

**Annual  
Shareholder Report**  
**March 31, 2023**



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**Share Class** | Ticker    **A** | FHIX    **C** | FHICX    **Institutional** | FHISX    **R6** | FHBRX

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## Federated Hermes High Income Bond Fund, Inc.

*Effective May 26, 2023, the Fund's name will be Federated Hermes Sustainable High Yield Bond Fund, Inc.*

*Fund Established 1977*

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Dear Valued Shareholder,

We are pleased to present the Annual Shareholder Report for your fund covering the period from April 1, 2022 through March 31, 2023. 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 cursive script, reading "J. Christopher Donahue".

J. Christopher Donahue, President

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

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# Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes High Income Bond Fund, Inc. (the "Fund"), based on net asset value for the 12-month reporting period ended March 31, 2023, was -4.70% for the Class A Shares, -5.50% for the Class C Shares, -4.47% for the Institutional Shares and -4.46% for the Class R6 Shares. The total return of the Fund's Class R6 Shares consisted of 5.43% of current income and -9.89% of depreciation in the net asset value of the Fund's shares. The total return of the Bloomberg US Corporate High Yield 2% Issuer Capped Index (BHY2%ICI),<sup>1</sup> the Fund's broad-based securities market index, was -3.35% during the same period. The Fund's peer group average, the Lipper High Yield Funds Average (LHYFA),<sup>2</sup> returned -3.85% during the period. The Fund's and LHYFA's total returns during the most recently completed fiscal year reflected actual cash flows, transaction costs and expenses which were not reflected in the total return of the BHY2%ICI.

During the reporting period, the most significant factors affecting the Fund's performance relative to the BHY2%ICI were (a) security selection of high-yield bonds; (b) the allocation among industry sectors and (c) the Fund's duration<sup>3</sup> positioning.

The following discussion will focus on the performance of the Fund's Class R6 Shares relative to the BHY2%ICI.

## MARKET OVERVIEW

The major factors influencing the high-yield market<sup>4</sup> during the fiscal year were concerns about the economy and inflation. Economic growth was slow as the lingering impact of the pandemic, the outbreak of war in Ukraine, supply chain issues and surging prices, especially for energy and food, caused major distortions. Global central banks, including the Federal Reserve, responded to the surge in prices by aggressively raising short-term interest rates.<sup>5</sup> Long-term rates also rose, although less than short-term rates, resulting in an inverted yield curve, a popular recession indicator. However, the second half of the fiscal year saw economic growth surprise to the upside as a robust job market, rising wages, declining pandemic-related concerns and normalizing supply chains provided support. Corporate earnings also proved resilient as companies were able to aggressively raise prices to offset surging input costs and rising wages while demand was supported by the strong jobs market and from the benefits of reopening from the pandemic. However, default rates and credit spreads for high-yield securities both climbed higher on the longer-term impacts from higher rates. The end of the period saw stress in the global banking system which once again heightened concerns over the economic environment but the market quickly recovered from the bank crisis. The overall impact of these factors can be illustrated by the change in credit spreads

between the Credit Suisse High Yield Bond Index<sup>6</sup> and Treasury securities with similar maturities which began the period at 375 basis points, peaked in early July at 606 basis points before declining to end the period at 480 basis points.

Within the high-yield market, major industry sectors that substantially outperformed the overall BHY2%ICI during the reporting period included: Oil Field Services, Gaming, Aerospace & Defense, Airlines and Food & Beverage. Major industry sectors that substantially underperformed the overall BHY2%ICI during the period included: Pharmaceuticals, Wireline Telecommunications, Retail, Media & Entertainment and Cable & Satellite. From a credit quality perspective, the higher quality BB-rated sector led the way with a total return of -1.91% followed by the B-rated sector with a return of -3.75%. The more credit sensitive CCC-rated sector trailed the higher quality sectors with a return of -8.59%.

### **SECURITY SELECTION OF HIGH-YIELD BONDS**

The Fund was negatively impacted, relative to the BHY2%ICI, by security selection for the reporting period. This was especially true in the Media & Entertainment, Pharmaceuticals, Technology, Gaming, Automotive and Healthcare industry sectors. Specific Fund holdings that negatively contributed to performance relative to the BHY2%ICI included: Audacy Capital Corp., Bausch Health Cos., Rackspace Technology, Inc., CSC Holdings and iHeartCommunications, Inc. The Fund was positively impacted by security selection in the Retail and Property & Casualty Insurance sectors. Specific Fund holdings that positively contributed to performance relative to the BHY2%ICI included: Hub International Ltd., Diamond BC BV, Clarios Global LP, Clydesdale Acquisition Holdings, Inc. and Koppers, Inc. The Fund's holdings in Superior Energy Services, Inc. common stock received in a debt restructuring substantially outperformed the BHY2%ICI.

