TOTAL NET ASSETS—100%	\$174,769,683

At December 31, 2022, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation (Depreciation)
Long Futures:				
United States Treasury Notes 10-Year Ultra Long Futures	50	\$ 5,914,063	March 2023	\$ (8,670)
S&P 500 E-Mini Long Futures	54	\$10,424,700	March 2023	\$ (38,146)
United States Treasury Notes 2-Year Long Futures	50	\$10,253,906	March 2023	\$ 9,313
Short Futures:				
United States Treasury Notes 5-Year Short Futures	30	\$ 3,237,891	March 2023	\$ 3,501
United States Treasury Notes 10-Year Short Futures	221	\$24,817,609	March 2023	\$517,181
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$483,179

Net Unrealized Appreciation on Futures 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 December 31, 2022, were as follows:

Affiliates	Value as of 12/31/2021	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation/ Depreciation	Net Realized Gain/ (Loss)	Value as of 12/31/2022	Shares Held as of 12/31/2022	Dividend Income
Bank Loan Core Fund	\$ 4,642,689	\$ 113,990	\$ (4,400,000)	\$ (121,381)	\$ (221,592)	\$ 13,706	1,582	\$ 113,989
Emerging Markets Core Fund	\$ 3,587,549	\$ 1,029,520	\$ (1,700,000)	\$ (295,262)	\$ (232,031)	\$ 2,389,776	300,979	\$ 179,521
Federated Hermes High Income Bond Fund II, Class P	\$ 6,958,443	\$ 282,542	\$ (3,600,000)	\$(1,373,969)	\$ 486,655	\$ 2,753,671	515,669	\$ 282,542
Federated Hermes Short-Intermediate Government Fund, Institutional Shares	\$ 11,649	\$ 221	N/A	\$ (1,237)	N/A	\$ 10,633	1,084	\$ 221
Mortgage Core Fund	\$25,374,632	\$10,898,834	\$(10,925,000)	\$(2,664,453)	\$(1,041,951)	\$21,642,062	2,582,585	\$ 773,834
Project and Trade Finance Core Fund	\$ 3,423,115	\$ 195,468	N/A	\$ (50,846)	N/A	\$ 3,567,737	411,979	\$ 195,405
TOTAL OF AFFILIATED TRANSACTIONS	\$43,998,077	\$12,520,575	\$(20,625,000)	\$(4,507,148)	\$(1,008,919)	\$30,377,585	3,813,878	\$1,545,512

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 \$173,005,443.

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 December 31, 2022.

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 December 31, 2022, 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	\$64,375,667	\$ —	\$—	\$ 64,375,667
International	3,777,276	—	—	3,777,276
Debt Securities:				
U.S. Treasuries	—	39,612,152	—	39,612,152
Corporate Bonds	—	18,080,314	—	18,080,314
Commercial Mortgage-Backed Securities	—	1,138,747	—	1,138,747
Foreign Governments/Agencies	—	287,366	—	287,366
Mortgage-Backed Securities	—	19,399	—	19,399
Adjustable Rate Mortgage	—	1,608	—	1,608
Purchased Put Options	103,500	—	—	103,500
Investment Companies¹	26,809,848	—	—	30,377,585
Repurchase Agreement	—	16,454,000	—	16,454,000
TOTAL SECURITIES	\$95,066,291	\$75,593,586	\$—	\$174,227,614
Other Financial Instruments:²				
Assets	\$ 529,995	\$ —	\$—	\$ 529,995
Liabilities	(46,816)	—	—	(46,816)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ 483,179	\$ —	\$—	\$ 483,179

1 As permitted by U.S. generally accepted accounting principles (GAAP), an Investment Company valued at \$3,567,737 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 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.

