

Annual Shareholder Report

December 31, 2022



Share Class Primary Service

Federated Hermes Quality Bond Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

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

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

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

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

Sincerely,

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

John B. Fisher, President

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Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes Quality Bond Fund II (the "Fund"), based on net asset value for the 12-month reporting period ended December 31, 2022, was -9.28% for the Primary Shares and -9.46% for the Service Shares. The total return of the Fund's broad-based benchmark, the Bloomberg US Intermediate Credit Index (BICI),¹ was -9.10% during the same period. The -9.28% total return of the Fund's Primary Shares consisted of 3.60% of taxable dividends and -12.88% of depreciation in the net asset value of shares. The Fund's total return for the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses, which were not reflected in the total return of the BICI.

During the reporting period, the most significant factors affecting the Fund's performance relative to the BICI were: (a) individual security selection; (b) the selection of various industries and sectors of the corporate bond market;² and (c) overall interest rate sensitivity of the portfolio, as measured by the effective duration³ of the Fund.

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

MARKET OVERVIEW

The reporting period began with the transitory inflation argument intensifying, waning risk of virus variants and, early in the new year, a war in Ukraine. Debate about the Federal Reserve's (the "Fed") use of transitory to describe rising inflation over the course of 2021 was effectively rejected by the markets in March of 2022, when February's Consumer Price Index report showed consumer prices accelerating at their fastest pace in 40 years. The increase, and the likelihood inflation would worsen in the months ahead in part on spiking oil and commodity prices due to Russia's invasion of Ukraine, shifted market expectations from a potential of three rate hikes in 2022 to eight or more. After an initial quarter-point hike off its 0-0.25% federal funds target range in March, Chair Powell indicated the Fed would do whatever is necessary to slow inflation, even if it means slowing demand.

Chair Powell and the Fed proved true to their word, as they went on to raise the target range by 50 basis points in May, followed by larger and rarer 75 basis point hikes in each of the subsequent four policymaking Federal Open Market Committee (FOMC) meetings. The moves pushed the policy range up by 425 basis points to 4.25-4.50% in nine months, the fastest pace and largest magnitude of increases since the Chair Paul Volcker era (1979-1987). Additional smaller hikes are expected in early 2023 before a potential pause to allow the Fed to assess the impacts of its aggressive tightening. Throughout the reporting period, market hopes that the Fed may pause and pivot, i.e., begin to cut rates, were dashed by the pace of rate hikes and the hawkish rhetoric from FOMC members, including Chair Powell, at late August's Jackson Hole, Wyoming, symposium speech, where he said the Fed learned its lesson from inflation of the 1970s and early 1980s when tightening cycles were terminated too soon, only to be reenacted after inflation subsequently reaccelerated. The message for markets: this cycle will be higher for longer.

For much of the reporting period, the aggressive tightening coincided with an economy that, while slowing from its 2021 pace, continued to reflect strength. The labor market in particular added jobs at an elevated pace, with 2022 monthly nonfarm payroll gains averaging 375,000 through December, which was slower than 2021's rapid pace but historically strong. Along with leftover savings from pandemic stimulus, the job and subsequent wage and income gains helped keep consumer spending robust, particularly from a nominal perspective, as higher inflation cut into real spending. But as spring gave way to summer and fall, higher rates began to cut into rate-sensitive sectors, dramatically slowing housing as a doubling in the 30-year mortgage rate, unusually low inventories and unusually high home prices kept buyers away. By period end, pending home sales were declining at a record annualized pace and except for a brief period early in the pandemic, builder sentiment was at a 10-year low. Manufacturing also began to decelerate rapidly as consumers, having bulked up on goods during the stay-at-home pandemic, shifted spending to necessities and services such as travel, leisure and restaurants.

The combination of higher inflation and an extremely hawkish Fed made for a difficult environment for all risk assets, including bonds. The Bloomberg US Aggregate Bond Index at period end had its worst year ever, with 425 basis point increases in the policy rate driving up yields on the 2-year, 10-year and 30-year Treasuries, 370, 237 and 206 basis points, respectively, over the fiscal year. Credit spreads as measured by the Bloomberg US Intermediate Credit Index Option Adjusted Spread started the fiscal year at 61 basis points and peaked at 131 basis points in early October before rallying in the final weeks of the fiscal year on slower Fed hopes to close at 103 basis points.

SECURITY AND SECTOR/INDUSTRY SELECTION

During the reporting period, individual security selection was a slightly negative driver of performance relative to the BICI. Security selection was particularly strong in the Banking sector only to be largely offset by weaker selection in the Capital Goods sector. Specific credits that contributed the most to Fund performance included: Inter-American Development Bank, HSBC Holdings, Apple and Toyota Motor Corp. Specific credits that most negatively affected Fund performance included Wells Fargo, Smithfield Foods, Advance Auto Parts and Kroger Foods.

The decision to overweight or underweight positions to specific corporate sectors and/or ratings quality was a negative contributor to performance relative to the BICI. Drivers of positive sector selection were an underweight position in the Banking sector, which performed worse than the index, and an overweight position in Energy, which outperformed. The Fund's cash position was also a benefit to performance. These results were more than offset by a negative contribution to sector from an underweight position in Supranationals, which solidly outperformed the BICI during the year.

DURATION, YIELD CURVE AND DERIVATIVES MANAGEMENT

Duration was the driver of positive performance for the reporting period. As noted above, the aggressive rate moves throughout the fiscal year had a significant impact on interest rates across the yield curve.⁴ The Fund was short duration relative to the BICI in the first half of the reporting period, shifting to a neutral-to-slightly long position in the latter third of the fiscal year. The magnitude of the short duration position varied throughout the first half, with the magnitude being the largest at the beginning of the period. For the year on average, the Fund was 97% of the interest rate-sensitivity of the BICI, which benefitted performance as interest rates rose.

Derivatives,⁵ which were U.S. Treasury futures that were used to adjust duration targets, had a positive effect on Fund performance during the reporting period.

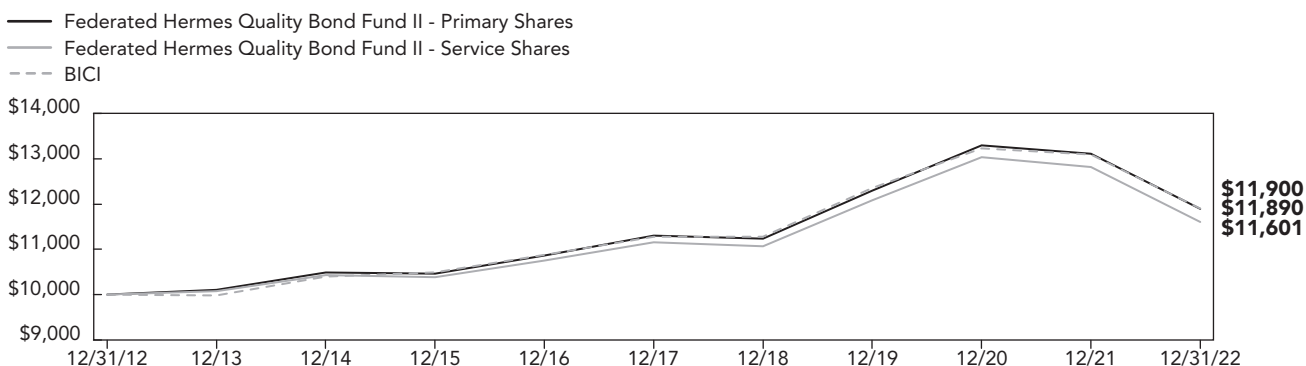
- 1 *Please see the footnotes to the line graph under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the BICI.*
- 2 *Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.*
- 3 *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.*
- 4 *The yield curve is a graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.*
- 5 *The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.*

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

The graph below illustrates the hypothetical investment of \$10,000¹ in the Federated Hermes Quality Bond Fund II (the “Fund”) from December 31, 2012 to December 31, 2022, compared to the Bloomberg US Intermediate Credit Index (BICI).² The Average Annual Total Returns table below shows returns for each class averaged over the stated periods.