### **ALLOCATION AMONG INDUSTRY SECTORS**

The Fund was positively impacted, relative to the BHY2%ICI, by its allocation among industry sectors for the reporting period. The Fund's underweight position to the poor-performing Retail, Wireline Telecommunications, Banking and Healthcare REIT sectors benefited performance. Also, the Fund's overweight position to the outperforming Oil Field Services, Packaging and Property & Casualty Insurance sectors aided performance. The Fund's overweight position to the underperforming Media & Entertainment, Pharmaceutical and Cable & Satellite sectors negatively impacted performance as did the Fund's underweight to the strong performing Leisure, Airlines, Metals & Mining, Refining and Aerospace & Defense sectors.

## DURATION POSITIONING

The Fund began the period with a duration roughly 93% of the duration for the BHY2%ICI. This benefited the Fund given the 112 basis points increase in the yield on the 5-year U.S. Treasury and the 105 basis points increase in credit spreads.

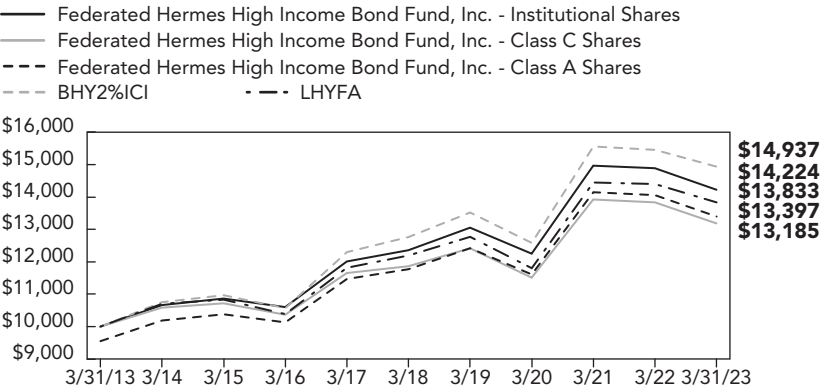
- 1 *Please see the footnotes to the line graph below for definitions of, and further information about, the BHY2%ICI.*
- 2 *Please see the footnotes to the line graph below for definitions of, and further information about, the Lipper peer group.*
- 3 *Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than other securities of shorter durations.*
- 4 *High-yield, lower-rated securities generally entail greater market, credit and liquidity risks than investment-grade securities and may include higher volatility and a higher risk of default.*
- 5 *Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.*
- 6 *The Credit Suisse High Yield Bond Index serves as a benchmark to evaluate the performance of low-quality bonds. Low-quality is defined as those bonds in the range from "BB" to "CCC" and defaults. The index is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.*

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

The graph below illustrates the hypothetical investment of \$10,000<sup>1</sup> in the Federated Hermes High Income Bond Fund, Inc. (the “Fund”) from March 31, 2013 to March 31, 2023, compared to the Bloomberg US Corporate High Yield 2% Issuer Capped Index (BHY2%ICI)<sup>2</sup> and the Lipper High Yield Funds Average (LHYFA).<sup>3</sup> The Average Annual Total Return table below shows returns for each class averaged over the stated periods.

GROWTH OF A \$10,000 INVESTMENT

Growth of \$10,000 as of March 31, 2023



- Total returns shown for Class A Shares include the maximum sales charge of 4.50% (\$10,000 investment minus \$450 sales charge = \$9,550).
- Total returns shown for Class C Shares include the maximum contingent deferred sales charge of 1.00% as applicable.

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. See the Average Annual Total Return table below for the returns of additional classes not shown in the line graph above.

Average Annual Total Returns for the Period Ended 3/31/2023

(returns reflect all applicable sales charges and contingent deferred sales charges as specified below in footnote #1)

	1 Year	5 Years	10 Years
Class A Shares	-9.00%	1.68%	2.97%
Class C Shares	-6.40%	1.77%	2.80%
Institutional Shares <sup>4</sup>	-4.47%	2.85%	3.59%
Class R6 Shares <sup>4</sup>	-4.46%	2.86%	3.58%
BHY2%ICI	-3.35%	3.19%	4.09%
LHYFA	-3.85%	2.58%	3.27%

**Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Mutual fund performance changes over time and current performance may be lower or higher than what is stated. For current to the most recent month-end performance and after-tax returns, visit [FederatedInvestors.com](https://www.federatedinvestors.com) or call 1-800-341-7400. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Mutual funds are not obligations of or guaranteed by any bank and are not federally insured.**

