

# Annual Shareholder Report

December 31, 2022



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Ticker FMBPX

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## Federated Hermes Mortgage Strategy Portfolio

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A Portfolio of Federated Hermes Managed Pool Series

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**Not FDIC Insured • May Lose Value • No Bank Guarantee**

**CONTENTS**

Federated Hermes Mortgage Strategy Portfolio .....	1
Management's Discussion of Fund Performance .....	1
Portfolio of Investments Summary Table .....	3
Portfolio of Investments .....	4
Financial Highlights .....	6
Statement of Assets and Liabilities .....	7
Statement of Operations .....	8
Statement of Changes in Net Assets.....	9
Notes to Financial Statements.....	10
Report of Independent Registered Public Accounting Firm.....	14
Shareholder Expense Example .....	15
Mortgage Core Fund.....	16
Management's Discussion of Fund Performance .....	17
Portfolio of Investments Summary Table .....	19
Portfolio of Investments .....	20
Financial Highlights .....	31
Statement of Assets and Liabilities .....	32
Statement of Operations .....	33
Statement of Changes in Net Assets.....	34
Notes to Financial Statements.....	35
Report of Independent Registered Public Accounting Firm.....	40
Shareholder Expense Example .....	41
Board of Trustees and Trust Officers .....	42
Evaluation and Approval of Advisory Contract.....	45
Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness .....	49
Voting Proxies on Fund Portfolio Securities .....	50
Quarterly Portfolio Schedule .....	50

## Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes Mortgage Strategy Portfolio (the "Fund"), based on net asset value for the 12-month reporting period ended December 31, 2022, was -11.54%. The Bloomberg US Mortgage Backed Securities Index (BMBS),<sup>1</sup> the Fund's broad-based securities market index, returned -11.81% during the same period. The Fund's total return for the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses not reflected in the total return of the BMBS.

During the reporting period, the most significant factors affecting the Fund's performance were (a) interest rate strategy; (b) sector allocation; and (c) security selection.

The Fund pursues its investment objective by investing primarily in Mortgage Core Fund (the "Underlying Fund"), a portfolio of Federated Hermes Core Trust. As such, the discussion of significant factors below primarily reflects the performance of the Fund's investment in the Underlying Fund relative to the BMBS.

### MARKET OVERVIEW

Citing elevated inflation which resulted from pandemic-induced supply/demand imbalances and the Russian invasion of Ukraine, as well as low unemployment, the Federal Reserve (the "Fed") aggressively tightened monetary policy. From extremely accommodative monetary policy at period outset, the Fed moved at a historically rapid pace with seven rate hikes to reduce inflationary pressures. Additionally, quantitative easing policy purchases of securities reached a conclusion, and the portfolio of agency debt, mortgage-backed securities<sup>2</sup> (MBS) and Treasury securities declined as securities matured. These steps were taken to combat inflation which reached the highest level in 40 years. Market yields spiked in response to Fed actions.

Treasury yields increased across the maturity spectrum and fixed-income investments outside of Treasury securities – the spread sectors – reeled, as slack demand produced wider yield spreads and negative excess returns. Virtually all spread sectors underperformed similar duration Treasury securities with corporate debt (both high-grade and high-yield), MBS (residential and commercial), asset-backed securities (ABS) and agency debt posting lackluster results. The mortgage sector suffered from a lack of demand as commercial bank buying decreased, and the Fed ceased portfolio purchases allowing portfolio holdings to decline as quantitative easing evolved to quantitative tightening. As Treasury yields and mortgage rates increased, mortgage refinance activity collapsed, and MBS average lives extended as homeowners' mortgage rates fell well below the available market rate for 30-year fixed mortgages.

During the reporting period, the 2- and 10-year U.S. Treasury yields increased 370 and 237 basis points to yield 4.43% and 3.88%, respectively.<sup>3</sup>

### INTEREST RATE STRATEGY

The Fund decreased effective duration<sup>4</sup> relative to the benchmark to reduce the anticipated impact of higher market yields. The lower portfolio sensitivity to interest rates proved beneficial as Treasury yields climbed. Interest rate strategy made a positive contribution to Fund performance during the fiscal year.

### SECTOR ALLOCATION

Allocations to conventional MBS, which include those issued by Fannie Mae and Freddie Mac as well as a cash position, were beneficial. Overall, sector allocation made a positive contribution to Fund performance.

### SECURITY SELECTION

Security selection, notably in non-government-guaranteed mortgage securities proved detrimental. Additionally, securities offering varying degrees of prepayment protection underperformed as call protection value declined. Security selection acted as a drag on Fund performance.

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 BMBS.

2 The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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

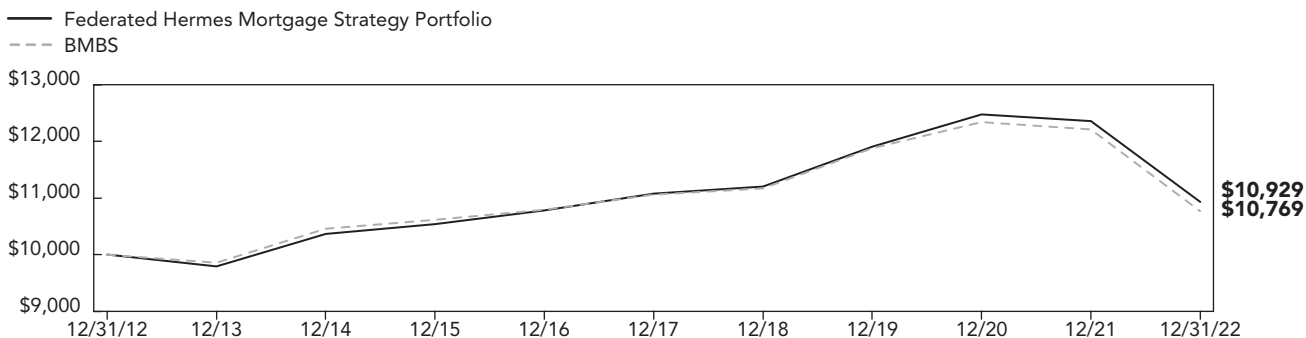
4 Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

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

The graph below illustrates the hypothetical investment of \$10,000<sup>1</sup> in the Federated Hermes Mortgage Strategy Portfolio (the “Fund”) from December 31, 2012 to December 31, 2022, compared to the Bloomberg US Mortgage Backed Securities Index (BMBS).<sup>2</sup> 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



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

	1 Year	5 Years	10 Years
Fund	-11.54%	-0.27%	0.89%
BMBS	-11.81%	-0.53%	0.74%

**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. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds 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 BMBS has been adjusted to reflect reinvestment of dividends on securities in the index.
- 2 The BMBS covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). The index is not adjusted to reflect sales loads, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund’s performance. The index is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.

## Portfolio of Investments Summary Table (unaudited)

At December 31, 2022, the Fund's portfolio composition<sup>1</sup> was as follows:

<b>Portfolio Composition</b>	<b>Percentage of Total Net Assets<sup>2</sup></b>
U.S. Government Agency Mortgage-Backed Securities	89.7%
Non-Agency Mortgage-Backed Securities	4.4%
Asset-Backed Securities	2.8%
Cash Equivalents <sup>3</sup>	3.7%
Other Assets and Liabilities—Net <sup>4</sup>	(0.6)%
<b>TOTAL</b>	<b>100%</b>

- <sup>1</sup> See the Fund's Prospectus and Statement of Additional Information for a description of the types of securities in which the Fund invests.
- <sup>2</sup> As of the date specified above, the Fund owned shares of one or more affiliated investment companies. For purposes of this table, the affiliated investment company (other than an affiliated money market mutual fund) is 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.
- <sup>3</sup> Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.
- <sup>4</sup> Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

# Portfolio of Investments

December 31, 2022

Shares or Principal Amount		Value
	INVESTMENT COMPANY—99.7%	
35,146,538	<sup>1</sup> Mortgage Core Fund (IDENTIFIED COST \$326,586,416)	\$294,527,987
	REPURCHASE AGREEMENT—0.4%	
\$ 1,201,000	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 \$1,201,000)	\$ 1,201,000
	TOTAL INVESTMENT IN SECURITIES—100.1% (IDENTIFIED COST \$327,787,416) <sup>2</sup>	295,728,987
	OTHER ASSETS AND LIABILITIES - NET—(0.1)% <sup>3</sup>	(321,780)
	TOTAL NET ASSETS—100%	\$295,407,207

1 Due to this affiliated holding representing greater than 75% of the Fund's total net assets, a copy of the affiliated holding's most recent Annual Report is included with this Report.