GROWTH OF A \$10,000 INVESTMENT

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



The Fund offers multiple share classes whose performance may be greater than or less than its other share class(es) due to differences in sales charges and expenses.

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

	1 Year	5 Years	10 Years
Primary Shares	-9.28%	1.02%	1.75%
Service Shares	-9.46%	0.79%	1.50%
BICI	-9.10%	1.08%	1.76%

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

- ¹ The Fund’s performance assumes the reinvestment of all dividends and distributions. The BICI has been adjusted to reflect reinvestment of dividends on securities in the index.
- ² The BICI measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. The index only includes securities with maturity between one and ten years. It is composed of the Bloomberg US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. 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 composition¹ was as follows:

Security Type	Percentage of Total Net Assets
Corporate Bonds	97.3%
Mortgage-Backed Securities ^{2,3}	0.0%
Securities Lending Collateral ⁴	1.1%
Cash Equivalents ⁵	1.8%
Derivative Contracts ^{3,6}	0.0%
Other Assets and Liabilities—Net ⁷	(0.2)%
TOTAL	100%

1 See the Fund's Prospectus and Statement of Additional Information for a description of these security types.

2 For purposes of this table, mortgage-backed securities include mortgage-backed securities guaranteed by Government Sponsored Entities.

3 Represents less than 0.1%.

4 Represents cash collateral received for portfolio securities on loan that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements.

5 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements other than those representing cash collateral for securities lending.

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

7 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		Value
	CORPORATE BONDS—97.3%	
	Basic Industry - Chemicals—0.3%	
\$ 500,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	\$ 463,947
	Basic Industry - Metals & Mining—0.5%	
350,000	¹ Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.250%, 3/17/2028	294,920
200,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.875%, 3/17/2031	163,784
350,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	308,788
	TOTAL	767,492
	Capital Goods - Aerospace & Defense—3.3%	
600,000	Airbus Group SE, Sr. Unsecd. Note, 144A, 3.150%, 4/10/2027	558,255
280,000	BAE Systems Holdings, Inc., Sr. Unsecd. Note, 144A, 3.850%, 12/15/2025	270,259
200,000	BAE Systems PLC, Sr. Unsecd. Note, 144A, 3.400%, 4/15/2030	176,946
450,000	¹ Boeing Co., Sr. Unsecd. Note, 1.875%, 6/15/2023	443,246
600,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	542,451
275,000	General Dynamics Corp., Sr. Unsecd. Note, 3.250%, 4/1/2025	266,700
410,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	372,799
145,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, Series WI, 3.844%, 5/1/2025	140,228
600,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 2.300%, 2/15/2031	461,001
335,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 3.625%, 5/15/2025	322,044
800,000	Raytheon Technologies Corp., Sr. Unsecd. Note, 4.125%, 11/16/2028	767,327
460,000	² Textron Financial Corp., Jr. Sub. Note, 144A, 6.341% (3-month USLIBOR +1.735%), 2/15/2042	330,050
295,000	Textron, Inc., Sr. Unsecd. Note, 4.300%, 3/1/2024	291,123
	TOTAL	4,942,429
	Capital Goods - Building Materials—1.1%	
415,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	358,482
800,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	769,839
300,000	Masco Corp., Sr. Unsecd. Note, 2.000%, 10/1/2030	233,263
300,000	Masco Corp., Sr. Unsecd. Note, 3.500%, 11/15/2027	278,384
	TOTAL	1,639,968
	Capital Goods - Construction Machinery—1.7%	
500,000	Ashtead Capital, Inc., Sr. Unsecd. Note, 144A, 1.500%, 8/12/2026	427,304
600,000	CNH Industrial Capital America LLC, Sr. Unsecd. Note, 1.450%, 7/15/2026	529,576
595,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	558,319
500,000	John Deere Capital Corp., Sr. Unsecd. Note, 3.400%, 6/6/2025	485,523
510,000	Weir Group PLC/The, Sr. Unsecd. Note, 144A, 2.200%, 5/13/2026	452,888
	TOTAL	2,453,610
	Capital Goods - Diversified Manufacturing—3.5%	
700,000	GE Capital Funding LLC, Sr. Unsecd. Note, 4.400%, 5/15/2030	645,044
205,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	189,694
400,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.950%, 6/1/2030	330,995
555,000	Hubbell, Inc., Sr. Unsecd. Note, 2.300%, 3/15/2031	442,428
585,000	Lennox International, Inc., Sr. Unsecd. Note, 1.700%, 8/1/2027	502,453
1,000,000	Lennox International, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2023	982,507
430,000	Roper Technologies, Inc., Sr. Unsecd. Note, 2.000%, 6/30/2030	345,571
250,000	Roper Technologies, Inc., Sr. Unsecd. Note, 3.650%, 9/15/2023	247,403
875,000	Roper Technologies, Inc., Sr. Unsecd. Note, 3.800%, 12/15/2026	839,383
500,000	Vontier Corp., Sr. Unsecd. Note, 2.400%, 4/1/2028	401,348
235,000	Wabtec Corp., Sr. Unsecd. Note, 3.200%, 6/15/2025	221,459
	TOTAL	5,148,285

Principal Amount		Value
	CORPORATE BONDS—continued	
	Capital Goods - Packaging—0.3%	
\$ 500,000	WestRock Co., Sr. Unsecd. Note, Series WI, 3.750%, 3/15/2025	\$ 484,001
	Communications - Cable & Satellite—2.2%	
1,000,000	CCO Safari II LLC, 4.908%, 7/23/2025	981,068
900,000	Comcast Corp., Sr. Unsecd. Note, 2.350%, 1/15/2027	819,026
300,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	283,149
750,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	735,282
400,000	Time Warner Cable, Inc., Sr. Unsecd. Note, 8.375%, 3/15/2023	402,531
	TOTAL	3,221,056
	Communications - Media & Entertainment—1.5%	
300,000	British Sky Broadcasting Group PLC, Sr. Unsecd. Note, 144A, 3.750%, 9/16/2024	293,035
220,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.500%, 8/15/2027	205,412
250,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.850%, 8/15/2032	220,702
500,000	Netflix, Inc., Sr. Unsecd. Note, 4.375%, 11/15/2026	482,110
310,000	Paramount Global, Sr. Unsecd. Note, 4.200%, 5/19/2032	254,510
805,000	S&P Global, Inc., Sr. Unsecd. Note, 144A, 2.900%, 3/1/2032	688,871
	TOTAL	2,144,640
	Communications - Telecom Wireless—1.2%	
500,000	American Tower Corp., Sr. Unsecd. Note, 1.450%, 9/15/2026	436,912
180,000	Crown Castle Inc., Sr. Unsecd. Note, 2.250%, 1/15/2031	144,831
450,000	T-Mobile USA, Inc., Series WI, 3.750%, 4/15/2027	424,540
450,000	T-Mobile USA, Inc., Series WI, 3.875%, 4/15/2030	408,672
395,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	389,077
	TOTAL	1,804,032
	Communications - Telecom Wirelines—1.6%	
300,000	AT&T, Inc., Sr. Unsecd. Note, 2.300%, 6/1/2027	267,274
877,000	AT&T, Inc., Sr. Unsecd. Note, 2.550%, 12/1/2033	676,553
250,000	Telefonica SA, Company Guarantee, 7.045%, 6/20/2036	257,246
300,000	Verizon Communications, Inc., Sr. Unsecd. Note, 0.850%, 11/20/2025	267,866
800,000	Verizon Communications, Inc., Sr. Unsecd. Note, 1.750%, 1/20/2031	622,556
110,000	Verizon Communications, Inc., Sr. Unsecd. Note, 2.550%, 3/21/2031	90,731
175,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.150%, 3/22/2030	154,728
	TOTAL	2,336,954
	Consumer Cyclical - Automotive—4.1%	
605,000	Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 2.000%, 12/14/2026	533,886
250,000	¹ Ford Motor Co., Sr. Unsecd. Note, 4.346%, 12/8/2026	237,635
250,000	¹ General Motors Co., Sr. Unsecd. Note, 4.200%, 10/1/2027	235,496
250,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	254,686
500,000	General Motors Financial Co., Inc., 1.250%, 1/8/2026	440,819
500,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	421,380
300,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.000%, 10/6/2026	282,781
1,000,000	Mercedes-Benz Finance NA LLC, Sr. Unsecd. Note, 144A, 3.250%, 8/1/2024	970,494
680,000	Nissan Motor Acceptance Company LLC., Sr. Unsecd. Note, 144A, 1.125%, 9/16/2024	620,042
200,000	Stellantis Finance US, Inc., Sr. Unsecd. Note, 144A, 1.711%, 1/29/2027	171,887
500,000	Toyota Motor Credit Corp., Sr. Unsecd. Note, 3.950%, 6/30/2025	489,957
650,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 0.875%, 11/22/2023	625,452
500,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 1.250%, 11/24/2025	446,242
300,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 4.250%, 11/13/2023	297,168
	TOTAL	6,027,925
	Consumer Cyclical - Leisure—0.5%	
355,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 144A, 3.755%, 3/15/2027	320,194