2 Other financial instruments are futures contracts.

The following acronym(s) are used throughout this portfolio:

ARM —Adjustable Rate Mortgage
 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)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$12.90	\$11.09	\$11.30	\$9.60	\$10.80
Income From Investment Operations:					
Net investment income (loss) ¹	0.16	0.19	0.19	0.24	0.23
Net realized and unrealized gain (loss)	(1.72)	1.83	(0.13)	1.68	(1.13)
TOTAL FROM INVESTMENT OPERATIONS	(1.56)	2.02	0.06	1.92	(0.90)
Less Distributions:					
Distributions from net investment income	(0.21)	(0.21)	(0.27)	(0.22)	(0.30)
Distributions from net realized gain	(2.67)	—	—	—	—
TOTAL DISTRIBUTIONS	(2.88)	(0.21)	(0.27)	(0.22)	(0.30)
Net Asset Value, End of Period	\$8.46	\$12.90	\$11.09	\$11.30	\$9.60
Total Return²	(13.75)%	18.51%	0.93%	20.23%	(8.49)%
Ratios to Average Net Assets:					
Net expenses ³	0.95%	0.93%	0.92%	0.91%	0.89%
Net investment income	1.72%	1.58%	1.82%	2.28%	2.26%
Expense waiver/reimbursement ⁴	0.11%	0.02%	0.01%	0.02%	0.03%
Supplemental Data:					
Net assets, end of period (000 omitted)	\$173,194	\$217,682	\$586,281	\$651,498	\$632,957
Portfolio turnover ⁵	51%	60%	61%	47%	96%

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.

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

4 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.

5 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				Period
	2022	2021	2020	2019	Ended 12/31/2018 ¹
Net Asset Value, Beginning of Period	\$12.90	\$11.09	\$11.27	\$9.59	\$10.08
Income From Investment Operations:					
Net investment income (loss) ²	0.14	0.16	0.16	0.21	0.13
Net realized and unrealized gain (loss)	(1.74)	1.84	(0.12)	1.68	(0.62)
TOTAL FROM INVESTMENT OPERATIONS	(1.60)	2.00	0.04	1.89	(0.49)
Less Distributions:					
Distributions from net investment income	—	(0.19)	(0.22)	(0.21)	—
Distributions from net realized gain	(2.67)	—	—	—	—
TOTAL DISTRIBUTIONS	(2.67)	(0.19)	(0.22)	(0.21)	—
Net Asset Value, End of Period	\$8.63	\$12.90	\$11.09	\$11.27	\$9.59
Total Return³	(14.00)%	18.25%	0.71%	19.92%	(4.86)%
Ratios to Average Net Assets:					
Net expenses ⁴	1.20%	1.16%	1.17%	1.16%	1.15% ⁵
Net investment income	1.47%	1.38%	1.57%	2.03%	1.91% ⁵
Expense waiver/reimbursement ⁶	0.11%	0.02%	0.01%	0.02%	0.02% ⁵
Supplemental Data:					
Net assets, end of period (000 omitted)	\$1,576	\$1,949	\$39,680	\$44,161	\$44,037
Portfolio turnover ⁷	51%	60%	61%	47%	96% ⁸

1 Reflects operations for the period from April 26, 2018 (commencement of operations) 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 Securities that mature are considered sales for purposes of this calculation.

8 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

December 31, 2022

Assets:

Investment in securities, at value including \$30,377,585 of investments in affiliated holdings* (identified cost \$169,996,963)	\$174,227,614
Cash	302
Cash denominated in foreign currencies (identified cost \$1,146)	1,221
Due from broker (Note 2)	2,000
Income receivable	509,383
Income receivable from affiliated holdings	118,607
Receivable for investments sold	267,956
Receivable for shares sold	15,157
TOTAL ASSETS	175,142,240

Liabilities:

Payable for investments purchased	245,592
Payable for shares redeemed	23,169
Payable for variation margin on futures contracts	6,279
Payable for investment adviser fee (Note 5)	6,054
Payable for administrative fee (Note 5)	1,436
Payable for auditing fees	29,038
Payable for custodian fees	10,358
Payable for portfolio accounting fees	32,510
Payable for distribution services fee (Note 5)	339
Accrued expenses (Note 5)	17,782
TOTAL LIABILITIES	372,557
Net assets for 20,644,425 shares outstanding	\$174,769,683

Net Assets Consist of:

Paid-in capital	\$191,811,506
Total distributable earnings (loss)	(17,041,823)
TOTAL NET ASSETS	\$174,769,683

Net Asset Value, Offering Price and Redemption Proceeds Per Share:

Primary Shares:

\$173,193,588 ÷ 20,461,863 shares outstanding, no par value, unlimited shares authorized	\$8.46
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Service Shares:

\$1,576,095 ÷ 182,562 shares outstanding, no par value, unlimited shares authorized	\$8.63
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* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended December 31, 2022

Investment Income:

Dividends (including \$1,545,512 received from affiliated holdings* and net of foreign taxes withheld of \$1,497)	\$ 3,234,881
Interest	1,803,529
TOTAL INCOME	5,038,410

Expenses:

Investment adviser fee (Note 5)	1,411,707
Administrative fee (Note 5)	277,337
Custodian fees	38,248
Transfer agent fees	18,339
Directors'/Trustees' fees (Note 5)	2,343
Auditing fees	36,298
Legal fees	12,659
Portfolio accounting fees	129,648
Distribution services fee (Note 5)	4,185
Printing and postage	38,363
Miscellaneous (Note 5)	33,549
TOTAL EXPENSES	2,002,676

Waiver/reimbursement of investment adviser fee (Note 5)	(197,998)
Net expenses	1,804,678
Net investment income	3,233,732

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

Net realized gain on investments (including net realized loss of \$(1,008,919) on sales of investments in affiliated holdings*)	4,641,786
Net realized loss on foreign currency transactions	(666)
Net realized loss on futures contracts	(13,879,501)
Net realized gain on written options	84,036
Net change in unrealized appreciation of investments (including net change in unrealized appreciation of \$(4,507,148) on investments in affiliated holdings*)	(23,109,172)
Net change in unrealized appreciation of translation of assets and liabilities in foreign currency	75
Net change in unrealized appreciation of futures contracts	(628,851)
Net change in unrealized appreciation of written options	(41,826)
Net realized and unrealized gain (loss) on investments, foreign currency transactions, futures contracts and written options	(32,934,119)
Change in net assets resulting from operations	\$(29,700,387)

* 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

Year Ended December 31	2022	2021
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 3,233,732	\$ 6,554,594
Net realized gain (loss)	(9,154,345)	127,552,982
Net change in unrealized appreciation/depreciation	(23,779,774)	(56,776,535)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(29,700,387)	77,331,041
Distributions to Shareholders:		
Primary Shares	(47,808,168)	(10,815,186)
Service Shares	(400,234)	(645,526)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(48,208,402)	(11,460,712)
Share Transactions:		
Proceeds from sale of shares	5,130,009	8,889,313
Net asset value of shares issued to shareholders in payment of distributions declared	48,208,376	11,460,710
Cost of shares redeemed	(20,291,100)	(492,550,413)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	33,047,285	(472,200,390)
Change in net assets	(44,861,504)	(406,330,061)
Net Assets:		
Beginning of period	219,631,187	625,961,248
End of period	\$174,769,683	\$ 219,631,187

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

December 31, 2022

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.

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 U.S. generally accepted accounting principles (GAAP).

Investment Valuation

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Co-Advisers.
- Shares of other mutual funds or non-exchange traded investment companies are valued based upon their reported NAVs, or NAV per share practical expedient, as applicable.
- 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.
- 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 ask quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Co-Advisers.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Co-Advisers, 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 Co-Advisers' valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Co-Advisers' 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

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Trustees (the "Trustees") has designated the Co-Advisers as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Co-Advisers are subject to the Trustees oversight and certain reporting and other requirements intended to provide the Trustees the information needed to oversee the Co-Advisers' fair value determinations.

The Co-Advisers acting through their Valuation Committee, are responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of the Co-Advisers and certain of the Co-Advisers' affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is also authorized to use pricing services 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 Co-Advisers. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Co-Advisers' fair valuation and significant events procedures as part of the Fund's compliance program and will review 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 ask 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 Co-Advisers.

The Co-Advisers have also adopted procedures requiring an investment to be priced at its fair value whenever the Valuation Committee determines 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 Co-Advisers 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 Valuation Committee will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Co-Advisers. The Trustees periodically review fair valuations made in response to significant events.

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 their 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. 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. The detail of the total fund expense reimbursement of \$197,998 is disclosed in Note 5.