Affiliated fund holdings are investment companies which are managed by Federated Investment Management Company (the "Adviser") or an affiliate of the Adviser. Transactions with affiliated fund holdings during the period ended December 31, 2022, were as follows:

	Mortgage Core Fund
Value as of 12/31/2021	\$171,391,826
Purchases at Cost	\$183,494,741
Proceeds from Sales	\$ (26,350,000)
Change in Unrealized Appreciation/Depreciation	\$ (31,121,729)
Net Realized Gain/(Loss)	\$ (2,886,851)
Value as of 12/31/2022	\$294,527,987
Shares Held as of 12/31/2022	35,146,538
Dividend Income	\$ 7,094,741

The Fund invests in the Mortgage Core Fund ("Mortgage Core"), a portfolio of Federated Hermes Core Trust ("Core Trust"), which is managed by the Adviser. Core Trust is an open-end management investment company, registered under the Investment Company Act of 1940, as amended (the "Act"), available only to registered investment companies and other institutional investors. The investment objective of Mortgage Core is to provide total return. Federated Hermes, Inc. ("Federated Hermes") receives no advisory or administrative fees from Mortgage Core. Income distributions from Mortgage Core are declared daily and paid monthly. All income distributions are recorded by the Fund as dividend income. Capital gain distributions of Mortgage Core, if any, are declared and paid annually, and are recorded by the Fund as capital gains received. The performance of the Fund is directly affected by the performance of Mortgage Core. The financial statements of Mortgage Core are included within this report to illustrate the security holdings, financial condition, results of operations and changes in net assets of Mortgage Core in which the Fund invested 99.7% of its net assets at December 31, 2022. The financial statements of Mortgage Core should be read in conjunction with the Fund's financial statements. The valuation of securities held by Mortgage Core is discussed in the notes to its financial statements.

2 The cost of investments for federal tax purposes amounts to \$332,665,272.

3 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
<b>Investment Company</b>	\$294,527,987	\$ —	\$—	\$294,527,987
<b>Repurchase Agreement</b>	—	1,201,000	—	1,201,000
TOTAL SECURITIES	\$294,527,987	\$1,201,000	\$—	\$295,728,987

See Notes which are an integral part of the Financial Statements

# Financial Highlights

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$9.85</b>	<b>\$10.18</b>	<b>\$9.98</b>	<b>\$9.70</b>	<b>\$9.90</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss)	0.27	0.22	0.27	0.32	0.30
Net realized and unrealized gain (loss)	(1.40)	(0.32)	0.20	0.28	(0.20)
TOTAL FROM INVESTMENT OPERATIONS	(1.13)	(0.10)	0.47	0.60	0.10
<b>Less Distributions:</b>					
Distributions from net investment income	(0.26)	(0.22)	(0.27)	(0.32)	(0.30)
Distributions from net realized gain	—	(0.01)	—	—	—
TOTAL DISTRIBUTIONS	(0.26)	(0.23)	(0.27)	(0.32)	(0.30)
<b>Net Asset Value, End of Period</b>	<b>\$8.46</b>	<b>\$9.85</b>	<b>\$10.18</b>	<b>\$9.98</b>	<b>\$9.70</b>
<b>Total Return<sup>1</sup></b>	<b>(11.54)%</b>	<b>(0.94)%</b>	<b>4.77%</b>	<b>6.29%</b>	<b>1.12%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>2</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Net investment income	3.01%	2.21%	2.68%	3.26%	3.17%
Expense waiver/reimbursement <sup>3</sup>	0.17%	0.21%	0.23%	0.24%	0.27%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$295,407	\$171,828	\$126,578	\$120,793	\$99,486
Portfolio turnover <sup>4</sup>	11%	14%	43%	7%	10%

1 Based on net asset value.

2 The Adviser has contractually agreed to reimburse all expenses, excluding extraordinary expenses, incurred by the Fund. Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

3 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.

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

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 \$294,527,987 of investments in an affiliated holding* (identified cost \$327,787,416)	\$295,728,987
Income receivable from an affiliated holding	951,464
Receivable for shares sold	823,929
TOTAL ASSETS	297,504,380

## Liabilities:

Payable for investments purchased	951,464
Payable for shares redeemed	143,643
Bank overdraft	262
Income distribution payable	934,749
Payable to adviser (Note 5)	2,784
Payable for administrative fee (Note 5)	1,270
Accrued expenses (Note 5)	63,001
TOTAL LIABILITIES	2,097,173

Net assets for 34,901,217 shares outstanding \$295,407,207

## Net Assets Consist of:

Paid-in capital	\$332,486,819
Total distributable earnings (loss)	(37,079,612)
TOTAL NET ASSETS	\$295,407,207

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

\$295,407,207 ÷ 34,901,217 shares outstanding, no par value, unlimited shares authorized \$8.46

\* 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 received from an affiliated holding*	\$ 7,094,741
Interest	17,763
<b>TOTAL INCOME</b>	<b>7,112,504</b>

## Expenses:

Administrative fee (Note 5)	184,894
Custodian fees	9,282
Transfer agent fees	17,300
Directors'/Trustees' fees (Note 5)	2,544
Auditing fees	26,901
Legal fees	9,201
Portfolio accounting fees	72,038
Share registration costs	35,783
Printing and postage	20,877
Commitment fee	5,434
Miscellaneous (Note 5)	17,337
<b>TOTAL EXPENSES</b>	<b>401,591</b>
Reimbursement of other operating expenses (Note 5)	(401,591)
Net expenses	—
Net investment income	7,112,504

## Realized and Unrealized Gain (Loss) on Investments:

Net realized loss on investments in an affiliated holding*	(2,886,851)
Net change in unrealized depreciation of investments in an affiliated holding*	(31,121,729)
Net realized and unrealized gain (loss) on investments	(34,008,580)
Change in net assets resulting from operations	\$(26,896,076)

\* 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
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 7,112,504	\$ 3,234,269
Net realized gain (loss)	(2,886,851)	(339,412)
Net change in unrealized appreciation/depreciation	(31,121,729)	(4,329,758)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(26,896,076)	(1,434,901)
<b>Distributions to Shareholders</b>	(7,113,868)	(3,407,523)
<b>Share Transactions:</b>		
Proceeds from sale of shares	213,317,582	85,643,473
Net asset value of shares issued to shareholders in payment of distributions declared	207,511	108,395
Cost of shares redeemed	(55,935,840)	(35,659,363)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	157,589,253	50,092,505
Change in net assets	123,579,309	45,250,081
<b>Net Assets:</b>		
Beginning of period	171,827,898	126,577,817
End of period	\$295,407,207	\$171,827,898

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

December 31, 2022

## 1. ORGANIZATION

Federated Hermes Managed Pool Series (the "Trust") is registered under the Act, as an open-end management investment company. The Trust consists of five portfolios. The financial statements included herein are only those of Federated Hermes Mortgage Strategy Portfolio (the "Fund"), a non-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 investment objective of the Fund is to provide total return by investing primarily in a mortgage-backed securities mutual fund and individual mortgage-backed securities, including collateralized mortgage obligations.

## 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:

- 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.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by Federated Investment Management Company (the "Adviser").
- 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 Adviser.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, 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 Adviser's valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser's 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 Procedures

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

The Adviser, acting through its Valuation Committee, is 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 Adviser and certain of the Adviser's 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 Adviser 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 Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser's 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 Adviser.

## 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 Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

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

## Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Distributions of net investment income, if any, are declared daily and paid monthly. 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. The detail of the total fund expense reimbursement of \$401,591 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.

## 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.

## 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 table summarizes share activity:

	Year Ended 12/31/2022	Year Ended 12/31/2021
Shares sold	23,685,150	8,563,074
Shares issued to shareholders in payment of distributions declared	23,589	10,856
Shares redeemed	(6,251,194)	(3,570,055)
NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	17,457,545	5,003,875

#### 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 <sup>1</sup>	\$7,113,868	\$3,407,523

1 For tax purposes, short-term capital gains distributions are considered ordinary income distributions.

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

Undistributed ordinary income	\$ 3,752
Net unrealized depreciation	\$(36,936,285)
Capital loss carryforwards	\$ (147,079)
TOTAL	\$(37,079,612)

At December 31, 2022, the cost of investments for federal tax purposes was \$332,665,272. The net unrealized depreciation of investments for federal tax purposes was \$36,936,285. This consists entirely of unrealized depreciation from investments for those securities having an excess of cost over value of \$36,936,285. The difference between book-basis and tax-basis net unrealized depreciation is attributable to differing treatments for the deferral of losses on wash sales.

As of December 31, 2022, the Fund had a capital loss carryforward of \$147,079 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
\$139,841	\$7,238	\$147,079

#### 5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

##### Investment Adviser Fee

The Adviser provides investment adviser services at no fee because all eligible investors are: (1) in separately managed or wrap fee programs, who often pay a single aggregate fee to the wrap program sponsor for all costs and expenses of the wrap fee programs; or (2) in certain other separately managed accounts and discretionary investment accounts. The Adviser has contractually agreed to reimburse all expenses of the Fund, excluding extraordinary expenses. Acquired fund fees and expenses are not direct obligations of the Fund and are not contractual reimbursements under the investment advisory contract. For the year ended December 31, 2022, the Adviser reimbursed \$401,591 of operating expenses.

##### 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

For the year ended December 31, 2022, the annualized fee paid to FAS was 0.078% of average daily net assets of the Fund. For the year ended December 31, 2022, the Fund's Adviser reimbursed the Fund for any fee paid to FAS.

In addition, FAS may charge certain out-of-pocket expenses to 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 Adviser 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	\$183,494,741
Sales	\$ 26,350,000

## 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. FEDERAL TAX INFORMATION (UNAUDITED)

For the fiscal year ended December 31, 2022, 100% of dividends paid by the Fund are interest-related dividends, as provided by the American Jobs Creation Act of 2004.

# Report of Independent Registered Public Accounting Firm

## TO THE SHAREHOLDERS AND THE BOARD OF TRUSTEES OF FEDERATED HERMES MORTGAGE STRATEGY PORTFOLIO:

### Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Federated Hermes Mortgage Strategy Portfolio (the “Fund”) (one of the portfolios constituting Federated Hermes Managed Pool Series (the “Trust”)), including the portfolio of investments, as of December 31, 2022, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the portfolios constituting Federated Hermes Managed Pool Series) at December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements 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 Trust 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 standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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. Our procedures included confirmation of securities owned as of December 31, 2022, by correspondence with the custodian, brokers, and others; when replies were not received from brokers or others, 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. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

We have served as the auditor of one or more Federated Hermes investment companies since 1979.