- 1 Represents a hypothetical investment of \$10,000 in the Fund after deducting applicable sales charges: for Class A Shares, the maximum sales charge of 4.50% (\$10,000 investment minus \$450 sales charge = \$9,550); for Class C Shares, a 1.00% contingent deferred sales charge would be applied on any redemption less than one year from the purchase date. The Fund's performance assumes the reinvestment of all dividends and distributions. The BHY2%ICI and the LHYFA have been adjusted to reflect reinvestment of dividends on securities in the index and average.
- 2 The BHY2%ICI is an issuer-constrained version of the Bloomberg US Corporate High Yield Index that measures the market of USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bonds. The index follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro rata basis. The BHY2%ICI is not adjusted to reflect sales charges, 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.
- 3 Lipper figures represent the average of the total returns reported by all funds designated by Lipper, Inc., as falling into the respective category and is not adjusted to reflect any sales charges. The Lipper figures in the Growth of a \$10,000 Investment line graph are based on historical return information published by Lipper and reflect the return of the funds comprising the category in the year of publication. Because the funds designated by Lipper as falling into the category can change over time, the Lipper figures in the line graph may not match the Lipper figures in the Average Annual Total Returns table, which reflect the return of the funds that currently comprise the category.
- 4 The Fund's Institutional Shares and Class R6 Shares commenced operations on January 27, 2017. For the period prior to the commencement of operations of the Institutional Shares and Class R6 Shares, the performance information shown is for Class A Shares adjusted to reflect the expenses of Institutional Shares and Class R6 Shares for each year for which the Fund's Institutional Shares' and Class R6 Shares' expenses would have exceeded the actual expenses paid by the Fund's Class A Shares.

# Portfolio of Investments Summary Table (unaudited)

At March 31, 2023, the Fund's index composition<sup>1</sup> was as follows:

Index Classification	Percentage of Total Net Assets
Technology	9.2%
Cable Satellite	8.0%
Media Entertainment	6.7%
Midstream	6.7%
Insurance - P&C	6.6%
Health Care	5.9%
Automotive	5.8%
Packaging	5.5%
Independent Energy	4.3%
Gaming	4.2%
Building Materials	3.7%
Other <sup>2</sup>	29.5%
Cash Equivalents <sup>3</sup>	2.2%
Other Assets and Liabilities - Net <sup>4</sup>	1.7%
<b>TOTAL</b>	<b>100%</b>

- <sup>1</sup> Index classifications are based upon, and individual portfolio securities are assigned to, the classifications and sub-classifications of the Bloomberg US Corporate High Yield 2% Issuer Capped Index (BHY2%ICI). Individual portfolio securities that are not included in the BHY2%ICI are assigned to an index classification by the Fund's Adviser.
- <sup>2</sup> For purposes of this table, index classifications which constitute less than 3.5% of the Fund's total net assets have been aggregated under the designation "Other."
- <sup>3</sup> Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.
- <sup>4</sup> Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.



# Portfolio of Investments

March 31, 2023

Principal Amount or Shares		Value
	<b>CORPORATE BONDS—95.6%</b>	
	<b>Aerospace/Defense—1.3%</b>	
\$ 1,750,000	TransDigm, Inc., Sec. Fac. Bond, 144A, 6.250%, 3/15/2026	\$ 1,753,369
200,000	TransDigm, Inc., Sec. Fac. Bond, 144A, 6.750%, 8/15/2028	202,250
400,000	TransDigm, Inc., Sr. Sub., 6.875%, 5/15/2026	394,390
975,000	TransDigm, Inc., Sr. Sub. Note, 6.375%, 6/15/2026	954,091
1,900,000	TransDigm, Inc., Sr. Sub., Series WI, 5.500%, 11/15/2027	1,793,605
1,250,000	TransDigm, Inc., Sr. Sub., Series WI, 7.500%, 3/15/2027	1,248,144
	<b>TOTAL</b>	<b>6,345,849</b>
	<b>Airlines—0.2%</b>	
725,000	American Airlines, Inc./AAAdvantage Loyalty IP Ltd., 144A, 5.500%, 4/20/2026	714,373
	<b>Automotive—5.8%</b>	
225,000	Adient Global Holdings Ltd., Sr. Secured. Note, 144A, 7.000%, 4/15/2028	231,498
2,550,000	Adient Global Holdings Ltd., Sr. Unsecd. Note, 144A, 4.875%, 8/15/2026	2,460,380
775,000	Dana Financing Lux Sarl, Sr. Unsecd. Note, 144A, 5.750%, 4/15/2025	766,320
500,000	Dana, Inc., Sr. Unsecd. Note, 4.500%, 2/15/2032	395,205
2,500,000	Dornoch Debt Merger Sub, Inc., Sr. Unsecd. Note, 144A, 6.625%, 10/15/2029	1,689,703
825,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 2.700%, 8/10/2026	735,281
1,925,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.375%, 11/13/2025	1,806,834
1,525,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.000%, 11/13/2030	1,297,938
1,825,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.063%, 11/1/2024	1,764,213
900,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.125%, 8/17/2027	825,845
1,250,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.271%, 1/9/2027	1,165,625
1,925,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 5.113%, 5/3/2029	1,809,895
1,550,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 5.125%, 6/16/2025	1,519,380
675,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, Series GMTN, 4.389%, 1/8/2026	641,399
700,000	IHO Verwaltungs GmbH, Sec. Fac. Bond, 144A, 6.000%, 5/15/2027	642,110
1,275,000	IHO Verwaltungs GmbH, Sec. Fac. Bond, 144A, 6.375%, 5/15/2029	1,124,905
275,000	KAR Auction Services, Inc., Sr. Unsecd. Note, 144A, 5.125%, 6/1/2025	271,850
5,250,000	Panther BF Aggregator 2 LP, Sr. Unsecd. Note, 144A, 8.500%, 5/15/2027	5,279,531
2,125,000	Real Hero Merger Sub 2, Inc., Sr. Unsecd. Note, 144A, 6.250%, 2/1/2029	1,573,177
1,725,000	Schaeffler Verwaltung ZW, 144A, 4.750%, 9/15/2026	1,538,675
	<b>TOTAL</b>	<b>27,539,764</b>
	<b>Building Materials—3.7%</b>	
200,000	Abc Supply Co., Inc., Sr. Unsecd. Note, 144A, 3.875%, 11/15/2029	171,038