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Leisure—continued	
\$ 500,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 144A, 4.054%, 3/15/2029	\$ 433,520
	TOTAL	753,714
	Consumer Cyclical - Retailers—3.8%	
1,000,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	878,717
470,000	Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 2.950%, 1/25/2030	399,334
265,000	AutoNation, Inc., Sr. Unsecd. Note, 4.750%, 6/1/2030	237,035
275,000	Costco Wholesale Corp., Sr. Unsecd. Note, 1.375%, 6/20/2027	241,285
1,290,000	CVS Health Corp., Sr. Unsecd. Note, 4.300%, 3/25/2028	1,250,148
200,000	Dollar General Corp., Sr. Unsecd. Note, 4.150%, 11/1/2025	195,786
500,000	Dollar Tree, Inc., Sr. Unsecd. Note, 4.000%, 5/15/2025	488,587
800,000	Home Depot, Inc., Sr. Unsecd. Note, 2.125%, 9/15/2026	733,114
410,000	Home Depot, Inc., Sr. Unsecd. Note, 2.875%, 4/15/2027	383,044
320,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 1.750%, 3/15/2031	249,156
120,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2030	113,549
580,000	Tractor Supply Co., Sr. Unsecd. Note, 1.750%, 11/1/2030	446,855
	TOTAL	5,616,610
	Consumer Cyclical - Services—2.3%	
200,000	¹ Alibaba Group Holding Ltd., Sr. Unsecd. Note, 2.125%, 2/9/2031	159,714
500,000	Alibaba Group Holding Ltd., Sr. Unsecd. Note, 3.400%, 12/6/2027	460,786
300,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.000%, 4/13/2025	289,747
170,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.150%, 8/22/2027	160,027
760,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.300%, 4/13/2027	722,426
400,000	Booking Holdings, Inc., Sr. Unsecd. Note, 4.625%, 4/13/2030	387,294
750,000	Cintas Corp. No. 2, Sr. Unsecd. Note, 3.700%, 4/1/2027	724,149
54,000	Expedia Group, Inc., Sr. Unsecd. Note, Series WI, 2.950%, 3/15/2031	43,551
530,000	Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025	511,550
	TOTAL	3,459,244
	Consumer Non-Cyclical - Food/Beverage—5.4%	
750,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.750%, 1/23/2029	741,927
1,015,000	Coca-Cola Femsa S.A.B. de C.V., Sr. Unsecd. Note, 2.750%, 1/22/2030	876,554
250,000	Constellation Brands, Inc., Sr. Unsecd. Note, 4.350%, 5/9/2027	243,847
750,000	Constellation Brands, Inc., Sr. Unsecd. Note, 4.650%, 11/15/2028	726,942
380,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	356,213
500,000	Grupo Bimbo S.A.B. de CV, Sr. Unsecd. Note, 144A, 3.875%, 6/27/2024	489,952
915,000	International Flavors & Fragrances, Inc., Sr. Unsecd. Note, 144A, 1.230%, 10/1/2025	809,133
450,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 4.417%, 5/25/2025	445,314
417,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 3.000%, 6/1/2026	390,756
900,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, Series WI, 3.875%, 5/15/2027	861,277
300,000	PepsiCo, Inc., Sr. Unsecd. Note, 2.625%, 7/29/2029	265,232
300,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 2.625%, 9/13/2031	215,305
510,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 3.000%, 10/15/2030	389,386
60,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2027	55,338
450,000	Sysco Corp., Sr. Unsecd. Note, 3.250%, 7/15/2027	416,640
700,000	Sysco Corp., Sr. Unsecd. Note, 3.300%, 7/15/2026	661,199
	TOTAL	7,945,015
	Consumer Non-Cyclical - Health Care—1.5%	
250,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.700%, 6/6/2027	236,602
203,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.734%, 12/15/2024	198,108
235,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	206,393
470,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, Series 5YR, 2.200%, 11/15/2024	448,156
300,000	GE Healthcare Holding LLC, Sr. Unsecd. Note, 144A, 5.857%, 3/15/2030	307,743

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Health Care—continued	
\$ 300,000	GE Healthcare Holding LLC, Sr. Unsecd. Note, 144A, 5.905%, 11/22/2032	\$ 311,812
85,000	HCA, Inc., Sec. Fac. Bond, 144A, 3.125%, 3/15/2027	77,404
450,000	PerkinElmer, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2029	392,630
	TOTAL	2,178,848
	Consumer Non-Cyclical - Pharmaceuticals—3.9%	
500,000	Abbott Laboratories, Sr. Unsecd. Note, 1.150%, 1/30/2028	425,808
453,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	441,669
455,000	AbbVie, Inc., Sr. Unsecd. Note, 3.200%, 11/21/2029	411,207
300,000	AbbVie, Inc., Sr. Unsecd. Note, 3.600%, 5/14/2025	291,015
67,000	AbbVie, Inc., Sr. Unsecd. Note, 4.750%, 3/15/2045	60,499
235,000	AstraZeneca PLC, Sr. Unsecd. Note, 0.700%, 4/8/2026	206,866
600,000	AstraZeneca PLC, Sr. Unsecd. Note, 3.125%, 6/12/2027	564,348
1,000,000	Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 3.875%, 12/15/2023	985,903
200,000	Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 4.250%, 12/15/2025	194,006
235,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	191,976
600,000	Biogen, Inc., Sr. Unsecd. Note, 4.050%, 9/15/2025	583,862
152,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 5.000%, 8/15/2045	148,064
220,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 3.650%, 3/1/2026	212,355
670,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 1.750%, 9/15/2030	518,994
240,000	Royalty Pharma PLC, Sr. Unsecd. Note, Series WI, 1.200%, 9/2/2025	215,015
300,000	Teva Pharmaceutical Finance Netherlands III BV, Sr. Unsecd. Note, 3.150%, 10/1/2026	262,959
	TOTAL	5,714,546
	Consumer Non-Cyclical - Supermarkets—0.5%	
610,000	Kroger Co., Bond, 6.900%, 4/15/2038	670,856
	Consumer Non-Cyclical - Tobacco—1.5%	
350,000	Altria Group, Inc., Sr. Unsecd. Note, 4.400%, 2/14/2026	343,045
250,000	BAT Capital Corp., Sr. Unsecd. Note, 2.259%, 3/25/2028	207,895
300,000	BAT Capital Corp., Sr. Unsecd. Note, 7.750%, 10/19/2032	323,590
290,000	BAT International Finance PLC, Sr. Unsecd. Note, 144A, 3.950%, 6/15/2025	278,776
300,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.125%, 11/17/2027	302,722
140,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.625%, 11/17/2029	142,356
300,000	Reynolds American, Inc., Sr. Unsecd. Note, 4.450%, 6/12/2025	293,756
360,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	357,485
	TOTAL	2,249,625
	Energy - Independent—2.4%	
215,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 3/15/2029	167,886
500,000	Coterra Energy, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 5/15/2027	467,628
160,000	Diamondback Energy, Inc., Sr. Unsecd. Note, 6.250%, 3/15/2033	162,894
700,000	Hess Corp., Sr. Unsecd. Note, 4.300%, 4/1/2027	669,602
300,000	Marathon Oil Corp., Sr. Unsecd. Note, 4.400%, 7/15/2027	286,975
100,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 2.900%, 8/15/2024	95,941
1,000,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.450%, 7/15/2024	975,435
325,000	Pioneer Natural Resources, Inc., Sr. Unsecd. Note, 1.125%, 1/15/2026	290,027
550,000	Pioneer Natural Resources, Inc., Sr. Unsecd. Note, 2.150%, 1/15/2031	436,017
	TOTAL	3,552,405
	Energy - Integrated—2.0%	
500,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.796%, 9/21/2025	491,455
300,000	¹ Cenovus Energy, Inc., Sr. Unsecd. Note, 2.650%, 1/15/2032	240,302
500,000	¹ Cenovus Energy, Inc., Sr. Unsecd. Note, 4.250%, 4/15/2027	478,655
500,000	Chevron Corp., Sr. Unsecd. Note, 1.554%, 5/11/2025	465,569
530,000	CNPC Hong Kong Overseas Capital Ltd., Company Guarantee, 144A, 5.950%, 4/28/2041	546,653