Boston, Massachusetts  
February 22, 2023



## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including to the extent applicable, management fees, 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 mutual funds. 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 <sup>1</sup>
<b>Actual</b>	\$1,000	\$ 965.20	\$0.00
<b>Hypothetical (assuming a 5% return before expenses)</b>	\$1,000	\$1,025.21	\$0.00

<sup>1</sup> Expenses are equal to the Fund’s annualized net expense ratio of 0.00%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period). The Adviser has contractually agreed to reimburse all expenses, excluding extraordinary expenses, incurred by the Fund. This agreement has no fixed term.

## Mortgage Core Fund

### **FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS**

Federated Hermes Mortgage Strategy Portfolio invests primarily in Mortgage Core Fund. Therefore, the Mortgage Core Fund financial statements and notes to financial statements are included on pages 17 through 41.

## Management's Discussion of Fund Performance (unaudited)

The total return of the Mortgage Core Fund (the "Fund"), based on net asset value for the 12-month reporting period ended December 31, 2022, was -11.57%. The Bloomberg US Mortgage Backed Securities Index (BMBS),<sup>1</sup> the Fund's broad-based securities market index, returned -11.81% for the same period. The Fund's total return for the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses not reflected in the total return of the BMBS.

During the reporting period, the most significant factors affecting the Fund's performance were (a) interest rate strategy; (b) sector allocation; and (c) security selection.

The following discussion will focus on the Fund's performance relative to the BMBS.

### MARKET OVERVIEW

Citing elevated inflation which resulted from pandemic-induced supply/demand imbalances and the Russian invasion of Ukraine, as well as low unemployment, the Federal Reserve (the "Fed") aggressively tightened monetary policy during the reporting period. From extremely accommodative monetary policy at period outset, the Fed moved at a historically rapid pace with seven rate hikes to reduce inflationary pressures. Additionally, quantitative easing policy purchases of securities reached a conclusion, and the portfolio of agency debt, mortgage-backed securities (MBS)<sup>2</sup> and Treasury securities declined as securities matured. These steps were taken to combat inflation which reached the highest level in 40 years. Market yields spiked in response to Fed actions.

Treasury yields increased across the maturity spectrum and fixed-income investments outside of Treasury securities – the spread sectors – reeled, as slack demand produced wider yield spreads and negative excess returns. Virtually all spread sectors underperformed similar duration Treasury securities with corporate debt (both high-grade and high-yield), MBS (residential and commercial), asset-backed securities (ABS) and agency debt posting lackluster results. The mortgage sector suffered from a lack of demand as commercial bank buying decreased, and the Fed ceased portfolio purchases allowing portfolio holdings to decline as quantitative easing evolved to quantitative tightening. As Treasury yields and mortgage rates increased, mortgage refinance activity collapsed, and MBS average lives extended as homeowners' existing manimortgage rates fell well below the available market rate for 30-year fixed mortgages.

During the reporting period, the 2- and 10-year U.S. Treasury yields increased 370 and 237 basis points to yield 4.43% and 3.88%, respectively.<sup>3</sup>

### INTEREST RATE STRATEGY

The Fund decreased effective duration,<sup>4</sup> relative to the BMBS, to reduce the anticipated impact of higher market yields. The lower portfolio sensitivity to interest rates proved beneficial as Treasury yields climbed. Interest rate strategy made a positive contribution to Fund performance during the period. During the reporting period, the Fund invested in Treasury futures contracts for duration and yield curve purposes. The impact to performance was minimal, totaling -3 basis points for the fiscal year.

### SECTOR ALLOCATION

Allocations to conventional MBS, which include those issued by Fannie Mae and Freddie Mac as well as a cash position, were beneficial. Overall, sector allocation made a positive contribution to Fund performance.

### SECURITY SELECTION

Security selection, notably in non-government-guaranteed mortgage securities, proved detrimental. Additionally, securities offering varying degrees of prepayment protection underperformed as call protection value declined. Security selection acted as a drag on Fund performance.

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 BMBS.

2 The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

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

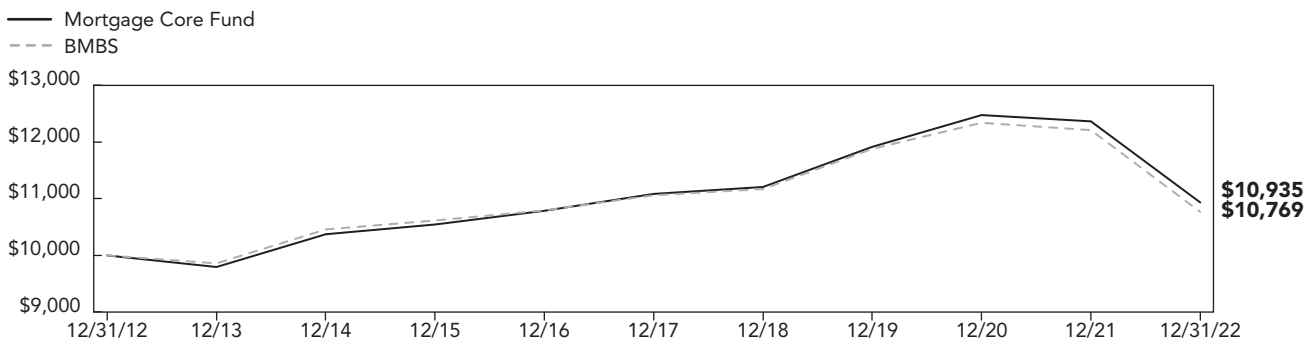
4 Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

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

The graph below illustrates the hypothetical investment of \$10,000<sup>1</sup> in the Mortgage Core Fund (the “Fund”) from December 31, 2012 to December 31, 2022, compared to the Bloomberg US Mortgage Backed Securities Index (BMBS).<sup>2</sup> 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**



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

	1 Year	5 Years	10 Years
Fund	-11.57%	-0.27%	0.90%
BMBS	-11.81%	-0.53%	0.74%

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. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds 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 BMBS has been adjusted to reflect reinvestment of dividends on securities in the index.  
 2 The BMBS covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). The index is not adjusted to reflect sales loads, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund’s performance. The index is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.

## Portfolio of Investments Summary Table (unaudited)

At December 31, 2022, the Fund's portfolio composition<sup>1</sup> was as follows:

<b>Security Type</b>	<b>Percentage of Total Net Assets</b>
U.S. Government Agency Mortgage-Backed Securities	90.0%
Non-Agency Mortgage-Backed Securities	4.4%
Asset-Backed Securities	2.8%
Derivative Contracts <sup>2</sup>	0.0%
Cash Equivalents <sup>3</sup>	3.7%
Other Assets and Liabilities—Net <sup>4</sup>	(0.9)%
<b>TOTAL</b>	<b>100%</b>

1 See the Fund's Private Offering Memorandum for a description of the principal types of securities in which the Fund invests.

2 Represents less than 0.1%.

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

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

# Portfolio of Investments

December 31, 2022

Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITIES—90.0%	
	<b>Federal Home Loan Mortgage Corporation—33.4%</b>	
\$ 5,830,291	2.000%, 5/1/2035	\$ 5,224,147
3,067,968	2.000%, 7/1/2035	2,740,379
18,088,964	2.000%, 11/1/2035	16,163,128
35,877,327	2.000%, 4/1/2036	32,136,140
15,779,375	2.000%, 11/1/2036	14,099,428
8,815,172	2.000%, 8/1/2050	7,265,467
10,921,265	2.000%, 9/1/2050	8,984,246
17,494,462	2.000%, 9/1/2050	14,490,012
29,593,363	2.000%, 11/1/2050	24,344,619
25,436,305	2.000%, 12/1/2050	20,869,224
3,284,258	2.000%, 3/1/2051	2,698,676
7,074,589	2.000%, 4/1/2051	5,802,138
44,736,223	2.000%, 4/1/2051	36,759,767
16,218,448	2.000%, 5/1/2051	13,301,363
35,176,482	2.000%, 1/1/2052	29,003,460
95,658,416	2.000%, 1/1/2052	78,602,549
1,606,498	2.500%, 10/1/2049	1,379,742
6,690,140	2.500%, 5/1/2050	5,775,103
8,124,960	2.500%, 9/1/2050	6,952,739
74,164,598	2.500%, 9/1/2051	63,012,630
72,908,933	2.500%, 10/1/2051	62,036,913
2,807,128	2.500%, 1/1/2052	2,409,150
13,168,505	2.500%, 2/1/2052	11,219,250
25,964,968	2.500%, 2/1/2052	22,068,787
11,958,302	2.500%, 2/1/2052	10,188,186
29,832,189	2.500%, 4/1/2052	25,607,420
1,484,970	3.000%, 4/1/2031	1,415,265
2,310,828	3.000%, 6/1/2032	2,197,302
2,738,841	3.000%, 6/1/2032	2,604,288
25,422,609	3.000%, 6/1/2033	24,141,874
1,827,904	3.000%, 7/1/2033	1,738,103
13,540,229	3.000%, 1/1/2043	12,319,749
472,872	3.000%, 6/1/2045	426,850
4,483,383	3.000%, 10/1/2045	4,048,440
641,778	3.000%, 5/1/2046	579,117
11,802,906	3.000%, 6/1/2046	10,561,981
4,923,578	3.000%, 6/1/2046	4,458,239
5,542,339	3.000%, 7/1/2046	5,037,572
1,834,468	3.000%, 9/1/2046	1,639,304
4,471,076	3.000%, 10/1/2046	4,034,532
4,547,714	3.000%, 10/1/2046	4,098,002
3,524,571	3.000%, 11/1/2046	3,169,427
2,609,136	3.000%, 11/1/2046	2,331,557
5,360,485	3.000%, 12/1/2046	4,832,076
7,628,467	3.000%, 5/1/2047	6,874,109
9,686,121	3.000%, 4/1/2052	8,574,670
38,615,739	3.000%, 6/1/2052	33,955,430