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Building Materials—continued</b>		
\$ 525,000	American Builders & Contractors Supply Co., Inc., 144A, 4.000%, 1/15/2028	\$ 478,577
750,000	Camelot Return Merger SU, Sec. Fac. Bond, 144A, 8.750%, 8/1/2028	695,250
750,000	Cornerstone Building Brands, Sr. Unsecd. Note, 144A, 6.125%, 1/15/2029	536,166
2,375,000	Cp Atlas Buyer, Inc., Sr. Unsecd. Note, 144A, 7.000%, 12/1/2028	1,766,537
2,150,000	Foundation Building Materials, Inc., Sr. Unsecd. Note, 144A, 6.000%, 3/1/2029	1,706,966
1,525,000	Gyp Holdings III Corp., Sr. Unsecd. Note, 144A, 4.625%, 5/1/2029	1,305,781
725,000	Interface, Inc., Sr. Unsecd. Note, 144A, 5.500%, 12/1/2028	585,255
275,000	MIWD Holdco II LLC/MIWD Finance Corp., Sr. Unsecd. Note, 144A, 5.500%, 2/1/2030	232,770
1,850,000	SRS Distribution, Inc., Sr. Unsecd. Note, 144A, 6.000%, 12/1/2029	1,530,191
1,850,000	SRS Distribution, Inc., Sr. Unsecd. Note, 144A, 6.125%, 7/1/2029	1,563,250
775,000	Standard Industries, Inc., Sr. Unsecd. Note, 144A, 3.375%, 1/15/2031	623,735
1,050,000	Standard Industries, Inc., Sr. Unsecd. Note, 144A, 4.375%, 7/15/2030	914,686
2,975,000	Standard Industries, Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/15/2027	2,829,552
1,675,000	White Cap Buyer LLC, Sr. Unsecd. Note, 144A, 6.875%, 10/15/2028	1,454,501
1,000,000	White Cap Parent LLC, Sr. Sub. Secd. Note, 144A, 8.250%, 3/15/2026	910,780
	<b>TOTAL</b>	<b>17,305,035</b>
<b>Cable Satellite—8.0%</b>		
175,000	CCO Holdings LLC/Cap Corp., Sr. Sub. Secd. Note, 144A, 5.500%, 5/1/2026	170,410
725,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 4.500%, 5/1/2032	593,710
1,400,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2031	1,146,362
725,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.250%, 1/15/2034	567,809
1,650,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.500%, 8/15/2030	1,396,123
675,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.500%, 6/1/2033	544,229
1,325,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.750%, 3/1/2030	1,149,437
300,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.750%, 2/1/2032	252,332
1,050,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2028	969,901
1,875,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.125%, 5/1/2027	1,774,200
625,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.375%, 6/1/2029	574,581
575,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 3.375%, 2/15/2031	398,302
450,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.125%, 12/1/2030	323,593
1,150,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.500%, 11/15/2031	830,265
1,100,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.625%, 12/1/2030	543,455
650,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 5.000%, 11/15/2031	329,933
1,175,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 5.500%, 4/15/2027	990,678
3,000,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 5.750%, 1/15/2030	1,582,500