Principal Amount		Value
	CORPORATE BONDS—continued	
	Energy - Integrated—continued	
\$ 240,000	Husky Energy, Inc., Sr. Unsecd. Note, 4.400%, 4/15/2029	\$ 222,190
175,000	Petroleos Mexicanos, Sr. Unsecd. Note, 4.875%, 1/18/2024	171,348
325,000	Shell International Finance B.V., Sr. Unsecd. Note, 2.875%, 5/10/2026	306,454
	TOTAL	2,922,626
	Energy - Midstream—2.5%	
265,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.400%, 2/15/2031	222,289
500,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	471,680
205,000	Eastern Energy Gas Holdings, Sr. Unsecd. Note, Series A, 2.500%, 11/15/2024	195,420
150,000	Energy Transfer LP, Sr. Unsecd. Note, 5.550%, 2/15/2028	148,984
300,000	Energy Transfer Operating, Sr. Unsecd. Note, 3.750%, 5/15/2030	265,198
565,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	562,032
290,000	MPLX LP, Sr. Unsecd. Note, 1.750%, 3/1/2026	258,821
395,000	MPLX LP, Sr. Unsecd. Note, 4.125%, 3/1/2027	373,667
345,000	ONEOK, Inc., Sr. Unsecd. Note, 4.000%, 7/13/2027	325,138
120,000	ONEOK, Inc., Sr. Unsecd. Note, 6.100%, 11/15/2032	120,362
140,000	Targa Resources, Inc., Sr. Unsecd. Note, 4.200%, 2/1/2033	120,849
600,000	TC Pipelines, LP, Sr. Unsecd. Note, 3.900%, 5/25/2027	566,333
	TOTAL	3,630,773
	Energy - Oil Field Services—0.2%	
300,000	Schlumberger Holdings Corp., Sr. Unsecd. Note, 144A, 4.000%, 12/21/2025	291,522
	Energy - Refining—0.9%	
600,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.700%, 5/1/2025	591,362
185,000	Phillips 66, Sr. Unsecd. Note, 1.300%, 2/15/2026	165,941
335,000	Valero Energy Corp., Sr. Unsecd. Note, 6.625%, 6/15/2037	357,888
215,000	Valero Energy Corp., Sr. Unsecd. Note, 7.500%, 4/15/2032	242,346
	TOTAL	1,357,537
	Financial Institution - Banking—22.9%	
745,000	American Express Co., Sr. Unsecd. Note, 3.375%, 5/3/2024	730,222
1,085,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	1,056,076
700,000	Bank of America Corp., Sr. Unsecd. Note, 1.734%, 7/22/2027	614,142
1,900,000	Bank of America Corp., Sr. Unsecd. Note, 2.592%, 4/29/2031	1,551,601
1,250,000	Bank of America Corp., Sr. Unsecd. Note, 3.705%, 4/24/2028	1,158,625
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.248%, 10/21/2027	462,501
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 4.271%, 7/23/2029	467,194
250,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, 2.050%, 1/26/2027	224,841
300,000	¹ Bank of New York Mellon Corp., Sr. Unsecd. Note, 3.350%, 4/25/2025	290,682
550,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.250%, 9/11/2024	535,228
300,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.992%, 6/13/2028	287,469
500,000	Citigroup, Inc., 4.125%, 7/25/2028	466,319
250,000	Citigroup, Inc., Sr. Unsecd. Note, 1.122%, 1/28/2027	218,138
1,400,000	Citigroup, Inc., Sr. Unsecd. Note, 2.572%, 6/3/2031	1,135,395
480,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	455,537
500,000	Citigroup, Inc., Sr. Unsecd. Note, 3.700%, 1/12/2026	481,526
500,000	Citigroup, Inc., Sr. Unsecd. Note, 4.075%, 4/23/2029	460,980
250,000	Citigroup, Inc., Sr. Unsecd. Note, 4.658%, 5/24/2028	242,335
90,000	Citizens Financial Group, Inc., Sr. Unsecd. Note, 2.500%, 2/6/2030	73,370
300,000	Comerica, Inc., 3.800%, 7/22/2026	286,825
500,000	Compass Bank, Birmingham, Sub. Note, Series BKNT, 3.875%, 4/10/2025	486,711
140,000	¹ Fifth Third Bancorp, Sr. Unsecd. Note, 2.375%, 1/28/2025	132,856
500,000	Fifth Third Bancorp, Sr. Unsecd. Note, 3.650%, 1/25/2024	492,650
250,000	Fifth Third Bank, Sr. Unsecd. Note, Series BKNT, 2.250%, 2/1/2027	225,415

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 685,000	FNB Corp. (PA), Sr. Unsecd. Note, 2.200%, 2/24/2023	\$ 681,601
300,000	FNB Corp. (PA), Sr. Unsecd. Note, 5.150%, 8/25/2025	296,729
200,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.431%, 3/9/2027	175,604
750,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	573,077
250,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 2.640%, 2/24/2028	222,953
1,250,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.500%, 11/16/2026	1,173,466
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 4.223%, 5/1/2029	466,719
500,000	Goldman Sachs Group, Inc., Sub. Note, 4.250%, 10/21/2025	488,503
1,000,000	HSBC USA, Inc., Sr. Unsecd. Note, 3.500%, 6/23/2024	975,437
240,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 2.550%, 2/4/2030	197,931
1,000,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.045%, 11/19/2026	883,054
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.545%, 11/8/2032	396,476
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.580%, 4/22/2032	401,728
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.782%, 2/1/2028	467,870
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.845%, 6/14/2025	489,143
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 4.323%, 4/26/2028	478,265
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 4.452%, 12/5/2029	470,680
500,000	JPMorgan Chase & Co., Sub. Note, 3.875%, 9/10/2024	489,763
410,000	M&T Bank Corp., Sr. Unsecd. Note, 4.553%, 8/16/2028	400,353
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 0.985%, 12/10/2026	877,248
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 3.625%, 1/20/2027	944,471
500,000	Morgan Stanley, Sr. Unsecd. Note, 6.342%, 10/18/2033	525,502
500,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.239%, 7/21/2032	384,794
165,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.699%, 1/22/2031	136,702
500,000	PNC Financial Services Group, Inc., Sr. Unsecd. Note, 3.150%, 5/19/2027	467,665
330,000	Regions Financial Corp., Sr. Unsecd. Note, 2.250%, 5/18/2025	308,680
500,000	State Street Corp., Sr. Unsecd. Note, 2.203%, 2/7/2028	449,863
700,000	State Street Corp., Sr. Unsecd. Note, 3.300%, 12/16/2024	683,689
65,000	State Street Corp., Sr. Unsecd. Note, 4.421%, 5/13/2033	61,702
300,000	Synovus Financial Corp., Sr. Unsecd. Note, 5.200%, 8/11/2025	296,250
475,000	Truist Bank, Sr. Unsecd. Note, Series BKNT, 2.150%, 12/6/2024	451,927
200,000	Truist Bank, Sub. Note, Series BKNT, 3.300%, 5/15/2026	187,321
500,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 1.125%, 8/3/2027	422,264
500,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 4.123%, 6/6/2028	479,332
750,000	US Bancorp, Sr. Unsecd. Note, Series MTN, 2.215%, 1/27/2028	675,217
750,000	Wells Fargo & Co., Sr. Unsecd. Note, 2.188%, 4/30/2026	698,639
2,120,000	Wells Fargo & Co., Sr. Unsecd. Note, 3.000%, 10/23/2026	1,962,223
250,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.406%, 10/30/2025	236,592
1,000,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.572%, 2/11/2031	830,245
500,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	465,019
	TOTAL	33,811,335
	Financial Institution - Broker/Asset Mgr/Exchange—1.4%	
500,000	Charles Schwab Corp., Sr. Unsecd. Note, 3.625%, 4/1/2025	487,180
220,000	Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026	210,906
200,000	Jefferies Group LLC, Sr. Unsecd. Note, 6.500%, 1/20/2043	195,774
245,000	Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028	228,028
595,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	574,334
390,000	Stifel Financial Corp., Sr. Unsecd. Note, 4.250%, 7/18/2024	382,335
	TOTAL	2,078,557
	Financial Institution - Finance Companies—1.9%	
190,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 1.750%, 1/30/2026	167,362