Principal Amount or Shares		Value
MORTGAGE-BACKED SECURITIES—continued		
<b>Federal Home Loan Mortgage Corporation—continued</b>		
\$ 117,283	3.500%, 6/1/2026	\$ 114,471
163,951	3.500%, 6/1/2026	159,875
58,036	3.500%, 7/1/2026	56,496
3,991,951	3.500%, 7/1/2042	3,736,585
3,624,293	3.500%, 9/1/2043	3,389,428
1,547,252	3.500%, 5/1/2046	1,442,558
17,467,814	3.500%, 7/1/2046	16,209,449
11,006,875	3.500%, 11/1/2047	10,220,829
5,735,905	3.500%, 11/1/2047	5,315,526
2,185,518	3.500%, 12/1/2047	2,014,415
11,269,586	3.500%, 12/1/2047	10,507,040
6,010,085	3.500%, 2/1/2048	5,590,271
8,840,792	3.500%, 2/1/2048	8,253,639
13,295,456	3.500%, 12/1/2049	12,140,620
8,359,202	3.500%, 5/1/2051	7,639,461
14,727,969	3.500%, 7/1/2051	13,469,072
64,770,456	3.500%, 4/1/2052	58,925,428
7,949,834	3.500%, 5/1/2052	7,232,423
35,537	4.000%, 5/1/2024	35,216
349,313	4.000%, 8/1/2025	344,475
50,742	4.000%, 5/1/2026	49,932
640,187	4.000%, 5/1/2026	629,977
690,332	4.000%, 12/1/2040	668,292
526,632	4.000%, 1/1/2042	509,296
3,041,946	4.000%, 11/1/2047	2,912,686
3,055,028	4.000%, 5/1/2048	2,918,530
31,357,332	4.000%, 6/1/2052	29,495,732
9,712,710	4.000%, 7/1/2052	9,120,916
16,882,873	4.000%, 8/1/2052	15,854,203
28,028	4.500%, 7/1/2024	27,827
29,884	4.500%, 8/1/2024	29,670
59,134	4.500%, 9/1/2024	58,712
33,476	4.500%, 9/1/2024	33,237
41,400	4.500%, 6/1/2025	41,084
37,782,312	4.500%, 10/1/2037	37,554,533
431,103	4.500%, 11/1/2039	426,962
1,289,777	4.500%, 5/1/2040	1,277,847
126,896	4.500%, 6/1/2040	125,729
186,421	4.500%, 7/1/2040	184,712
388,185	4.500%, 8/1/2040	384,542
705,892	4.500%, 8/1/2040	699,334
2,191,274	4.500%, 9/1/2040	2,171,188
430,341	4.500%, 7/1/2041	426,398
386,687	4.500%, 7/1/2041	383,135
274,269	4.500%, 7/1/2041	271,749
1,766,405	4.500%, 10/1/2048	1,729,563
9,284,035	4.500%, 7/1/2052	8,993,932
38,767,645	4.500%, 8/1/2052	37,404,815
3,982	5.000%, 6/1/2023	3,970
11,903	5.000%, 7/1/2023	11,867

Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITIES—continued	
	<b>Federal Home Loan Mortgage Corporation—continued</b>	
\$ 3,786	5.000%, 7/1/2023	\$ 3,775
3,574	5.000%, 7/1/2025	3,561
792,193	5.000%, 1/1/2034	795,336
273,753	5.000%, 5/1/2034	274,841
944	5.000%, 11/1/2035	950
305,748	5.000%, 4/1/2036	307,969
377	5.000%, 4/1/2036	380
5,404	5.000%, 4/1/2036	5,433
62,012	5.000%, 4/1/2036	62,479
72,610	5.000%, 5/1/2036	73,266
52,732	5.000%, 6/1/2036	53,108
117,692	5.000%, 6/1/2036	118,280
302,317	5.000%, 12/1/2037	304,966
50,886	5.000%, 5/1/2038	51,336
27,506	5.000%, 6/1/2038	27,747
53,357	5.000%, 9/1/2038	53,847
50,174	5.000%, 2/1/2039	50,643
48,245	5.000%, 6/1/2039	48,724
1,442,862	5.000%, 10/1/2039	1,458,007
127,787	5.000%, 2/1/2040	129,192
217,831	5.000%, 8/1/2040	220,385
37,024,669	5.000%, 10/1/2052	36,594,028
674,562	5.500%, 5/1/2034	690,253
21,822	5.500%, 3/1/2036	22,530
55,209	5.500%, 3/1/2036	56,856
11,270	5.500%, 3/1/2036	11,637
80,881	5.500%, 3/1/2036	83,044
165,429	5.500%, 6/1/2036	170,774
82,346	5.500%, 6/1/2036	85,024
31,917	5.500%, 6/1/2036	32,846
78,584	5.500%, 9/1/2037	81,177
133,424	5.500%, 9/1/2037	137,773
93,182	5.500%, 12/1/2037	96,237
11,710	5.500%, 3/1/2038	12,108
5,038,742	5.500%, 9/1/2052	5,070,068
30,000,892	5.500%, 12/1/2052	30,095,530
7,550	6.000%, 7/1/2029	7,680
17,743	6.000%, 2/1/2032	18,268
11,212	6.000%, 5/1/2036	11,666
31,740	6.000%, 8/1/2037	33,180
194,765	6.000%, 9/1/2037	203,128
4,073	6.500%, 6/1/2029	4,206
1,488	6.500%, 7/1/2029	1,537
128,839	6.500%, 11/1/2036	137,043
342,487	6.500%, 10/1/2037	365,819
1,426	6.500%, 4/1/2038	1,523
1,173	6.500%, 4/1/2038	1,254
6,742	7.000%, 4/1/2032	7,074
106,872	7.000%, 4/1/2032	113,722
23,282	7.000%, 9/1/2037	25,380



Principal Amount or Shares		Value
MORTGAGE-BACKED SECURITIES—continued		
<b>Federal Home Loan Mortgage Corporation—continued</b>		
\$ 10,781	7.500%, 10/1/2029	\$ 11,313
6,253	7.500%, 11/1/2029	6,574
7,352	7.500%, 4/1/2031	7,484
10,611	7.500%, 5/1/2031	11,312
1,432	8.000%, 3/1/2030	1,516
23,837	8.000%, 1/1/2031	25,173
25,953	8.000%, 2/1/2031	27,767
13,338	8.000%, 3/1/2031	14,229
513	8.500%, 9/1/2025	527
129	8.500%, 9/1/2025	132
	TOTAL	1,061,691,814
<b>Federal National Mortgage Association—54.2%</b>		
7,147,266	2.000%, 12/1/2034	6,419,837
10,384,073	2.000%, 7/1/2035	9,304,496
6,178,413	2.000%, 4/1/2036	5,526,423
31,615,733	2.000%, 5/1/2036	28,220,134
39,770,302	2.000%, 7/1/2050	32,716,554
8,254,174	2.000%, 8/1/2050	6,790,196
11,205,848	2.000%, 10/1/2050	9,218,354
27,099,546	2.000%, 11/1/2050	22,293,111
12,726,948	2.000%, 3/1/2051	10,485,577
8,745,286	2.000%, 5/1/2051	7,177,806
331,975,753	2.000%, 5/1/2051	272,784,576
18,949,490	2.000%, 6/1/2051	15,641,863
17,362,971	2.000%, 7/1/2051	14,272,584
15,649,186	2.000%, 10/1/2051	12,819,818
126,767,793	2.000%, 2/1/2052	103,610,525
76,035,957	2.000%, 2/1/2052	62,407,485
5,639,563	2.500%, 9/1/2035	5,187,795
23,460,837	2.500%, 7/1/2036	21,640,112
9,175,016	2.500%, 11/1/2036	8,434,299
2,651,108	2.500%, 12/1/2036	2,443,706
2,237,583	2.500%, 12/1/2049	1,921,051
3,361,383	2.500%, 7/1/2050	2,879,574
7,003,292	2.500%, 9/1/2050	5,995,087
15,941,967	2.500%, 9/1/2050	13,641,955
36,772,583	2.500%, 10/1/2050	31,375,324
13,884,286	2.500%, 11/1/2050	11,850,773
17,642,906	2.500%, 2/1/2051	15,034,088
21,754,650	2.500%, 2/1/2051	18,537,838
17,689,085	2.500%, 4/1/2051	15,059,620
15,748,249	2.500%, 5/1/2051	13,407,287
15,918,494	2.500%, 6/1/2051	13,604,458
44,709,800	2.500%, 9/1/2051	38,084,688
17,487,460	2.500%, 10/1/2051	14,852,444
82,391,309	2.500%, 10/1/2051	70,182,540
24,917,585	2.500%, 1/1/2052	21,244,758
8,317,669	2.500%, 1/1/2052	7,069,559
67,158,053	2.500%, 1/1/2052	57,080,631
9,148,704	2.500%, 2/1/2052	7,768,745