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 year ended December 31, 2022, 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 December 31, 2022, tax years 2019 through 2022 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, market 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 \$37,082,741 and \$21,434,500, respectively. This is based on amounts held as of each month-end throughout the fiscal period.

Foreign Exchange Contracts

The Fund enters into foreign exchange contracts to manage currency risk. Purchased contracts are used to acquire exposure to foreign currencies, whereas, contracts to sell are used to hedge the Fund's securities against currency fluctuations. Risks may arise upon entering into these transactions from the potential inability of counterparties to meet the terms of their commitments and from unanticipated movements in security prices or foreign exchange rates. The foreign exchange contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the settlement date.

At December 31, 2022, the Fund had no outstanding foreign exchange contracts and no activity during the fiscal year.

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 fiscal year end, resulting from changes in the exchange rate.

Option Contracts

The Fund buys or sells put and call options to manage market risk. 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.

At December 31, 2022, the Fund had no outstanding written option contracts.

The average market value of purchased put options held by the Fund throughout the period was \$291,865. This is based on amounts held as of each month-end throughout the fiscal period.

The average market value of written put options held by the Fund throughout the period was \$4,569. This is based on amounts held as of each month-end throughout the fiscal 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 Co-Advisers.

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Assets		Liabilities	
	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	\$(521,325)*
Equity contracts		—	Payable for variation margin on futures contracts	38,146*
Equity contracts	Purchased options, within Investment in securities at value	103,500		—
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$103,500		\$(483,179)

* Includes 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 Year Ended December 31, 2022

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

	Futures Contracts	Purchased Options Contracts ¹	Written Options Contracts	Total
Interest rate contracts	\$ 1,869,340	\$ —	\$ —	\$ 1,869,340
Equity contracts	(15,748,841)	5,697,648	84,036	(9,967,157)
TOTAL	\$(13,879,501)	\$5,697,648	\$84,036	\$(8,097,817)

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

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

	Futures Contracts	Purchased Options Contracts ¹	Written Options Contracts	Total
Interest rate contracts	\$ 756,057	\$ —	\$ —	\$ 756,057
Equity contracts	(1,384,908)	75,001	(41,826)	(1,351,733)
TOTAL	\$ (628,851)	\$75,001	\$(41,826)	\$ (595,676)

1 The net change in unrealized appreciation of Purchased Options 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:

Primary Shares:	Year Ended 12/31/2022		Year Ended 12/31/2021	
	Shares	Amount	Shares	Amount
Shares sold	530,991	\$ 4,916,770	703,724	\$ 8,356,386
Shares issued to shareholders in payment of distributions declared	5,219,233	47,808,168	954,562	10,815,186
Shares redeemed	(2,158,898)	(19,972,108)	(37,675,286)	(450,315,015)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	3,591,326	\$ 32,752,830	(36,017,000)	\$(431,143,443)

Service Shares:	Year Ended 12/31/2022		Year Ended 12/31/2021	
	Shares	Amount	Shares	Amount
Shares sold	21,072	\$ 213,239	43,013	\$ 532,927
Shares issued to shareholders in payment of distributions declared	42,757	400,208	56,874	645,524
Shares redeemed	(32,386)	(318,992)	(3,527,411)	(42,235,398)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	31,443	\$ 294,455	(3,427,524)	\$(41,056,947)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	3,622,769	\$ 33,047,285	(39,444,524)	\$(472,200,390)

4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Ordinary income	\$20,666,153	\$11,460,712
Long-term capital gains	\$27,542,249	\$ —

As of December 31, 2022, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 3,229,137
Net unrealized appreciation	\$ 1,222,246
Capital loss carryforwards and deferrals	\$(21,493,206)
TOTAL	\$(17,041,823)

At December 31, 2022, the cost of investments for federal tax purposes was \$173,005,443. The net unrealized appreciation of investments for federal tax purposes was \$1,222,171. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$13,192,920 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$11,970,749. The amounts presented are inclusive of derivative contracts. The difference between book-basis and tax-basis net unrealized appreciation is attributable to differing treatments for discount accretion/premium amortization on debt securities, the deferral of losses on wash sales and mark-to-market of futures contracts.