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Finance Companies—continued	
\$ 205,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.000%, 10/29/2028	\$ 172,115
500,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.500%, 1/15/2025	476,571
550,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.625%, 10/15/2027	511,715
700,000	Air Lease Corp., Sr. Unsecd. Note, 1.875%, 8/15/2026	608,840
550,000	Air Lease Corp., Sr. Unsecd. Note, 3.625%, 12/1/2027	498,407
140,000	Air Lease Corp., Sr. Unsecd. Note, 5.850%, 12/15/2027	140,089
250,000	Discover Financial Services, Sr. Unsecd. Note, 4.100%, 2/9/2027	235,612
	TOTAL	2,810,711
	Financial Institution - Insurance - Health—0.8%	
645,000	Centene Corp., Sr. Unsecd. Note, 2.450%, 7/15/2028	545,651
200,000	CIGNA Corp., Sr. Unsecd. Note, 4.375%, 10/15/2028	193,292
405,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.750%, 7/15/2025	396,306
	TOTAL	1,135,249
	Financial Institution - Insurance - Life—1.1%	
350,000	AIA Group Ltd., Sr. Unsecd. Note, 144A, 3.600%, 4/9/2029	318,682
800,000	American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024	791,782
172,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 8.875%, 6/1/2039	212,016
290,000	Met Life Global Funding I, Sec. Fac. Bond, 144A, 0.550%, 6/7/2024	271,631
	TOTAL	1,594,111
	Financial Institution - Insurance - P&C—0.7%	
300,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 3.350%, 5/15/2024	293,774
250,000	CNA Financial Corp., Sr. Unsecd. Note, 3.450%, 8/15/2027	231,984
95,000	CNA Financial Corp., Sr. Unsecd. Note, 3.900%, 5/1/2029	86,669
300,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	387,469
	TOTAL	999,896
	Financial Institution - REIT - Apartment—1.1%	
395,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	367,551
115,000	Camden Property Trust, Sr. Unsecd. Note, 2.800%, 5/15/2030	99,217
500,000	Mid-America Apartment Communities LP, Sr. Unsecd. Note, 3.750%, 6/15/2024	489,904
320,000	Mid-America Apartment Communities LP, Sr. Unsub. Note, 1.700%, 2/15/2031	250,259
500,000	UDR, Inc., Sr. Unsecd. Note, Series MTN, 2.950%, 9/1/2026	459,679
	TOTAL	1,666,610
	Financial Institution - REIT - Healthcare—1.2%	
445,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	337,905
710,000	Physicians Realty Trust, Sr. Unsecd. Note, 4.300%, 3/15/2027	670,567
375,000	Welltower, Inc., Sr. Unsecd. Note, 2.750%, 1/15/2031	300,873
500,000	Welltower, Inc., Sr. Unsecd. Note, 3.100%, 1/15/2030	423,084
	TOTAL	1,732,429
	Financial Institution - REIT - Office—0.6%	
250,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.900%, 12/15/2030	244,215
480,000	Boston Properties LP, Sr. Unsecd. Note, 3.200%, 1/15/2025	459,473
80,000	Boston Properties LP, Sr. Unsecd. Note, 3.250%, 1/30/2031	66,324
120,000	¹ Piedmont Operating Partnership, LP, Sr. Unsecd. Note, 2.750%, 4/1/2032	84,286
	TOTAL	854,298
	Financial Institution - REIT - Other—0.7%	
320,000	ProLogis LP, Sr. Unsecd. Note, 4.375%, 2/1/2029	305,879
275,000	WP Carey, Inc., Sr. Unsecd. Note, 2.400%, 2/1/2031	219,761
450,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	445,942
	TOTAL	971,582
	Financial Institution - REIT - Retail—0.5%	
250,000	Kimco Realty Corp., Sr. Unsecd. Note, 1.900%, 3/1/2028	209,736

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - REIT - Retail—continued	
\$ 410,000	Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 3/1/2024	\$ 396,997
250,000	Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 10/1/2030	204,341
	TOTAL	811,074
	Sovereign—0.4%	
510,000	Inter-American Development Bank, Series MTN, 6.750%, 7/15/2027	556,665
	Technology—5.9%	
315,000	Apple, Inc., Sr. Unsecd. Note, 1.125%, 5/11/2025	290,281
125,000	Apple, Inc., Sr. Unsecd. Note, 4.450%, 5/6/2044	118,458
340,000	Automatic Data Processing, Inc., Sr. Unsecd. Note, 3.375%, 9/15/2025	329,634
280,000	Broadcom Corp., Sr. Unsecd. Note, Series WI, 3.875%, 1/15/2027	265,255
666,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	620,665
135,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.419%, 4/15/2033	108,606
250,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 4.000%, 4/15/2029	227,625
250,000	CDW LLC / CDW Finance, Sr. Unsecd. Note, 2.670%, 12/1/2026	222,423
750,000	Dell International LLC / EMC Corp., Sr. Unsecd. Note, 5.300%, 10/1/2029	735,214
150,000	Dell International LLC / EMC Corp., Sr. Unsecd. Note, 5.850%, 7/15/2025	151,737
480,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	457,880
250,000	Fiserv, Inc., Sr. Unsecd. Note, 2.650%, 6/1/2030	210,734
230,000	Fiserv, Inc., Sr. Unsecd. Note, 2.750%, 7/1/2024	222,319
500,000	Fiserv, Inc., Sr. Unsecd. Note, 4.200%, 10/1/2028	473,966
175,000	¹ Intel Corp., Sr. Unsecd. Note, 3.400%, 3/25/2025	170,753
100,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 3.000%, 10/30/2029	86,882
460,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 4.550%, 10/30/2024	453,281
310,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	295,853
750,000	Microsoft Corp., Sr. Unsecd. Note, 2.400%, 8/8/2026	700,329
190,000	Molex Electronics Technologies LLC, Unsecd. Note, 144A, 3.900%, 4/15/2025	180,897
500,000	Oracle Corp., Sr. Unsecd. Note, 1.650%, 3/25/2026	448,185
750,000	Oracle Corp., Sr. Unsecd. Note, 3.400%, 7/8/2024	732,138
230,000	Oracle Corp., Sr. Unsecd. Note, 6.150%, 11/9/2029	239,276
260,000	Total System Services, Inc., Sr. Unsecd. Note, 4.450%, 6/1/2028	242,403
600,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	562,939
265,000	VMware, Inc., Sr. Unsecd. Note, 1.400%, 8/15/2026	231,350
	TOTAL	8,779,083
	Technology Services—0.8%	
255,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	223,507
320,000	Global Payments, Inc., Sr. Unsecd. Note, 1.200%, 3/1/2026	279,282
600,000	Global Payments, Inc., Sr. Unsecd. Note, 2.150%, 1/15/2027	524,234
90,000	Global Payments, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2030	73,941
145,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	118,453
	TOTAL	1,219,417
	Transportation - Airlines—0.1%	
215,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.250%, 5/4/2025	215,989
	Transportation - Railroads—0.7%	
250,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 1.750%, 12/2/2026	223,129
500,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 2.450%, 12/2/2031	415,450
500,000	Union Pacific Corp., Sr. Unsecd. Note, 2.150%, 2/5/2027	452,217
	TOTAL	1,090,796
	Transportation - Services—1.8%	
735,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 1.650%, 7/15/2026	630,195
315,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 2.650%, 7/15/2031	233,309
215,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 1.200%, 11/15/2025	189,392