Principal Amount or Shares		Value
MORTGAGE-BACKED SECURITIES—continued		
<b>Federal National Mortgage Association—continued</b>		
\$ 7,132,438	2.500%, 3/1/2052	\$ 6,076,666
33,087,303	2.500%, 5/1/2052	28,184,417
1,137,581	3.000%, 2/1/2032	1,079,703
2,421,181	3.000%, 8/1/2043	2,196,133
1,676,812	3.000%, 9/1/2043	1,520,953
6,476,044	3.000%, 8/1/2046	5,835,646
3,074,461	3.000%, 9/1/2046	2,771,397
2,663,537	3.000%, 10/1/2046	2,395,153
1,441,572	3.000%, 10/1/2046	1,288,207
2,863,330	3.000%, 11/1/2046	2,574,814
2,657,498	3.000%, 11/1/2046	2,374,774
3,459,043	3.000%, 11/1/2046	3,111,583
876,457	3.000%, 1/1/2047	787,595
14,418,928	3.000%, 1/1/2047	12,966,044
761,348	3.000%, 2/1/2047	686,298
4,406,276	3.000%, 3/1/2047	3,962,290
8,739,692	3.000%, 3/1/2047	7,867,254
1,104,707	3.000%, 4/1/2047	986,490
5,799,604	3.000%, 12/1/2047	5,226,096
8,995,879	3.000%, 12/1/2047	8,109,112
3,567,120	3.000%, 2/1/2048	3,173,132
1,068,955	3.000%, 2/1/2048	951,891
1,227,993	3.000%, 11/1/2049	1,093,129
2,522,791	3.000%, 5/1/2051	2,244,543
126,210,049	3.000%, 5/1/2051	111,165,837
44,922,885	3.000%, 12/1/2051	39,561,069
38,298,503	3.000%, 12/1/2051	33,847,030
20,191,062	3.000%, 4/1/2052	17,867,894
73,562	3.500%, 11/1/2025	71,867
110,331	3.500%, 11/1/2025	107,789
116,841	3.500%, 12/1/2025	113,988
130,996	3.500%, 1/1/2026	127,857
34,939	3.500%, 1/1/2026	34,102
6,834,464	3.500%, 9/1/2042	6,391,801
11,043,393	3.500%, 7/1/2045	10,282,348
4,445,556	3.500%, 8/1/2046	4,109,187
4,190,591	3.500%, 8/1/2046	3,901,800
7,258,066	3.500%, 9/1/2046	6,780,564
4,620,221	3.500%, 2/1/2047	4,280,165
7,074,931	3.500%, 11/1/2047	6,556,416
7,328,824	3.500%, 12/1/2047	6,819,184
3,601,031	3.500%, 4/1/2048	3,332,613
12,830,587	3.500%, 5/1/2051	11,906,283
14,767,875	3.500%, 7/1/2051	13,533,257
48,150,502	3.500%, 6/1/2052	43,820,342
90,001	4.000%, 12/1/2025	88,714
117,455	4.000%, 7/1/2026	115,515
29,917,218	4.000%, 11/1/2037	29,193,320
1,072,556	4.000%, 2/1/2041	1,037,887
794,833	4.000%, 3/1/2046	766,523

Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITIES—continued	
	<b>Federal National Mortgage Association—continued</b>	
\$ 1,035,134	4.000%, 7/1/2046	\$ 997,683
2,291,230	4.000%, 11/1/2046	2,203,966
3,287,732	4.000%, 10/1/2047	3,147,412
5,108,417	4.000%, 10/1/2047	4,891,349
2,734,990	4.000%, 11/1/2047	2,614,501
2,937,864	4.000%, 1/1/2048	2,821,519
3,348,286	4.000%, 2/1/2048	3,201,825
3,748,467	4.000%, 2/1/2048	3,584,500
7,305,599	4.000%, 2/1/2048	6,995,167
1,199,640	4.000%, 2/1/2048	1,142,667
3,174,312	4.000%, 2/1/2048	3,032,981
1,982,294	4.000%, 3/1/2048	1,888,150
1,205,476	4.000%, 3/1/2048	1,154,064
2,878,166	4.000%, 5/1/2048	2,746,872
677,854	4.000%, 6/1/2048	646,932
2,519,405	4.000%, 6/1/2048	2,404,477
1,392,087	4.000%, 7/1/2048	1,323,255
14,452,674	4.000%, 4/1/2052	13,617,240
12,738,535	4.000%, 5/1/2052	11,970,340
35,273,888	4.000%, 7/1/2052	33,135,680
28,681,841	4.000%, 7/1/2052	26,952,188
16,858,380	4.000%, 9/1/2052	15,831,203
91,895	4.500%, 2/1/2039	90,955
486,186	4.500%, 5/1/2040	481,706
1,215,687	4.500%, 10/1/2040	1,204,541
147,816	4.500%, 11/1/2040	146,460
1,600,742	4.500%, 4/1/2041	1,586,057
794,050	4.500%, 6/1/2041	786,762
13,000,336	4.500%, 5/1/2052	12,547,388
6,928,268	4.500%, 6/1/2052	6,684,713
8,163,091	4.500%, 8/1/2052	7,878,679
17,363	5.000%, 5/1/2023	17,310
4,703	5.000%, 8/1/2023	4,688
45,812	5.000%, 11/1/2023	45,617
1,031,129	5.000%, 2/1/2036	1,038,327
567,414	5.000%, 7/1/2040	573,923
570,834	5.000%, 10/1/2041	577,843
42,572,829	5.000%, 8/1/2052	42,037,079
25,164	5.500%, 1/1/2032	25,679
16,471	5.500%, 1/1/2032	16,817
247,244	5.500%, 9/1/2034	253,613
681,554	5.500%, 12/1/2034	699,120
22,083	5.500%, 4/1/2035	22,637
292,088	5.500%, 11/1/2035	300,515
135,926	5.500%, 1/1/2036	139,898
50,734	5.500%, 3/1/2036	52,235
230,897	5.500%, 4/1/2036	237,577
351,840	5.500%, 4/1/2036	362,258
191,599	5.500%, 5/1/2036	197,864
73,637	5.500%, 9/1/2036	75,834

Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITIES—continued	
	<b>Federal National Mortgage Association—continued</b>	
\$ 244,748	5.500%, 8/1/2037	\$ 252,161
124,337	5.500%, 7/1/2038	128,419
349,531	5.500%, 4/1/2041	361,523
9,818,082	5.500%, 9/1/2052	9,885,871
8,862,705	5.500%, 11/1/2052	8,890,662
5,799	6.000%, 1/1/2029	5,899
7,546	6.000%, 2/1/2029	7,676
2,513	6.000%, 2/1/2029	2,548
3,538	6.000%, 4/1/2029	3,614
9,076	6.000%, 5/1/2029	9,271
4,567	6.000%, 5/1/2029	4,649
394,791	6.000%, 7/1/2034	409,706
212,757	6.000%, 11/1/2034	220,560
98,917	6.000%, 7/1/2036	103,345
26,051	6.000%, 7/1/2036	27,153
94,847	6.000%, 10/1/2037	99,224
39,527	6.000%, 6/1/2038	41,408
510,714	6.000%, 7/1/2038	534,479
46,113	6.000%, 9/1/2038	48,276
30,584	6.000%, 10/1/2038	32,082
289,552	6.000%, 2/1/2039	303,858
12,823	6.500%, 9/1/2028	13,046
2,196	6.500%, 8/1/2029	2,262
4,232	6.500%, 6/1/2031	4,412
11,550	6.500%, 6/1/2031	12,002
1,726	6.500%, 6/1/2031	1,794
1,879	6.500%, 6/1/2031	1,912
2,380	6.500%, 1/1/2032	2,478
35,242	6.500%, 3/1/2032	36,811
112,949	6.500%, 4/1/2032	118,164
14,558	6.500%, 5/1/2032	15,270
140,914	6.500%, 7/1/2036	149,733
3,095	6.500%, 8/1/2036	3,267
12,850	6.500%, 9/1/2036	13,724
23,422	6.500%, 12/1/2036	24,898
58,267	6.500%, 9/1/2037	62,359
193	6.500%, 12/1/2037	206
31,289	6.500%, 10/1/2038	33,453
40	7.000%, 7/1/2023	40
454	7.000%, 2/1/2024	454
171	7.000%, 5/1/2024	172
781	7.000%, 7/1/2024	787
577	7.000%, 7/1/2025	584
7,725	7.000%, 9/1/2031	8,135
5,007	7.000%, 9/1/2031	5,314
76,816	7.000%, 11/1/2031	81,622
5,405	7.000%, 12/1/2031	5,739
21,382	7.000%, 1/1/2032	21,594
23,595	7.000%, 2/1/2032	25,027
24,438	7.000%, 3/1/2032	25,968