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Cable Satellite—continued</b>	
\$ 2,375,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 6.500%, 2/1/2029	\$ 1,974,617
1,100,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 7.500%, 4/1/2028	702,240
850,000	DIRECTV Holdings LLC, Sec. Fac. Bond, 144A, 5.875%, 8/15/2027	770,661
600,000	DISH DBS Corp., Sec. Fac. Bond, 144A, 5.750%, 12/1/2028	448,875
525,000	DISH DBS Corp., Sr. Unsecd. Note, 7.375%, 7/1/2028	300,080
725,000	DISH DBS Corp., Sr. Unsecd. Note, 7.750%, 7/1/2026	479,250
2,150,000	DISH DBS Corp., Sr. Unsecd. Note, Series WI, 5.125%, 6/1/2029	1,147,197
700,000	DISH Network Corp., Sec. Fac. Bond, 144A, 11.750%, 11/15/2027	679,738
1,000,000	Doyla Holdco 18 Designated Activity Co., Sr. Unsecd. Note, 144A, 5.000%, 7/15/2028	889,840
1,150,000	<sup>1,2,3</sup> Intelsat Jackson Holdings S.A., Sr. Unsecd. Note, 5.500%, 8/1/2023	0
750,000	<sup>1,2,3</sup> Intelsat Jackson Holdings S.A., Sr. Unsecd. Note, 144A, 8.500%, 10/15/2024	0
325,000	<sup>1,2,3</sup> Intelsat Jackson Holdings S.A., Sr. Unsecd. Note, 144A, 9.750%, 7/15/2025	0
575,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 3.125%, 9/1/2026	519,257
1,750,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 3.875%, 9/1/2031	1,362,349
925,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 4.000%, 7/15/2028	795,500
1,025,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 4.125%, 7/1/2030	839,096
1,125,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 5.500%, 7/1/2029	1,025,106
3,400,000	Telenet Finance Luxembourg, Sec. Fac. Bond, 144A, 5.500%, 3/1/2028	3,153,500
2,725,000	UPC Broadband Finco BV, Sr. Note, 144A, 4.875%, 7/15/2031	2,359,755
1,175,000	Virgin Media Finance PLC, Sr. Unsecd. Note, 144A, 5.000%, 7/15/2030	972,442
400,000	Virgin Media Secured Finance PLC, Sec. Fac. Bond, 144A, 4.500%, 8/15/2030	344,462
1,600,000	Virgin Media Secured Finance PLC, Sec. Fac. Bond, 144A, 5.500%, 5/15/2029	1,491,820
525,000	Vmed O2 UK Financing I PLC, Sec. Fac. Bond, 144A, 4.250%, 1/31/2031	447,300
200,000	Vmed O2 UK Financing I PLC, Sr. Note, 144A, 4.750%, 7/15/2031	171,681
1,525,000	VZ Secured Financing B.V., Sec. Fac. Bond, 144A, 5.000%, 1/15/2032	1,245,734
1,900,000	Ziggo Finance BV, Sr. Unsecd. Note, 144A, 6.000%, 1/15/2027	1,755,229
	TOTAL	38,013,549
	<b>Chemicals—2.7%</b>	
300,000	Axalta Coat/Dutch Holding BV, Sr. Unsecd. Note, 144A, 4.750%, 6/15/2027	285,392
400,000	Axalta Coating Systems LLC, Sr. Unsecd. Note, 144A, 3.375%, 2/15/2029	343,217
325,000	Cheever Escrow Issuer, Sec. Fac. Bond, 144A, 7.125%, 10/1/2027	305,468
1,150,000	Compass Minerals International, Inc., Sr. Unsecd. Note, 144A, 4.875%, 7/15/2024	1,093,638
1,375,000	Element Solutions, Inc., Sr. Unsecd. Note, 144A, 3.875%, 9/1/2028	1,208,377
400,000	H.B. Fuller Co., Sr. Unsecd. Note, 4.250%, 10/15/2028	355,306