As of December 31, 2022, the Fund had a capital loss carryforward of \$21,493,206 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code of 1986, 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
\$4,527,589	\$16,965,617	\$21,493,206

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. The Co-Advisers may voluntarily choose to waive any portion of their fee for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended December 31, 2022, the Co-Advisers voluntarily waived \$175,930 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 year ended December 31, 2022, the Co-Advisers reimbursed \$22,068.

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. For the year ended December 31, 2022, the annualized fee paid to FAS was 0.147% 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 year ended December 31, 2022, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$4,185

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended December 31, 2022, FSC did not retain any fees paid by the Fund.

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 year ended December 31, 2022, were as follows:

Purchases	\$53,208,503
Sales	\$84,028,262

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 dated June 22, 2022. 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 (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays 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 December 31, 2022, the Fund had no outstanding loans. During the year ended December 31, 2022, 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 December 31, 2022, there were no outstanding loans. During the year ended December 31, 2022, the program was not utilized.

9. INDEMNIFICATIONS

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

10. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in, and may continue to result in, closed borders, enhanced health screenings, disruptions to 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 has resulted in substantial economic volatility. 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. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic, including significant fiscal and monetary policy changes, that may affect the instruments in which the Fund invests or the issuers of such investments. Any such impact could adversely affect the Fund's performance.

11. SUBSEQUENT EVENT

On February 14, 2023, the Trustees accepted the resignation of Federated Global Investment Management Corp. as a Co-Adviser of the Fund. On the same date, the Trustees approved the termination of a service agreement between Federated Investment Management Company (FIMCO) and Federated Hermes (UK) LLP (Federated UK) pursuant to which Federated UK provided certain non-discretionary credit research and analysis services to FIMCO. Fees, if any, paid to Federated UK for these services were paid by FIMCO and not by the Fund. These changes are effective on or about April 30, 2023.

12. FEDERAL TAX INFORMATION (UNAUDITED)

Of the ordinary income distributions made by the Fund during the year ended December 31, 2022, 7.82% qualify for the dividend received deduction available to corporate shareholders.

For the year ended December 31, 2022, the amount of long-term capital gains designated by the Fund was \$27,542,249.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF FEDERATED HERMES INSURANCE SERIES AND THE SHAREHOLDERS OF FEDERATED HERMES MANAGED VOLATILITY FUND II:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Federated Hermes Managed Volatility Fund II (the Fund), a portfolio of Federated Hermes Insurance Series, including the portfolio of investments, as of December 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years or periods in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2022, by correspondence with custodians and brokers; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor for one or more of Federated Hermes' investment companies since 2006.

Boston, Massachusetts
February 15, 2023

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 July 1, 2022 to December 31, 2022.

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 7/1/2022	Ending Account Value 12/31/2022	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$ 995.30	\$4.78
Service Shares	\$1,000	\$ 994.20	\$6.03
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,020.42	\$4.84
Service Shares	\$1,000	\$1,019.16	\$6.11

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (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	0.95%
Service Shares	1.20%

Board of Trustees and Trust Officers

The Board of Trustees is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are "interested persons" of the Fund (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2022, the Trust comprised six portfolio(s), and the Federated Hermes Fund Family consisted of 33 investment companies (comprising 102 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Hermes Fund Family and serves for an indefinite term. The Fund's Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400, Option #4.

INTERESTED TRUSTEES BACKGROUND

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
J. Christopher Donahue* Birth Date: April 11, 1949 TRUSTEE Indefinite Term Began serving: September 1993	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of the Funds in the Federated Hermes Fund Family; President, Chief Executive Officer and Director, Federated Hermes, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company. Previous Positions: President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.
Thomas R. Donahue* Birth Date: October 20, 1958 TRUSTEE Indefinite Term Began serving: May 2016	Principal Occupations: Director or Trustee of certain of the funds in the Federated Hermes Fund Family; Chief Financial Officer, Treasurer, Vice President and Assistant Secretary, Federated Hermes, Inc.; Chairman and Trustee, Federated Administrative Services; Chairman and Director, Federated Administrative Services, Inc.; Trustee and Treasurer, Federated Advisory Services Company; Director or Trustee and Treasurer, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, and Federated Investment Management Company; Director, MDTA LLC; Director, Executive Vice President and Assistant Secretary, Federated Securities Corp.; Director or Trustee and Chairman, Federated Services Company and Federated Shareholder Services Company; and Director and President, FII Holdings, Inc. Previous Positions: Director, Federated Hermes, Inc.; Assistant Secretary, Federated Investment Management Company, Federated Global Investment Management Company and Passport Research, LTD; Treasurer, Passport Research, LTD; Executive Vice President, Federated Securities Corp.; and Treasurer, FII Holdings, Inc.