Principal Amount or Shares		Value
MORTGAGE-BACKED SECURITIES—continued		
<b>Federal National Mortgage Association—continued</b>		
\$ 45,741	7.000%, 3/1/2032	\$ 47,592
4,741	7.000%, 4/1/2032	5,044
13,915	7.000%, 4/1/2032	14,675
101,615	7.000%, 4/1/2032	108,218
152,494	7.000%, 6/1/2037	166,098
735	7.500%, 1/1/2030	774
5,755	7.500%, 9/1/2030	6,078
5,637	7.500%, 5/1/2031	5,985
2,317	7.500%, 6/1/2031	2,465
21,795	7.500%, 8/1/2031	23,240
32,483	7.500%, 1/1/2032	33,980
2,663	7.500%, 6/1/2033	2,777
528	8.000%, 10/1/2026	530
1,333	8.000%, 11/1/2029	1,411
141	9.000%, 6/1/2025	144
	TOTAL	1,727,115,031
<b>Government National Mortgage Association—2.4%</b>		
6,101,695	3.000%, 1/20/2047	5,525,163
44,688,912	3.000%, 9/20/2050	39,851,905
702,235	3.500%, 8/15/2043	657,663
455,129	3.500%, 8/15/2043	426,241
8,402,468	3.500%, 3/20/2047	7,795,448
10,488,328	3.500%, 11/20/2047	9,724,064
647,404	4.000%, 9/15/2040	621,404
1,749,591	4.000%, 10/15/2040	1,681,147
827,897	4.000%, 1/15/2041	794,766
1,095,551	4.000%, 10/15/2041	1,051,249
2,991,085	4.000%, 6/15/2048	2,849,002
174,455	4.500%, 1/15/2039	171,535
110,554	4.500%, 6/15/2039	108,785
488,801	4.500%, 10/15/2039	481,052
186,219	4.500%, 1/15/2040	183,256
108,644	4.500%, 6/15/2040	106,944
66,063	4.500%, 9/15/2040	65,019
97,540	4.500%, 2/15/2041	96,018
557,491	4.500%, 3/15/2041	548,754
48,490	4.500%, 5/15/2041	47,723
1,819,376	4.500%, 6/20/2041	1,800,788
348,826	4.500%, 9/15/2041	344,123
359,386	4.500%, 10/15/2043	354,091
320,776	5.000%, 1/15/2039	321,506
244,757	5.000%, 5/15/2039	245,431
339,606	5.000%, 8/20/2039	342,812
114,866	5.500%, 12/15/2038	117,778
82,595	5.500%, 12/20/2038	84,979
161,648	5.500%, 1/15/2039	166,138
162,788	5.500%, 2/15/2039	167,268
5,558	6.000%, 10/15/2028	5,653
4,326	6.000%, 3/15/2029	4,417
53,975	6.000%, 2/15/2036	56,144

Principal Amount or Shares		Value
	MORTGAGE-BACKED SECURITIES—continued	
	<b>Government National Mortgage Association—continued</b>	
\$ 93,274	6.000%, 4/15/2036	\$ 97,209
77,758	6.000%, 6/15/2037	81,018
9,168	6.500%, 10/15/2028	9,416
3,570	6.500%, 10/15/2028	3,603
4,034	6.500%, 11/15/2028	4,132
4,206	6.500%, 12/15/2028	4,303
2,213	6.500%, 2/15/2029	2,274
9,008	6.500%, 3/15/2029	9,217
21,330	6.500%, 9/15/2031	22,119
49,385	6.500%, 2/15/2032	51,337
7,778	7.000%, 11/15/2027	7,962
4,967	7.000%, 6/15/2028	5,114
9,088	7.000%, 11/15/2028	9,348
6,138	7.000%, 1/15/2029	6,325
6,066	7.000%, 5/15/2029	6,282
453	7.000%, 10/15/2029	459
17,597	7.000%, 5/15/2030	18,225
12,332	7.000%, 11/15/2030	12,833
7,565	7.000%, 12/15/2030	7,817
9,135	7.000%, 8/15/2031	9,511
34,883	7.000%, 10/15/2031	36,481
9,485	7.000%, 12/15/2031	9,951
7,993	7.500%, 8/15/2029	8,336
33,639	7.500%, 10/15/2029	35,156
1,557	7.500%, 10/15/2030	1,627
5,948	7.500%, 1/15/2031	6,286
677	8.000%, 8/15/2029	714
2,080	8.000%, 10/15/2029	2,194
7,469	8.000%, 11/15/2029	7,883
6,826	8.000%, 1/15/2030	7,165
2,734	8.000%, 10/15/2030	2,881
62,986	8.000%, 11/15/2030	66,821
3,068	8.500%, 5/15/2029	3,252
	<b>TOTAL</b>	<b>77,355,517</b>
	<b>TOTAL MORTGAGE-BACKED SECURITIES</b> (IDENTIFIED COST \$2,955,245,523)	<b>2,866,162,362</b>
	COLLATERALIZED MORTGAGE OBLIGATIONS—4.4%	
	<b>Non-Agency Mortgage-Backed Securities—4.4%</b>	
460,152	Countrywide Home Loans 2005-21, Class A2, 5.500%, 10/25/2035	288,713
221,662	Credit Suisse Mortgage Trust 2007-4, Class 4A2, 5.500%, 6/25/2037	23,072
35,944,375	GS Mortgage-Backed Securities 2022-PJ3, Class A4, 2.500%, 8/25/2052	28,763,925
37,409,743	JP Morgan Mortgage Trust 2022-1, Class A2, 3.000%, 7/25/2052	31,289,740
37,398,256	JP Morgan Mortgage Trust 2022-2, Class A3, 2.500%, 8/25/2052	29,903,997
42,621,064	JP Morgan Mortgage Trust 2022-3, Class A3, 2.500%, 8/25/2052	34,080,204
138,138	Residential Funding Mortgage Securities I 2005-SA3, Class 3A, 3.748%, 8/25/2035	122,417
1,784,903	Sequoia Mortgage Trust 2012-6, Class A2, 1.808%, 12/25/2042	1,463,865
3,039,115	Sequoia Mortgage Trust 2013-2, Class A, 1.874%, 2/25/2043	2,477,958
14,827,125	Sequoia Mortgage Trust 2021-3, Class A1, 2.500%, 5/25/2051	11,930,044
	<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b> (IDENTIFIED COST \$165,958,227)	<b>140,343,935</b>

Principal Amount or Shares		Value
	ASSET-BACKED SECURITIES—2.8%	
	<b>Auto Receivables—0.0%</b>	
\$ 522,911	Tesla Auto Lease Trust 2020-A, Class A3, 0.680%, 12/20/2023	\$ 521,179
	<b>Single Family Rental Securities—1.6%</b>	
14,739,416	Home Partners of America Trust 2022-1, Class B, 4.330%, 4/17/2039	13,509,930
16,726,000	Progress Residential Trust 2022-SFR1, Class E1, 3.930%, 2/17/2041	13,082,010
14,000,000	Progress Residential Trust 2022-SFR2, Class D, 3.945%, 4/17/2027	12,707,729
14,808,453	Progress Residential Trust 2022-SFR4, Class B, 4.788%, 5/17/2041	13,310,071
	TOTAL	52,609,740
	<b>Student Loans—1.2%</b>	
4,237,524	Navient Student Loan Trust 2020-FA, Class A, 1.220%, 7/15/2069	3,874,486
8,700,256	Navient Student Loan Trust 2020-GA, Class A, 1.170%, 9/16/2069	7,499,444
7,136,133	Navient Student Loan Trust 2020-HA, Class A, 1.310%, 1/15/2069	6,340,469
8,998,589	<sup>1</sup> SMB Private Education Loan Trust 2018-A, Class A2B, 5.117% (1-month USLIBOR +0.800%), 2/15/2036	8,755,088
10,985,330	<sup>1</sup> SMB Private Education Loan Trust 2020-BA, Class A1B, 5.417% (1-month USLIBOR +1.100%), 7/15/2053	10,752,745
	TOTAL	37,222,232
	TOTAL ASSET-BACKED SECURITIES (IDENTIFIED COST \$100,193,602)	90,353,151
	INVESTMENT COMPANY—3.7%	
117,293,489	Federated Hermes Government Obligations Fund, Premier Shares, 4.15% <sup>2</sup> (IDENTIFIED COST \$117,293,489)	117,293,489
	TOTAL INVESTMENT IN SECURITIES—100.9% (IDENTIFIED COST \$3,338,690,841) <sup>3</sup>	3,214,152,937
	OTHER ASSETS AND LIABILITIES - NET—(0.9)% <sup>4</sup>	(29,876,844)
	TOTAL NET ASSETS—100%	\$3,184,276,093

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)
<b>Long Futures:</b>				
United States Treasury Notes 10-Year Ultra Long Futures	300	\$35,484,375	March 2023	\$ (764,768)
United States Treasury Notes 10-Year Long Futures	250	\$28,074,219	March 2023	\$ (466,025)
<b>Short Futures:</b>				
United States Treasury Ultra Bond Short Futures	100	\$13,431,250	March 2023	\$ 87,943
NET UNREALIZED DEPRECIATION ON FUTURES CONTRACTS				\$(1,142,850)

Net Unrealized Depreciation on Futures Contracts is included in "Other Assets and Liabilities—Net."