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Chemicals—continued</b>		
\$ 2,025,000	Herens Holdco S.a.r.l., Sec. Fac. Bond, 144A, 4.750%, 5/15/2028	\$ 1,632,282
575,000	Illuminate Buyer LLC/Illuminate Holdings IV, Inc., Sr. Unsecd. Note, 144A, 9.000%, 7/1/2028	510,264
2,925,000	Koppers, Inc., Sr. Unsecd. Note, 144A, 6.000%, 2/15/2025	2,926,243
1,175,000	Olympus Water US Holding Corp., Sec. Fac. Bond, 144A, 4.250%, 10/1/2028	973,470
1,300,000	Olympus Water US Holding Corp., Sr. Unsecd. Note, 144A, 6.250%, 10/1/2029	963,451
1,475,000	Polar US Borrower LLC, Sr. Unsecd. Note, 144A, 6.750%, 5/15/2026	762,248
375,000	WR Grace Holdings LLC, 144A, 4.875%, 6/15/2027	361,935
250,000	WR Grace Holdings LLC, Sec. Fac. Bond, 144A, 7.375%, 3/1/2031	251,184
925,000	WR Grace Holdings LLC, Sr. Unsecd. Note, 144A, 5.625%, 8/15/2029	786,250
	TOTAL	12,758,725
<b>Construction Machinery—0.9%</b>		
1,900,000	H&E Equipment Services, Inc., Sr. Unsecd. Note, 144A, 3.875%, 12/15/2028	1,667,250
275,000	Ritchie Bros Holdings, Inc., Sr. Unsecd. Note, 144A, 6.750%, 3/15/2028	283,547
275,000	Ritchie Bros Holdings, Inc., Sr. Unsecd. Note, 144A, 7.750%, 3/15/2031	288,549
650,000	United Rentals North America, Inc., Sr. Unsecd. Note, 4.000%, 7/15/2030	584,805
950,000	United Rentals North America, Inc., Sr. Unsecd. Note, 4.875%, 1/15/2028	909,435
550,000	United Rentals North America, Inc., Sr. Unsecd. Note, 5.250%, 1/15/2030	529,909
	TOTAL	4,263,495
<b>Consumer Cyclical Services—2.5%</b>		
675,000	Allied Universal Holdco LLC, Sec. Fac. Bond, 144A, 6.625%, 7/15/2026	649,350
1,750,000	Allied Universal Holdco LLC, Sr. Unsecd. Note, 144A, 6.000%, 6/1/2029	1,308,309
3,725,000	Allied Universal Holdco LLC, Sr. Unsecd. Note, 144A, 9.750%, 7/15/2027	3,323,631
550,000	Garda World Security Corp., Sec. Fac. Bond, 144A, 4.625%, 2/15/2027	494,377
450,000	Garda World Security Corp., Sec. Fac. Bond, 144A, 7.750%, 2/15/2028	443,926
1,600,000	Garda World Security Corp., Sr. Unsecd. Note, 144A, 6.000%, 6/1/2029	1,274,056
775,000	Go Daddy Operating Co. LLC/GD Finance Co., Inc., Sr. Unsecd. Note, 144A, 5.250%, 12/1/2027	754,889
3,304,000	GW B-CR Security Corp., Sr. Unsecd. Note, 144A, 9.500%, 11/1/2027	3,138,040
1,550,000	Signal Parent, Inc., Sr. Unsecd. Note, 144A, 6.125%, 4/1/2029	628,052
	TOTAL	12,014,630
<b>Consumer Products—2.1%</b>		
3,150,000	BCPE Empire Holdings, Inc., Sr. Unsecd. Note, 144A, 7.625%, 5/1/2027	2,881,147
2,525,000	Diamond BC BV, Sr. Unsecd. Note, 144A, 4.625%, 10/1/2029	2,462,759
825,000	Edgewell Personal Care Co., Sr. Unsecd. Note, 144A, 4.125%, 4/1/2029	723,726
600,000	Edgewell Personal Care Co., Sr. Unsecd. Note, 144A, 5.500%, 6/1/2028	575,643
1,650,000	Energizer Holdings, Inc., Sr. Unsecd. Note, 144A, 4.375%, 3/31/2029	1,452,033

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Consumer Products—continued</b>	
\$ 1,000,000	Energizer Holdings, Inc., Sr. Unsecd. Note, 144A, 4.750%, 6/15/2028	\$ 901,249
850,000	Energizer Holdings, Inc., Sr. Unsecd. Note, 144A, 6.500%, 12/31/2027	826,304
	TOTAL	9,822,861
	<b>Diversified Manufacturing—1.2%</b>	
700,000	Entegris, Inc., Sr. Unsecd. Note, 144A, 3.625%, 5/1/2029	604,842
3,625,000	Gates Global LLC, Sr. Unsecd. Note, 144A, 6.250%, 1/15/2026	3,566,547
200,000	WESCO Distribution, Inc., Sr. Unsecd. Note, 144A, 7.125%, 6/15/2025	203,484
1,200,000	WESCO Distribution, Inc., Sr. Unsecd. Note, 144A, 7.250%, 6/15/2028	1,233,336
	TOTAL	5,608,209
	<b>Finance Companies—2.1%</b>	
1,725,000	Navient Corp., Sr. Unsecd. Note, 5.500%, 3/15/2029	1,459,842
925,000	Navient Corp., Sr. Unsecd. Note, 6.750%, 6/25/2025	899,912
600,000	Navient Corp., Sr. Unsecd. Note, 6.750%, 6/15/2026	585,738
825,000	Quicken Loans LLC/Quicken Loans Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 3.625%, 3/1/2029	709,500
1,725,000	Quicken Loans LLC/Quicken Loans Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 3.875%, 3/1/2031	1,431,983
800,000	Rocket Mortgage Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 2.875%, 10/15/2026	716,852
450,000	Rocket Mortgage Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 4.000%, 10/15/2033	357,739
2,325,000	United Shore Financial Services, Sr. Unsecd. Note, 144A, 5.500%, 11/15/2025	2,203,123
1,300,000	United Wholesale Mortgage LLC, Sr. Unsecd. Note, 144A, 5.500%, 4/15/2029	1,087,275
550,000	United Wholesale Mortgage LLC, Sr. Unsecd. Note, 144A, 5.750%, 6/15/2027	490,018
	TOTAL	9,941,982
	<b>Food &amp; Beverage—1.7%</b>	
1,875,000	Aramark Services, Inc., Sr. Unsecd. Note, 144A, 6.375%, 5/1/2025	1,890,487
1,150,000	Bellring Brands, Inc., Sr. Unsecd. Note, 144A, 7.000%, 3/15/2030	1,165,951
925,000	Performance Food Group, Inc., Sr. Unsecd. Note, 144A, 4.250%, 8/1/2029	831,628
75,000	Performance Food Group, Inc., Sr. Unsecd. Note, 144A, 5.500%, 10/15/2027	73,389
1,700,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2028	1,667,581
735,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 5.750%, 3/1/2027	718,138
200,000	US Foods, Inc., Sec. Fac. Bond, 144A, 6.250%, 4/15/2025	202,008
400,000	US Foods, Inc., Sr. Unsecd. Note, 144A, 4.625%, 6/1/2030	361,215
1,250,000	US Foods, Inc., Sr. Unsecd. Note, 144A, 4.750%, 2/15/2029	1,156,206
	TOTAL	8,066,603