* Family relationships and reasons for "interested" status: J. Christopher Donahue and Thomas R. Donahue are brothers. Both are "interested" due to their beneficial ownership of shares of Federated Hermes, Inc. and the positions they hold with Federated Hermes, Inc. and its subsidiaries.

INDEPENDENT TRUSTEES BACKGROUND

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
John T. Collins Birth Date: January 24, 1947 TRUSTEE Indefinite Term Began serving: October 2013	Principal Occupations: Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Hermes Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired). Other Directorships Held: Director, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace). Qualifications: Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
G. Thomas Hough Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p>Principal Occupations: Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).</p> <p>Other Directorships Held: Director, Chair of the Audit Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverty Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p>Qualifications: Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst & Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served on the Business School Board of Visitors for Wake Forest University, and he previously served as an Executive Committee member of the United States Golf Association.</p>
Maureen Lally-Green Birth Date: July 5, 1949 TRUSTEE Indefinite Term Began serving: August 2009	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Adjunct Professor Emerita of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p>Other Directorships Held: Director, CNX Resources Corporation (natural gas).</p> <p>Qualifications: Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). Judge Lally-Green previously served as Associate General Secretary of the Diocese of Pittsburgh, a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green was appointed by the Supreme Court of Pennsylvania to serve on the Supreme Court's Board of Continuing Judicial Education and the Supreme Court's Appellate Court Procedural Rules Committee. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); Director, Catholic Charities, Pittsburgh; and Director CNX Resources Corporation (natural gas). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; Director and Chair, North Catholic High School, Inc.; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; and Director and Vice Chair, Saint Francis University.</p>
Thomas M. O'Neill Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber); and Director, The Golisano Children's Museum of Naples, Florida.</p>
Madelyn A. Reilly Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; formerly, Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors, Duquesne University (Retired).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors and Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries. Ms. Reilly currently serves as a member of the Board of Directors of UPMC Mercy Hospital.</p>
P. Jerome Richey Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: October 2013	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CONSOL Energy Inc. (now split into two separate publicly traded companies known as CONSOL Energy Inc. and CNX Resources Corp.).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CONSOL Energy Inc. and CNX Gas Company; and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll & Rooney PC (a law firm).</p>

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
John S. Walsh Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: January 1999	Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc. Other Directorships Held: None. Qualifications: Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh & Kelly, Inc. (paving contractors).

OFFICERS

Name Birth Date Address Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
Lori A. Hensler Birth Date: January 6, 1967 TREASURER Officer since: April 2013	Principal Occupations: Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Management Company; Treasurer, Federated Investors Trust Company; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation. Previous Positions: Controller of Federated Hermes, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.
Peter J. Germain Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: January 2005	Principal Occupations: Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association. Previous Positions: Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.
John B. Fisher Birth Date: May 16, 1956 PRESIDENT Officer since: November 2004	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of certain of the Funds in the Federated Hermes Fund Family; Director and Vice President, Federated Hermes, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, and Federated MDTA LLC; Director, Federated Investors Trust Company. Previous Positions: President and Director of the Institutional Sales Division of Federated Securities Corp.; President and CEO of Passport Research, Ltd.; Director and President, Technology, Federated Services Company.
Stephen Van Meter Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	Principal Occupations: Senior Vice President and Chief Compliance Officer of the Federated Hermes Fund Family; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66. Previous Positions: Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.
Stephen F. Auth Birth Date: September 13, 1956 101 Park Avenue 41 st Floor New York, NY 10178 CHIEF INVESTMENT OFFICER Officer since: November 2002	Principal Occupations: Stephen F. Auth is Chief Investment Officer of various Funds in the Federated Hermes Fund Family; Executive Vice President, Federated Investment Counseling, Federated Global Investment Management Corp. and Federated Equity Management Company of Pennsylvania. Previous Positions: Executive Vice President, Federated Investment Management Company and Passport Research, Ltd. (investment advisory subsidiary of Federated); Senior Vice President, Global Portfolio Management Services Division; Senior Vice President, Federated Investment Management Company and Passport Research, Ltd.; Senior Managing Director and Portfolio Manager, Prudential Investments.
Robert J. Ostrowski Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: May 2004	Principal Occupations: Robert J. Ostrowski joined Federated Hermes, Inc. in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated Hermes' taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.