Principal Amount		Value
	CORPORATE BONDS—continued	
	Transportation - Services—continued	
\$ 250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 1.700%, 6/15/2026	\$ 218,995
300,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.450%, 7/1/2024	289,868
250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 4.450%, 1/29/2026	240,911
350,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 1.750%, 9/1/2026	308,088
590,000	¹ United Parcel Service, Inc., Sr. Unsecd. Note, 3.900%, 4/1/2025	581,183
	TOTAL	2,691,941
	Utility - Electric—4.7%	
310,000	AEP Texas, Inc., Sr. Unsecd. Note, 3.850%, 10/1/2025	298,072
185,000	Ameren Corp., Sr. Unsecd. Note, 1.950%, 3/15/2027	163,025
125,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 2.300%, 3/1/2030	102,987
500,000	¹ Berkshire Hathaway Energy Co., 3.500%, 2/1/2025	490,887
130,000	Berkshire Hathaway Energy Co., Sr. Unsecd. Note, Series WI, 4.050%, 4/15/2025	128,114
560,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	539,952
400,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 1.710%, 1/24/2028	330,777
500,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 3.625%, 7/15/2024	482,755
190,000	Emera US Finance LP, Sr. Unsecd. Note, 0.833%, 6/15/2024	177,420
500,000	Enel Finance America LLC, Sr. Unsecd. Note, 144A, 7.100%, 10/14/2027	517,886
330,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 1.375%, 7/12/2026	284,779
385,000	Exelon Corp., Sr. Unsecd. Note, 4.050%, 4/15/2030	358,356
500,000	Exelon Corp., Sr. Unsecd. Note, 144A, 2.750%, 3/15/2027	459,287
250,000	Exelon Generation Co. LLC, Sr. Unsecd. Note, 3.250%, 6/1/2025	239,415
240,000	Fortis, Inc./Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	222,945
140,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 2.950%, 2/7/2024	136,863
300,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 3.550%, 5/1/2027	283,102
260,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 4.625%, 7/15/2027	256,077
500,000	NiSource Finance Corp., Sr. Unsecd. Note, 3.490%, 5/15/2027	471,734
245,000	Puget Energy, Inc., Sec. Fac. Bond, 2.379%, 6/15/2028	208,897
250,000	Southern Co., Sr. Unsecd. Note, 3.250%, 7/1/2026	235,393
300,000	Virginia Electric & Power Co., Sr. Unsecd. Note, Series B, 3.750%, 5/15/2027	286,772
155,000	WEC Energy Group, Inc., Sr. Unsecd. Note, 2.200%, 12/15/2028	131,514
108,000	Wisconsin Energy Corp., Sr. Unsecd. Note, 3.550%, 6/15/2025	103,616
	TOTAL	6,910,625
	Utility - Natural Gas—1.0%	
280,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	220,063
420,000	National Fuel Gas Co., Sr. Unsecd. Note, 3.750%, 3/1/2023	418,887
395,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	393,418
500,000	Sempra Energy, Sr. Unsecd. Note, 3.250%, 6/15/2027	463,308
	TOTAL	1,495,676
	Utility - Natural Gas Distributor—0.3%	
450,000	Southern Co. Gas Capital, Sr. Unsecd. Note, 2.450%, 10/1/2023	440,342
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$156,123,723)	143,644,046
	MORTGAGE-BACKED SECURITIES—0.0%	
	Federal Home Loan Mortgage Corporation—0.0%	
280	Federal Home Loan Mortgage Corp., Pool C01051, 8.000%, 9/1/2030	299
	Government National Mortgage Association—0.0%	
178	Government National Mortgage Association, Pool 1512, 7.500%, 12/20/2023	178
971	Government National Mortgage Association, Pool 2630, 6.500%, 8/20/2028	995
1,398	Government National Mortgage Association, Pool 2631, 7.000%, 8/20/2028	1,439
1,857	Government National Mortgage Association, Pool 2658, 6.500%, 10/20/2028	1,905
2,950	Government National Mortgage Association, Pool 2701, 6.500%, 1/20/2029	3,027

Principal Amount		Value
	MORTGAGE-BACKED SECURITIES—continued	
	Government National Mortgage Association—continued	
\$ 2,290	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	\$ 2,371
422	Government National Mortgage Association, Pool 3039, 6.500%, 2/20/2031	437
1,702	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	1,776
6,007	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	6,252
4,220	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	4,401
9,748	Government National Mortgage Association, Pool 3261, 6.500%, 7/20/2032	10,176
747	Government National Mortgage Association, Pool 516688, 8.000%, 8/15/2029	788
	TOTAL	33,745
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$32,788)	34,044
	REPURCHASE AGREEMENTS—2.9%	
1,647,625	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 (purchased with proceeds from securities lending collateral).	1,647,625
2,646,000	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.	2,646,000
	TOTAL REPURCHASE AGREEMENTS (IDENTIFIED COST \$4,293,625)	4,293,625
	TOTAL INVESTMENT IN SECURITIES—100.2% (IDENTIFIED COST \$160,450,136)³	147,971,715
	OTHER ASSETS AND LIABILITIES - NET—(0.2)%⁴	(341,798)
	TOTAL NET ASSETS—100%	\$147,629,917

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

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation (Depreciation)
Long Futures:				
United States Treasury Notes 10-Year Ultra Long Futures	36	\$4,258,125	March 2023	\$ (6,243)
United States Treasury Notes 10-Year Long Futures	25	\$2,807,422	March 2023	\$(14,509)
Short Futures:				
United States Treasury Long Bond Short Futures	12	\$1,504,125	March 2023	\$ 5,992
United States Treasury Ultra Bond Short Futures	1	\$ 134,313	March 2023	\$ 303
NET UNREALIZED DEPRECIATION ON FUTURES CONTRACTS				\$(14,457)

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

- 1 All or a portion of these securities are temporarily on loan to unaffiliated broker/dealers.
- 2 Floating/variable note with current rate and current maturity or next reset date shown.
- 3 The cost of investments for federal tax purposes amounts to \$160,450,136.
- 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
Debt Securities:				
Corporate Bonds	\$ —	\$143,644,046	\$—	\$143,644,046
Mortgage-Backed Securities	—	34,044	—	34,044
Repurchase Agreements	—	4,293,625	—	4,293,625
TOTAL SECURITIES	\$ —	\$147,971,715	\$—	\$147,971,715
Other Financial Instruments:¹				
Assets	\$ 6,295	\$ —	\$—	\$ 6,295
Liabilities	(20,752)	—	—	(20,752)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$(14,457)	\$ —	\$—	\$ (14,457)

1 Other financial instruments are futures contracts.

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

- BKNT —Bank Notes
- GMTN—Global Medium Term Note
- LIBOR—London Interbank Offered Rate
- MTN —Medium Term Note
- REIT —Real Estate Investment Trust