Affiliated fund holdings are investment companies which are managed by the Adviser or an affiliate of the Adviser. Transactions with affiliated fund holdings during the period ended December 31, 2022, were as follows:

	Federated Hermes Government Obligations Fund, Premier Shares
Value as of 12/31/2021	\$ 1,233,856,835
Purchases at Cost	\$ 2,978,910,262
Proceeds from Sales	\$(4,095,473,608)
Change in Unrealized Appreciation/Depreciation	N/A
Net Realized Gain/(Loss)	N/A
Value as of 12/31/2022	\$ 117,293,489
Shares Held as of 12/31/2022	117,293,489
Dividend Income	\$ 3,373,291

- 1 Floating/variable note with current rate and current maturity or next reset date shown.
- 2 7-day net yield.
- 3 The cost of investments for federal tax purposes amounts to \$3,338,473,621.
- 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
<b>Debt Securities:</b>				
Mortgage-Backed Securities	\$ —	\$2,866,162,362	\$—	\$2,866,162,362
Collateralized Mortgage Obligations	—	140,343,935	—	140,343,935
Asset-Backed Securities	—	90,353,151	—	90,353,151
<b>Investment Company</b>	117,293,489	—	—	117,293,489
<b>TOTAL SECURITIES</b>	<b>\$117,293,489</b>	<b>\$3,096,859,448</b>	<b>\$—</b>	<b>\$3,214,152,937</b>
<b>Other Financial Instruments:<sup>1</sup></b>				
Assets	\$ 87,943	\$ —	\$—	\$ 87,943
Liabilities	(1,230,793)	—	—	(1,230,793)
<b>TOTAL OTHER FINANCIAL INSTRUMENTS</b>	<b>\$ (1,142,850)</b>	<b>\$ —</b>	<b>\$—</b>	<b>\$ (1,142,850)</b>

- 1 Other financial instruments are futures contracts.

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

LIBOR—London Interbank Offered Rate

See Notes which are an integral part of the Financial Statements



# Financial Highlights

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$9.76</b>	<b>\$10.07</b>	<b>\$9.88</b>	<b>\$9.60</b>	<b>\$9.80</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.25	0.17	0.24	0.32	0.30
Net realized and unrealized gain (loss)	(1.37)	(0.26)	0.22	0.28	(0.20)
TOTAL FROM INVESTMENT OPERATIONS	(1.12)	(0.09)	0.46	0.60	0.10
<b>Less Distributions:</b>					
Distributions from net investment income	(0.26)	(0.22)	(0.27)	(0.32)	(0.30)
<b>Net Asset Value, End of Period</b>	<b>\$8.38</b>	<b>\$9.76</b>	<b>\$10.07</b>	<b>\$9.88</b>	<b>\$9.60</b>
<b>Total Return<sup>2</sup></b>	<b>(11.57)%</b>	<b>(0.89)%</b>	<b>4.70%</b>	<b>6.33%</b>	<b>1.10%</b>

## Ratios to Average Net Assets:

Net expenses <sup>3</sup>	0.02%	0.02%	0.02%	0.03%	0.03%
Net investment income	2.78%	1.72%	2.42%	3.25%	3.18%
Expense waiver/reimbursement <sup>4</sup>	—%	—%	—%	—%	—%

## Supplemental Data:

Net assets, end of period (000 omitted)	\$3,184,276	\$3,204,459	\$2,143,118	\$2,528,865	\$2,815,951
Portfolio turnover <sup>5</sup>	204%	351%	257%	130%	109%
Portfolio turnover (excluding purchases and sales from dollar-roll transactions) <sup>5</sup>	123%	65%	72%	100%	109%

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

2 Based on net asset value.

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

# Statement of Assets and Liabilities

December 31, 2022

**Assets:**

Investment in securities, at value including \$117,293,489 of investments in an affiliated holding* (identified cost \$3,338,690,841)	\$3,214,152,937
Due from broker (Note 2)	1,027,500
Income receivable	8,295,042
Income receivable from an affiliated holding	447,907
<b>TOTAL ASSETS</b>	<b>3,223,923,386</b>

**Liabilities:**

Payable for investments purchased	29,773,895
Payable for variation margin on futures contracts	3,904
Income distribution payable	9,713,947
Accrued expenses (Note 5)	155,547
<b>TOTAL LIABILITIES</b>	<b>39,647,293</b>

Net assets for 379,865,050 shares outstanding \$3,184,276,093

**Net Assets Consist of:**

Paid-in capital	\$3,671,066,599
Total distributable earnings (loss)	(486,790,506)
<b>TOTAL NET ASSETS</b>	<b>\$3,184,276,093</b>

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

\$3,184,276,093 ÷ 379,865,050 shares outstanding, no par value, unlimited shares authorized \$8.38

\* 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:

Interest	\$ 94,023,824
Dividends received from an affiliated holding*	3,373,291
<b>TOTAL INCOME</b>	<b>97,397,115</b>

## Expenses:

Administrative fee (Note 5)	4,837
Custodian fees	146,911
Transfer agent fees	212,324
Directors'/Trustees' fees (Note 5)	21,401
Auditing fees	32,199
Legal fees	9,422
Portfolio accounting fees	257,815
Printing and postage	19,642
Miscellaneous (Note 5)	29,569
<b>TOTAL EXPENSES</b>	<b>734,120</b>
Net investment income	96,662,995

## Realized and Unrealized Gain (Loss) on Investments and Futures Contracts:

Net realized loss on investments	(306,588,703)
Net realized gain on futures contracts	52
Net change in unrealized appreciation of investments	(167,777,609)
Net change in unrealized appreciation of futures contracts	(1,142,850)
Net realized and unrealized gain (loss) on investments and futures contracts	(475,509,110)
Change in net assets resulting from operations	\$(378,846,115)

\* 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
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 96,662,995	\$ 43,750,066
Net realized gain (loss)	(306,588,651)	(9,894,595)
Net change in unrealized appreciation/depreciation	(168,920,459)	(58,278,254)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(378,846,115)	(24,422,783)
<b>Distributions to Shareholders</b>	(102,200,096)	(56,034,731)
<b>Share Transactions:</b>		
Proceeds from sale of shares	2,040,715,935	1,365,048,740
Net asset value of shares issued to shareholders in payment of distributions declared	13,900,330	8,562,706
Cost of shares redeemed	(1,593,752,933)	(231,813,060)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	460,863,332	1,141,798,386
Change in net assets	(20,182,879)	1,061,340,872
<b>Net Assets:</b>		
Beginning of period	3,204,458,972	2,143,118,100
End of period	\$ 3,184,276,093	\$3,204,458,972

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

December 31, 2022

## 1. ORGANIZATION

Federated Hermes Core Trust (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 four portfolios. The financial statements included herein are only those of Mortgage Core Fund (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 investment objective of the Fund is to provide total return. The Fund is an investment vehicle used by other Federated Hermes funds that invest some of their assets in mortgage-backed securities. Currently, shares of the Fund are being offered for investment only to investment companies, insurance company separate accounts, common or commingled trust funds or similar organizations or parties that are "accredited investors" within the meaning of Regulation D of the Securities Act of 1933, as amended (the "1933 Act").

Prior to February 25, 2021, the name of the Fund was Federated Mortgage Core Portfolio.

## 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 Federated Investment Management Company (the "Adviser").
- 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 Adviser.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, 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 Adviser's valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser's 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 Procedures

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

The Adviser, acting through its Valuation Committee, is 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 Adviser and certain of the Adviser's 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 Adviser 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 Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser's 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 Adviser.

### **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 Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

### **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. Distributions of net investment income, if any, are declared daily and paid monthly. 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.

### **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.

### **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.

The Fund may transact in To Be Announced Securities (TBAs). As with other delayed-delivery transactions, a seller agrees to issue TBAs at a future date. However, the seller does not specify the particular securities to be delivered. Instead, the Fund agrees to accept any security that meets specified terms such as issuer, interest rate and terms of underlying mortgages. The Fund records TBAs on the trade date utilizing information associated with the specified terms of the transaction as opposed to the specific mortgages. TBAs are marked to market daily and begin earning interest on the settlement date. Losses may occur due to the fact that the actual underlying mortgages received may be less favorable than those anticipated by the Fund.

### **Dollar-Roll Transactions**

The Fund engages in dollar-roll transactions in which the Fund sells mortgage-backed securities with a commitment to buy similar (same type, coupon and maturity), but not identical mortgage-backed securities on a future date. Both securities involved are TBA mortgage-backed securities. The Fund treats dollar-roll transactions as purchases and sales. Dollar-rolls are subject to interest rate risks and credit risks.

### **Futures Contracts**

The Fund purchases and sells financial futures contracts to manage duration and sector/asset class 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 \$4,889,123 and \$1,033,173, respectively. 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 1933 Act; 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 Adviser.

### Additional Disclosure Related to Derivative Instruments

#### Fair Value of Derivative Instruments

	Liabilities	
	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	\$1,142,850*

\* Includes cumulative net 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
Interest rate contracts	\$52

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

	Futures Contracts
Interest rate contracts	\$(1,142,850)

### 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 table summarizes share activity:

	Year Ended 12/31/2022	Year Ended 12/31/2021
Shares sold	229,727,001	137,902,805
Shares issued to shareholders in payment of distributions declared	1,598,040	864,504
Shares redeemed	(179,640,289)	(23,434,485)
NET CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	51,684,752	115,332,824

#### 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	\$102,200,096	\$56,034,731

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

Undistributed ordinary income	\$ 100,877
Net unrealized depreciation	\$(124,320,684)
Capital loss carryforwards	\$(362,570,699)
TOTAL	\$(486,790,506)

At December 31, 2022, the cost of investments for federal tax purposes was \$3,338,473,621. The net unrealized depreciation of investments for federal tax purposes was \$124,320,684. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$24,498,068 and unrealized depreciation from investments for those securities having an excess of cost over value of \$148,818,752. The amounts presented are inclusive of derivative contracts. The difference between book-basis and tax-basis net unrealized depreciation is attributable to differing treatments for dollar-roll transactions, mark-to-market on futures contracts and principal loss adjustments.