Name Birth Date Address Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
Deborah A. Cunningham Birth Date: September 15, 1959 CHIEF INVESTMENT OFFICER Officer since: June 2012	Principal Occupations: Deborah A. Cunningham was named Chief Investment Officer of Federated Hermes' money market products in 2004. She joined Federated Hermes in 1981 and has been a Senior Portfolio Manager since 1997 and an Executive Vice President of the Fund's Adviser since 2009. Ms. Cunningham has received the Chartered Financial Analyst designation and holds an M.S.B.A. in Finance from Robert Morris College.

Evaluation and Approval of Advisory Contract – May 2022

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

At its meetings in May 2022 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including 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 (the “Adviser”), 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 approve the continuation of 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, the Board considered information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Co-Advisers and their affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes by independent legal counsel on behalf of the Independent Trustees encompassing a wide variety of topics, including those summarized below. 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.

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: the nature, quality and extent of the advisory and other services provided to the Fund by the Co-Advisers and their affiliates; Federated Hermes’ business and operations; the Co-Advisers’ investment philosophy, personnel and processes; the Fund’s investment objectives and 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 and a group of its peer funds and/or its benchmark, as appropriate); the Fund’s fees and 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 financial condition of Federated Hermes; the Co-Advisers’ profitability with respect to the Fund; distribution and sales activity for the Fund; and the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any).

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees charged to other registered funds 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 the adviser to the fund and its shareholders, including the performance of the fund, its benchmark and comparable funds; (2) the adviser’s cost of providing the services and the profitability to the adviser of providing advisory services to the fund; (3) the extent to which the adviser may realize “economies of scale” as the fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with the fund and its shareholders or the family of funds; (4) any “fall-out” benefits that accrue to the adviser because of its relationship with the fund, including research services received from brokers that execute fund trades and any fees paid to affiliates of the adviser for services rendered to the fund; (5) comparative fee and expense structures, including a comparison of management fees paid to the 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 the adviser's services and fees. The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements regarding the basis for a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was guided by these factors 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 oversight of the other funds advised by Federated Hermes (each, a "Federated Hermes Fund" and, collectively, the "Federated Hermes Funds").

In addition to considering the above-referenced factors, the Board was mindful of the preferences and expectations of Fund shareholders and 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 the Contract. In particular, the Board recognized that many shareholders likely have invested in the Fund on the strength of Federated Hermes' industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that in the marketplace there are a range of investment options available to the Fund's shareholders and such shareholders, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contracts, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board's determination to approve the continuation of 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 Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. 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 family of Federated Hermes Funds, 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 Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contract and the range of services provided to the Fund by Federated Hermes. 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. The Board considered the Co-Advisers' personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. 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 Federated Hermes' ability and experience in attracting and retaining qualified personnel to service the Fund. The Board also considered the Co-Advisers' ability to deliver competitive investment performance for the Fund when compared to the Fund's Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Co-Advisers are executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted the significant acquisition of Hermes Fund Managers Limited by Federated Hermes, which has deepened the organization's investment management expertise and capabilities and expanded the investment process for all of the Federated Hermes Funds to have access to analytical resources related to environmental, social and governance ("ESG") factors and issuer engagement on ESG matters. The Board considered Federated Hermes' oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes' communications with the

Board and responsiveness to Board inquiries and requests made from time to time with respect to the Fund and other Federated Hermes Funds. In this regard, the Board took into account Federated Hermes' communications with the Board in light of the pandemic. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds' officers.

The Board received and evaluated information regarding Federated Hermes' regulatory and compliance environment. The Board considered Federated Hermes' compliance program and compliance history and reports from the CCO about Federated Hermes' compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes' support of the Federated Hermes Funds' compliance control structure and the compliance-related resources devoted by Federated Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the designation of the Federated Hermes Funds' investment advisers as the administrators of the Federated Hermes Funds' liquidity risk management program.