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$11.26	\$11.82	\$11.31	\$10.65	\$11.05
Income From Investment Operations:					
Net investment income (loss) ¹	0.25	0.25	0.28	0.31	0.30
Net realized and unrealized gain (loss)	(1.27)	(0.42)	0.58	0.68	(0.37)
TOTAL FROM INVESTMENT OPERATIONS	(1.02)	(0.17)	0.86	0.99	(0.07)
Less Distributions:					
Distributions from net investment income	(0.27)	(0.29)	(0.32)	(0.33)	(0.33)
Distributions from net realized gain	(0.16)	(0.10)	(0.03)	(0.00) ²	—
TOTAL DISTRIBUTIONS	(0.43)	(0.39)	(0.35)	(0.33)	(0.33)
Net Asset Value, End of Period	\$9.81	\$11.26	\$11.82	\$11.31	\$10.65
Total Return³	(9.28)%	(1.40)%	8.12%	9.44%	(0.59)%
Ratios to Average Net Assets:					
Net expenses ⁴	0.74%	0.74%	0.74%	0.74%	0.74%
Net investment income	2.44%	2.17%	2.50%	2.79%	2.83%
Expense waiver/reimbursement ⁵	0.07%	0.06%	0.07%	0.08%	0.08%
Supplemental Data:					
Net assets, end of period (000 omitted)	\$134,757	\$162,034	\$170,912	\$167,625	\$162,812
Portfolio turnover ⁶	15%	27%	24%	21%	19%

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

2 Represents less than \$0.01.

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

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

5 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.

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

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$11.23	\$11.79	\$11.28	\$10.62	\$11.01
Income From Investment Operations:					
Net investment income (loss) ¹	0.22	0.22	0.26	0.28	0.27
Net realized and unrealized gain (loss)	(1.26)	(0.42)	0.57	0.68	(0.36)
TOTAL FROM INVESTMENT OPERATIONS	(1.04)	(0.20)	0.83	0.96	(0.09)
Less Distributions:					
Distributions from net investment income	(0.24)	(0.26)	(0.29)	(0.30)	(0.30)
Distributions from net realized gain	(0.16)	(0.10)	(0.03)	(0.00) ²	—
TOTAL DISTRIBUTIONS	(0.40)	(0.36)	(0.32)	(0.30)	(0.30)
Net Asset Value, End of Period	\$9.79	\$11.23	\$11.79	\$11.28	\$10.62
Total Return³	(9.46)%	(1.66)%	7.86%	9.17%	(0.78)%
Ratios to Average Net Assets:					
Net expenses ⁴	0.99%	0.99%	0.99%	0.99%	0.99%
Net investment income	2.19%	1.92%	2.25%	2.54%	2.58%
Expense waiver/reimbursement ⁵	0.07%	0.06%	0.07%	0.08%	0.07%
Supplemental Data:					
Net assets, end of period (000 omitted)	\$12,873	\$16,287	\$18,302	\$18,776	\$19,344
Portfolio turnover ⁶	15%	27%	24%	21%	19%

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

2 Represents less than \$0.01.

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

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

5 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.

6 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 \$1,596,836 of securities loaned (identified cost \$160,450,136)	\$147,971,715
Cash	738
Due from broker (Note 2)	126,015
Income receivable	1,282,565
Receivable for shares sold	7,946
TOTAL ASSETS	149,388,979

Liabilities:

Payable for shares redeemed	35,777
Payable for variation margin on futures contracts	3,347
Payable for collateral due to broker for securities lending (Note 2)	1,647,625
Payable for investment adviser fee (Note 5)	4,382
Payable for administrative fee (Note 5)	635
Payable for distribution services fee (Note 5)	2,768
Accrued expenses (Note 5)	64,528
TOTAL LIABILITIES	1,759,062

Net assets for 15,052,124 shares outstanding \$147,629,917

Net Assets Consist of:

Paid-in capital	\$156,956,810
Total distributable earnings (loss)	(9,326,893)
TOTAL NET ASSETS	\$147,629,917

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

Primary Shares:

\$134,756,505 ÷ 13,736,674 shares outstanding, no par value, unlimited shares authorized \$9.81

Service Shares:

\$12,873,412 ÷ 1,315,450 shares outstanding, no par value, unlimited shares authorized \$9.79

See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended December 31, 2022

Investment Income:

Interest	\$ 5,034,737
Net income on securities loaned (Note 2)	9,233
TOTAL INCOME	5,043,970

Expenses:

Investment adviser fee (Note 5)	950,461
Administrative fee (Note 5)	127,811
Custodian fees	11,328
Transfer agent fees	15,238
Directors'/Trustees' fees (Note 5)	2,159
Auditing fees	28,172
Legal fees	9,145
Portfolio accounting fees	90,026
Distribution services fee (Note 5)	35,924
Printing and postage	23,184
Miscellaneous (Note 5)	25,483
TOTAL EXPENSES	1,318,931
Waiver of investment adviser fee (Note 5)	(103,011)
Net expenses	1,215,920
Net investment income	3,828,050

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

Net realized loss on investments	(795,242)
Net realized gain on futures contracts	117,704
Net change in unrealized appreciation of investments	(19,481,576)
Net change in unrealized depreciation of futures contracts	1,266
Net realized and unrealized gain (loss) on investments and futures contracts	(20,157,848)
Change in net assets resulting from operations	\$(16,329,798)

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

Year Ended December 31	2022	2021
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 3,828,050	\$ 4,084,958
Net realized gain (loss)	(677,538)	2,544,243
Net change in unrealized appreciation/depreciation	(19,480,310)	(9,307,128)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(16,329,798)	(2,677,927)
Distributions to Shareholders:		
Primary Shares	(5,969,547)	(5,661,205)
Service Shares	(565,684)	(541,939)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(6,535,231)	(6,203,144)
Share Transactions:		
Proceeds from sale of shares	6,380,104	28,426,242
Net asset value of shares issued to shareholders in payment of distributions declared	6,535,227	6,203,141
Cost of shares redeemed	(20,741,748)	(36,640,783)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(7,826,417)	(2,011,400)
Change in net assets	(30,691,446)	(10,892,471)
Net Assets:		
Beginning of period	178,321,363	189,213,834
End of period	\$147,629,917	\$178,321,363

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

December 31, 2022

1. ORGANIZATION

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

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").
- 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.
- 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.
- 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 and Significant Events Procedures

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Trustees (the "Trustees") has 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.

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

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

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

Repurchase Agreements

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

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

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's 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 (MNA) which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated above, the cash or securities to be repurchased, as shown on the Portfolio of Investments, exceeds the repurchase price to be paid under the agreement reducing the net settlement amount to zero.

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver of \$103,011 is disclosed in Note 5.

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

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (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.

Futures Contracts

The Fund purchases and sells financial futures contracts to manage duration risk and yield curve risk. 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 \$6,027,981 and \$3,242,195, respectively. This is based on amounts held as of each month-end throughout the fiscal period.

Securities Lending

The Fund participates in a securities lending program providing for the lending of corporate bonds to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements. Investments in money market funds may include funds with a "floating" NAV that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if the investee fund's NAV decreases, result in the Fund recognizing losses and being required to cover the decrease in the value of the cash collateral. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. In accordance with the Fund's securities lending agreement, the market value of securities on loan is determined each day at the close of business and any additional collateral required to cover the value of securities on loan is delivered to the Fund on the next business day. Earnings on collateral are allocated between the borrower of the security, the securities lending agent, as a fee for its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

Securities lending transactions are subject to MNA. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated below, the cash collateral received by the Fund exceeds the market value of the securities loaned reducing the net settlement amount to zero. The chart below identifies the amount of collateral received as well as the market value of securities on loan. Additionally, the securities lending agreement executed by the Fund includes an indemnification clause. This clause stipulates that the borrower will reimburse the Fund for any losses as a result of any failure of the borrower to return equivalent securities to the Fund.