As of December 31, 2022, the Fund had a capital loss carryforward of \$362,570,699 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
\$285,947,761	\$76,622,938	\$362,570,699

#### 5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

##### Investment Adviser Fee

The Adviser, subject to the direction of the Trustees, provides investment adviser services at no fee, because all investors in the Fund are other Federated Hermes Funds, insurance company separate accounts, common or commingled trust funds or similar organizations or entities that are "accredited investors" within the meaning of Regulation D of the 1933 Act. The Fund pays operating expenses associated with the operation and maintenance of the Fund (excluding fees and expenses that may be charged by the Adviser and its affiliates). Although not contractually obligated to do so, the Adviser intends to voluntarily reimburse operating expenses (excluding extraordinary expenses and proxy-related expenses paid by the Fund, if any) such that the Fund will only bear such expenses in an amount of up to 0.15% of the Fund's average daily net assets. The Adviser can modify or terminate this voluntary reimbursement at any time at its sole discretion.

##### Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. FAS does not charge the Fund a fee but is entitled to reimbursement for certain out-of-pocket expenses.

##### 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 Adviser 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.

##### Affiliated Shares of Beneficial Interest

As of December 31, 2022, a majority of the shares of beneficial interest outstanding are owned by other affiliated investment companies.

#### 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	\$230,629,412
Sales	\$ 83,749,152



## **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. RECENT ACCOUNTING PRONOUNCEMENTS**

In December 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-06 "Reference Rate Reform (Topic 848)". ASU No. 2022-06 updates and clarifies ASU No. 2020-04, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of LIBOR and other interbank-offered reference rates. The temporary relief provided by ASU No. 2022-06 is effective immediately for certain reference rate-related contract modifications that occur through December 31, 2024. Management does not expect ASU No. 2022-06 to have a material impact on the financial statements.

# Report of Independent Registered Public Accounting Firm

**TO THE SHAREHOLDERS AND THE BOARD OF TRUSTEES OF MORTGAGE CORE FUND:**

## **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of Mortgage Core Fund (the “Fund”) (one of the portfolios constituting Federated Hermes Core Trust (the “Trust”)), including the portfolio of investments, as of December 31, 2022, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund (one of the portfolios constituting Federated Hermes Core Trust) at December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

## **Basis for Opinion**

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements 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 Trust 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 standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, 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. Our procedures included confirmation of securities owned as of December 31, 2022, by correspondence with the custodian, brokers, and others; when replies were not received from brokers or others, 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. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

We have served as the auditor of one or more Federated Hermes investment companies since 1979.

Boston, Massachusetts  
February 22, 2023

## Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including to the extent applicable, management fees, 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 mutual funds. 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 <sup>1</sup>
<b>Actual</b>	\$1,000	\$ 965.80	\$0.10
<b>Hypothetical (assuming a 5% return before expenses)</b>	\$1,000	\$1,025.10	\$0.10

<sup>1</sup> Expenses are equal to the Fund’s annualized net expense ratio of 0.02%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period).

## 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 five 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)
<b>J. Christopher Donahue*</b> Birth Date: April 11, 1949 PRESIDENT AND TRUSTEE Indefinite Term Began serving: October 2005	<b>Principal Occupations:</b> 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.  <b>Previous Positions:</b> 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.
<b>John B. Fisher*</b> Birth Date: May 16, 1956 TRUSTEE Indefinite Term Began serving: May 2016	<b>Principal Occupations:</b> 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.  <b>Previous Positions:</b> 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.

\* Reasons for "interested" status: J. Christopher Donahue and John B. Fisher are interested due to their beneficial ownership of shares of Federated Hermes, Inc. and due to 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
<b>John T. Collins</b> Birth Date: January 24, 1947 TRUSTEE Indefinite Term Began serving: October 2013	<b>Principal Occupations:</b> 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).  <b>Other Directorships Held:</b> Director, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace).  <b>Qualifications:</b> 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
<b>G. Thomas Hough</b> Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p><b>Principal Occupations:</b> Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst &amp; Young LLP (public accounting firm) (Retired).</p> <p><b>Other Directorships Held:</b> Director, Chair of the Audit Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverly Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p><b>Qualifications:</b> 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 &amp; 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>
<b>Maureen Lally-Green</b> Birth Date: July 5, 1949 TRUSTEE Indefinite Term Began serving: August 2009	<p><b>Principal Occupations:</b> 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><b>Other Directorships Held:</b> Director, CNX Resources Corporation (natural gas).</p> <p><b>Qualifications:</b> 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>
<b>Thomas M. O'Neill</b> Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> 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>
<b>Madelyn A. Reilly</b> Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p><b>Principal Occupations:</b> 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><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> 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>
<b>P. Jerome Richey</b> Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: October 2013	<p><b>Principal Occupations:</b> 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><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> 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 &amp; 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
<b>John S. Walsh</b> Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: November 2005	<b>Principal Occupations:</b> 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.  <b>Other Directorships Held:</b> None.  <b>Qualifications:</b> 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)
<b>Lori A. Hensler</b> Birth Date: January 6, 1967 TREASURER Officer since: April 2013	<b>Principal Occupations:</b> Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation.  <b>Previous Positions:</b> 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.
<b>Peter J. Germain</b> Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: October 2005	<b>Principal Occupations:</b> 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.  <b>Previous Positions:</b> 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.
<b>Stephen Van Meter</b> Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	<b>Principal Occupations:</b> 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.  <b>Previous Positions:</b> 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.
<b>Robert J. Ostrowski</b> Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: September 2006	<b>Principal Occupations:</b> 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.
<b>Stephen F. Auth</b> Birth Date: September 13, 1956 101 Park Avenue 41 <sup>st</sup> Floor New York, NY 10178 CHIEF INVESTMENT OFFICER Officer since: February 2015	<b>Principal Occupations:</b> 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.  <b>Previous Positions:</b> 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.

## Evaluation and Approval of Advisory Contract – May 2022

### **FEDERATED HERMES MORTGAGE STRATEGY PORTFOLIO (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 Investment Management Company (the “Adviser”) (the “Contract”) for an additional one-year term. 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 arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

The Board considered that the Fund is distinctive in that it is used to implement particular investment strategies that are offered to investors in certain separately managed or wrap fee accounts or programs, or certain other discretionary investment accounts, and may also be offered to other funds (each, a “Federated Hermes Fund” and, collectively the “Federated Hermes Funds”) advised by the Adviser or its affiliates (collectively, “Federated Hermes”).

In addition, the Board considered that the Adviser does not charge an investment advisory fee for its services, although Federated Hermes may receive compensation for managing assets invested in the Fund.

### **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 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 Advisers and their affiliates; Federated Hermes’ business and operations; the Adviser’s 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, with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Adviser’s 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. 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 Federated Hermes Funds.

In determining to approve the continuation of the Contract, 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 Adviser 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. The Board considered the Adviser's 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 Adviser's ability to deliver competitive investment performance for the Fund when compared to the Fund's benchmark index, which was deemed by the Board to be a useful indicator of how the Adviser is 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 Adviser 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 Adviser's 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.

For the one-year, three-year and five-year periods ended December 31, 2021, the Fund outperformed its benchmark index.

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

#### **Fund Expenses**

The Board considered that the Adviser does not charge an investment advisory fee to this Fund for its services and has agreed to reimburse the Fund's expenses so that total operating expenses are zero. Because the Adviser does not charge the Fund an investment advisory fee and the Fund's total operating expenses will remain at zero due to reimbursement of expenses, the Board noted that it did not consider fee comparisons to other registered funds or other types of clients of Federated Hermes to be relevant to its evaluation.

#### **Profitability**

The Board received and considered profitability information furnished by Federated Hermes, as requested by the CCO. The Board considered that the Adviser does not charge an investment advisory fee to the Fund and noted, therefore, that the Adviser does not profit from providing advisory services to the Fund under the Contract.

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**

Because of the distinctive nature of the Fund as primarily an internal product with an advisory fee of zero, the Board noted that it did not consider the assessment of whether economies of scale would be realized if the Fund were to grow to a sufficient size to be particularly relevant to its evaluation.

#### **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, although an affiliate of the Adviser charges the Fund an administrative services fee and also the affiliate is entitled to reimbursement for certain out-of-pocket expenses incurred in providing administrative services to the Fund, Federated Hermes reimburses all such fees and expenses to the Fund.

In connection with the Board's governance of other 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 arrangement.

## 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 Managed Pool Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Mortgage Strategy Portfolio (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, as well as a report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30, are 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 Report (Form N-PX) link associated with the Fund at [FederatedInvestors.com/FundInformation](https://www.federatedinvestors.com/fundinformation). Select a product name, then click "Documents" and click on "Proxy Voting Record Report." Form N-PX filings are also available at the SEC's website at [sec.gov](https://www.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](https://www.sec.gov) within 60 days of the end of the fiscal quarter upon filing. You may also access this information at [FederatedInvestors.com](https://www.federatedinvestors.com). Select a product name, then click "Documents" and select "Form N-PORT."

# Notes

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# Notes

*Mutual funds 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 mutual funds 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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If you purchased shares through a financial intermediary (bank or broker-dealer), please contact your representative to set up e-delivery. Otherwise, contact the Fund at 1-800-341-7400, Option #4.



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