The Board also considered the implementation of Federated Hermes' business continuity plans and recognized steps taken by Federated Hermes to continue to provide the same nature, extent and quality of services to the Federated Hermes Funds during the pandemic. In addition, the Board noted Federated Hermes' commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes due to the market, regulatory and control environments in which the Fund and its service providers operate, including changes associated with the pandemic.

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing on-going services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

Based on these considerations, the Board concluded that it was satisfied with the nature, extent, and quality of the services provided by the Co-Advisers to the Fund.

Fund Investment Performance

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Co-Advisers' analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"). The Board noted 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, 2021, the Fund's performance was above the median of the Performance Peer Group.

Based on these considerations, the Board concluded that it had continued confidence in the Co-Advisers' overall capabilities to manage the Fund.

Fund Expenses

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. 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.

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 noted that it found the use of such comparisons to be relevant to its evaluation. The Board focused on comparisons with other similar registered funds more heavily than non-registered fund products or services because such comparisons are believed to be more relevant. The Board considered that other registered 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 shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's 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 Expense Peer Group, and the Board was satisfied that the overall expense structure of the Fund remained competitive.

The Board also 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-registered fund clients (such as institutional separate accounts) and third-party unaffiliated registered funds for which any of the Co-Advisers or their affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-registered 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 and fund liquidity; (vi) different administrative responsibilities; (vii) different degrees of risk associated with management; and (viii) 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 registered fund business versus managing a discrete pool of assets as a sub-adviser to another institution's registered fund, noting the CCO's view 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 registered 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.

Based on these considerations, the Board concluded that the fees and total operating expenses of the Fund, in conjunction with other matters considered, are reasonable in light of the services provided.

Profitability

The Board received and considered profitability information furnished by Federated Hermes, as requested by the CCO. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made 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 on a fund-by-fund basis 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. In addition, the Board considered the CCO's view that 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 are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable.

The Board considered that the Contract provides for payment of a single advisory fee by the Fund for all services provided by the Co-Advisers. The Board further considered that the 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 the Co-Advisers' analysis as to 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 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, processes and tools for portfolio management, including the use of market data on which portfolio managers make investment decisions; trading operations; ESG integration and issuer engagement on ESG matters; shareholder services; compliance; business continuity; cybersecurity; internal audit and risk management functions; and technology that supports the provision of investment management services. 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 are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense 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. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered Federated Hermes' reductions in contractual management fees for 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, which have resulted in benefits being realized by shareholders.

The Board also considered reports on adviser-paid fees (commonly referred to as "revenue sharing") that were provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe 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 evaluate the reasonableness 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 uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

Other Benefits

The Board considered information regarding the compensation and other ancillary (or "fall-out") benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds' investment advisory contracts, Federated Hermes' affiliates also receive fees 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 that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

Conclusions

The Board considered: (i) the CCO's conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund is reasonable; and (ii) 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 sub-advisory arrangements is a continuing and ongoing 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 ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of 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 approve the continuation of 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 “Program”) for Federated Hermes Managed Volatility Fund II (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program 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 each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

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 2022, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2021 through March 31, 2022 (the “Period”). The Report addressed the operation of the Program and assessed its adequacy and effectiveness, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund and each Federated Hermes Fund’s access to other available funding sources such as the Federated Hermes Funds’ interfund lending facility, redemptions in-kind, reverse repurchase agreement transactions, redemptions delayed beyond the normal T+1 settlement, but within seven days of the redemption request, and committed lines of credit. There were no material changes to the Program 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 Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, 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;
- the fact that there were no liquidity events during the Period, that materially affected the Fund’s liquidity risk;
- the impact on liquidity and management of liquidity risk caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures;
- circumstances during the Period under which the Administrator convened meetings of the Liquidity Risk Management Committees more frequently than normal to conduct enhanced liquidity risk monitoring, including prior to the Russian invasion of Ukraine.

Based on this review, the Administrator concluded that the Program 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, Option #4. 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.

Notes

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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.



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