As of December 31, 2022, securities subject to this type of arrangement and related collateral were as follows:

Fair Value of Securities Loaned	Collateral Received
\$1,596,836	\$1,647,625

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the 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	\$14,457*

* 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	\$117,704

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

	Futures Contracts
Interest rate contracts	\$1,266

Other

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

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

Primary Shares:	Year Ended 12/31/2022		Year Ended 12/31/2021	
	Shares	Amount	Shares	Amount
Shares sold	602,659	\$ 6,152,032	2,404,407	\$ 27,396,392
Shares issued to shareholders in payment of distributions declared	581,827	5,969,547	505,917	5,661,205
Shares redeemed	(1,835,220)	(18,635,582)	(2,979,085)	(33,876,384)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(650,734)	\$ (6,514,003)	(68,761)	\$ (818,787)

Service Shares:	Year Ended 12/31/2022		Year Ended 12/31/2021	
	Shares	Amount	Shares	Amount
Shares sold	21,948	\$ 228,072	89,033	\$ 1,029,850
Shares issued to shareholders in payment of distributions declared	55,135	565,680	48,430	541,936
Shares redeemed	(211,485)	(2,106,166)	(239,734)	(2,764,399)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(134,402)	\$ (1,312,414)	(102,271)	\$ (1,192,613)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(785,136)	\$ (7,826,417)	(171,032)	\$ (2,011,400)

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 ¹	\$4,304,512	\$4,863,670
Long-term capital gains	\$2,230,719	\$1,339,474

¹ For tax purposes, short-term capital gain 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 ²	\$ 3,827,948
Net unrealized depreciation	\$(12,478,421)
Capital loss carryforwards	\$ (676,420)
TOTAL	\$ (9,326,893)

² For tax purposes, short-term capital gains are considered ordinary income in determining distributable earnings.

At December 31, 2022, the cost of investments for federal tax purposes was \$160,450,136. The net unrealized depreciation of investments for federal tax purposes was \$12,478,421. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$210,602 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$12,689,023. The amounts presented are inclusive of derivative contracts. The difference between book-basis and tax-basis net unrealized appreciation is attributable to differing treatments for mark-to-market of futures contracts.

As of December 31, 2022, the Fund had a capital loss carryforward of \$676,420 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

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

Short-Term	Long-Term	Total
\$34,783	\$641,637	\$676,420

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.60% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended December 31, 2022, the Adviser voluntarily waived \$103,011 of its fee.

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

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended December 31, 2022, the annualized fee paid to FAS was 0.081% of average daily net assets of the Fund.

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

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Primary Shares and Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

	Percentage of Average Daily Net Assets of Class
Primary Shares	0.25%
Service Shares	0.25%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the year ended December 31, 2022, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$35,924

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended December 31, 2022, the Fund's Primary Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Expense Limitation

The Adviser and certain of its affiliates (which may include FSC and FAS) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.74% and 0.99% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2023; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

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	\$22,405,405
Sales	\$31,699,430

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.

12. FEDERAL TAX INFORMATION (UNAUDITED)

For the year ended December 31, 2022, the amount of long-term capital gains designated by the Fund was \$2,230,719.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF FEDERATED HERMES INSURANCE SERIES AND THE SHAREHOLDERS OF FEDERATED HERMES QUALITY BOND FUND II:

Opinion on the Financial Statements

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

Basis for Opinion

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

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

KPMG LLP

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

Boston, Massachusetts
February 15, 2023

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds used as variable investment options. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2022 to December 31, 2022.

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

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

	Beginning Account Value 7/1/2022	Ending Account Value 12/31/2022	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$ 991.90	\$3.72
Service Shares	\$1,000	\$ 990.90	\$4.97
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,021.48	\$3.77
Service Shares	\$1,000	\$1,020.21	\$5.04

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half-year period). The expenses shown in the table do not include the charges and expenses imposed by the insurance company under the variable insurance product contract. Please refer to the variable insurance product prospectus for a complete listing of these expenses. The annualized net expense ratios are as follows:

Primary Shares	0.74%
Service Shares	0.99%

Board of Trustees and Trust Officers

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

INTERESTED TRUSTEES BACKGROUND

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

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

INDEPENDENT TRUSTEES BACKGROUND

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

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

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

OFFICERS

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

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

Evaluation and Approval of Advisory Contract – May 2022

FEDERATED HERMES QUALITY BOND FUND II (THE “FUND”)

At its meetings in May 2022 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated 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.

Information Received and Review Process

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

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

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its 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 (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the 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 funds advised by Federated Hermes (each, a “Federated Hermes Fund” and, collectively, the “Federated Hermes Funds”).

In addition to considering the above-referenced factors, the Board was mindful of the preferences and expectations of Fund shareholders and the potential disruptions of the Fund’s operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contract. In particular, the Board recognized that many shareholders likely have invested in the Fund on the strength of Federated Hermes’ industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that in the marketplace there are a range of investment options available to the Fund’s shareholders and such shareholders, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the 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 Performance Peer Group (as defined below), 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. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"). The Board noted the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered, in evaluating such comparisons, that in some cases there may be differences in the funds' objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group.

For the periods ended December 31, 2021, the Fund's performance for the three-year and five-year periods was above the median of the Performance Peer Group, and the Fund's performance fell below the median of the Performance Peer Group for the one-year period. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

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 the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the "Expense Peer Group"). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged by other advisers for managing funds with comparable investment programs, the Board noted that it found the use of such comparisons to be relevant to its evaluation. The Board focused on comparisons with other similar registered funds more heavily than non-registered fund products or services because such comparisons are believed to be more relevant. The Board considered that other registered funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's contractual advisory fee rate and other expenses relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the Expense Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

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

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

Profitability

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

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

Economies of Scale

The Board received and considered information about the notion of possible realization of "economies of scale" as a fund grows larger, the difficulties of calculating economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as: personnel,

processes and tools for portfolio management, including the use of market data on which portfolio managers make investment decisions; trading operations; ESG integration and issuer engagement on ESG matters; shareholder services; compliance; business continuity; cybersecurity; internal audit and risk management functions; and technology that supports the provision of investment management services. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund's assets decline. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered Federated Hermes' reductions in contractual management fees for certain Federated Hermes Funds during the prior year, including in response to the CCO's recommendations in the prior year's CCO Fee Evaluation Report, which have resulted in benefits being realized by shareholders.

The Board also considered reports on adviser-paid fees (commonly referred to as "revenue sharing") that were provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe that this information should be viewed to determine if there was an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, and should not be viewed to evaluate the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which is compounded by the lack of any uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

Other Benefits

The Board considered information regarding the compensation and other ancillary (or "fall-out") benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds' investment advisory contracts, Federated Hermes' affiliates also receive fees for providing other services to the Federated Hermes Funds under separate contracts (e.g., for serving as the Federated Hermes Funds' administrator and distributor). In this regard, the Board considered that certain of Federated Hermes' affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing any indirect benefit that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

Conclusions

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

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were deemed to be relevant, the Board's determination to approve the continuation of the Contract reflects its view that Federated Hermes' performance and actions provided a satisfactory basis to support the determination to approve the continuation of the existing 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 Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Quality Bond Fund II (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

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

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

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, alternative funding sources during the Period;
- the periodic classifications of the Fund’s investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund’s reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund’s investments and the results of an evaluation of the services performed by the vendor in support of this process;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period and the procedures for monitoring this limit;
- the fact that there were no liquidity events during the Period, that materially affected the Fund’s liquidity risk;
- the impact on liquidity and management of liquidity risk caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures;
- circumstances during the Period under which the Administrator convened meetings of the Liquidity Risk Management Committees more frequently than normal to conduct enhanced liquidity risk monitoring, including prior to the Russian invasion of Ukraine.

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

Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400, Option #4. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at FederatedInvestors.com/FundInformation. Form N-PX filings are also available at the SEC's website at sec.gov.

Quarterly Portfolio Schedule

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

Notes

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

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



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