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Gaming—4.2%</b>		
\$ 1,675,000	Affinity Gaming LLC, 144A, 6.875%, 12/15/2027	\$ 1,495,640
1,150,000	Boyd Gaming Corp., Sr. Unsecd. Note, 4.750%, 12/1/2027	1,104,000
475,000	Boyd Gaming Corp., Sr. Unsecd. Note, 144A, 4.750%, 6/15/2031	431,823
375,000	Caesars Entertainment Corp., Sec. Fac. Bond, 144A, 7.000%, 2/15/2030	381,906
500,000	Caesars Entertainment Corp., Sr. Unsecd. Note, 144A, 4.625%, 10/15/2029	437,768
200,000	CCM Merger, Inc., Sr. Unsecd. Note, 144A, 6.375%, 5/1/2026	195,502
1,300,000	Colt Merger Sub, Inc., Sr. Secd. Note, 144A, 5.750%, 7/1/2025	1,301,467
1,175,000	Colt Merger Sub, Inc., Sr. Secd. Note, 144A, 6.250%, 7/1/2025	1,176,154
1,325,000	Colt Merger Sub, Inc., Sr. Unsecd. Note, 144A, 8.125%, 7/1/2027	1,352,692
950,000	MGM Resorts International, Sr. Unsecd. Note, 6.750%, 5/1/2025	958,351
850,000	Midwest Gaming Borrower LLC, 144A, 4.875%, 5/1/2029	739,907
2,025,000	Mohegan Tribal Gaming Authority, 144A, 8.000%, 2/1/2026	1,854,849
450,000	Penn National Gaming, Inc., Sr. Unsecd. Note, 144A, 4.125%, 7/1/2029	375,685
200,000	Penn National Gaming, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2027	188,027
550,000	Raptor Acquisition Corp./Raptor Co-Issuer LLC, Sec. Fac. Bond, 144A, 4.875%, 11/1/2026	512,119
1,100,000	Scientific Games Holdings Corp., Sr. Unsecd. Note, 144A, 6.625%, 3/1/2030	973,097
1,075,000	Scientific Games International, Inc., 144A, 8.625%, 7/1/2025	1,101,563
1,125,000	Scientific Games International, Inc., Sr. Unsecd. Note, 144A, 7.250%, 11/15/2029	1,128,195
1,675,000	Station Casinos, Inc., Sr. Unsecd. Note, 144A, 4.500%, 2/15/2028	1,513,656
800,000	Station Casinos, Inc., Sr. Unsecd. Note, 144A, 4.625%, 12/1/2031	676,372
100,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 3.500%, 2/15/2025	94,896
350,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 3.875%, 2/15/2029	311,551
650,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 4.250%, 12/1/2026	607,072
500,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 4.625%, 12/1/2029	455,617
225,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 4.625%, 6/15/2025	217,822
100,000	VICI Properties LP/ VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 5.625%, 5/1/2024	99,250
	<b>TOTAL</b>	<b>19,684,981</b>
<b>Health Care—5.9%</b>		
975,000	AdaptHealth LLC, Sr. Unsecd. Note, 144A, 4.625%, 8/1/2029	812,798
1,150,000	AdaptHealth LLC, Sr. Unsecd. Note, 144A, 5.125%, 3/1/2030	976,718
775,000	Ardent Health Services, Sr. Unsecd. Note, 144A, 5.750%, 7/15/2029	653,011
1,975,000	Avantor Funding, Inc., Sec. Fac. Bond, 144A, 4.625%, 7/15/2028	1,873,110

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Health Care—continued</b>	
\$ 1,025,000	Avantor Funding, Inc., Sr. Unsec'd. Note, 144A, 3.875%, 11/1/2029	\$ 918,318
850,000	CHS/Community Health Systems, Inc., 144A, 6.125%, 4/1/2030	513,001
300,000	CHS/Community Health Systems, Inc., 1st Lien, 144A, 8.000%, 12/15/2027	290,940
2,100,000	CHS/Community Health Systems, Inc., 2nd Lien, 144A, 6.875%, 4/15/2029	1,302,630
525,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 5.625%, 3/15/2027	461,444
175,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 6.000%, 1/15/2029	148,206
825,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 8.000%, 3/15/2026	798,187
525,000	CHS/Community Health Systems, Inc., Sr. Note, 144A, 5.250%, 5/15/2030	412,309
400,000	Embecka Corp., Sec. Fac. Bond, 144A, 5.000%, 2/15/2030	344,516
675,000	Embecka Corp., Sr. Note, 144A, 6.750%, 2/15/2030	615,073
250,000	Garden Spinco Corp., Sr. Unsec'd. Note, 144A, 8.625%, 7/20/2030	267,374
1,450,000	Global Medical Response, Inc., Sec. Fac. Bond, 144A, 6.500%, 10/1/2025	1,060,537
975,000	HCA, Inc., Sr. Unsec'd. Note, 5.375%, 2/1/2025	976,037
550,000	IMS Health, Inc., Sr. Unsec'd. Note, 144A, 5.000%, 10/15/2026	538,203
600,000	Iqvia, Inc., Sr. Unsec'd. Note, 144A, 5.000%, 5/15/2027	590,184
675,000	LifePoint Health, Inc., 144A, 6.750%, 4/15/2025	641,250
300,000	LifePoint Health, Inc., Sec. Fac. Bond, 144A, 4.375%, 2/15/2027	245,650
625,000	LifePoint Health, Inc., Sr. Unsec'd. Note, 144A, 5.375%, 1/15/2029	382,813
1,000,000	LifePoint Health, Inc., Sr. Unsec'd. Note, 144A, 9.750%, 12/1/2026	809,787
625,000	MEDNAX, Inc., Sr. Unsec'd. Note, 144A, 5.375%, 2/15/2030	566,462
1,275,000	Mozart Debt Merger Sub, Inc., Sec. Fac. Bond, 144A, 3.875%, 4/1/2029	1,107,541
4,325,000	Mozart Debt Merger Sub, Inc., Sr. Unsec'd. Note, 144A, 5.250%, 10/1/2029	3,756,554
575,000	MPH Acquisition Holdings LLC, Sr. Note, 144A, 5.500%, 9/1/2028	457,671
750,000	MPH Acquisition Holdings LLC, Sr. Unsec'd. Note, 144A, 5.750%, 11/1/2028	540,310
375,000	Teleflex, Inc., Sr. Unsec'd. Note, 4.625%, 11/15/2027	366,690
750,000	Tenet Healthcare Corp., 144A, 4.250%, 6/1/2029	679,207
775,000	Tenet Healthcare Corp., 144A, 4.875%, 1/1/2026	760,628
400,000	Tenet Healthcare Corp., 144A, 5.125%, 11/1/2027	384,400
225,000	Tenet Healthcare Corp., 144A, 6.125%, 6/15/2030	222,165
463,000	Tenet Healthcare Corp., Sr. Sec'd. Note, 4.625%, 7/15/2024	457,199
2,200,000	Tenet Healthcare Corp., Sr. Unsec'd. Note, 6.125%, 10/1/2028	2,110,559
100,000	Tenet Healthcare Corp., Term Loan - 1st Lien, 4.625%, 6/15/2028	92,359
750,000	Tenet Healthcare Corp., Term Loan - 2nd Lien, 144A, 6.250%, 2/1/2027	738,375
	<b>TOTAL</b>	<b>27,872,216</b>

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Health Insurance—0.5%</b>	
\$ 475,000	Centene Corp., Sr. Unsecd. Note, Series WI, 4.250%, 12/15/2027	\$ 458,119
1,800,000	Centene Corp., Sr. Unsecd. Note, Series WI, 4.625%, 12/15/2029	1,694,052
	TOTAL	2,152,171
	<b>Independent Energy—4.2%</b>	
175,000	Antero Resources Corp., Sr. Unsecd. Note, 144A, 5.375%, 3/1/2030	162,991
49,000	Antero Resources Corp., Sr. Unsecd. Note, 144A, 7.625%, 2/1/2029	50,151
575,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 5.875%, 6/30/2029	508,010
600,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 7.000%, 11/1/2026	580,548
350,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 8.250%, 12/31/2028	338,954
300,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 9.000%, 11/1/2027	365,077
625,000	Berry Petroleum Co., Sr. Unsecd. Note, 144A, 7.000%, 2/15/2026	586,934
125,000	Callon Petroleum Corp., Sr. Unsecd. Note, 144A, 7.500%, 6/15/2030	117,621
250,000	Callon Petroleum Corp., Sr. Unsecd. Note, Series WI, 6.375%, 7/1/2026	237,806
625,000	Carrizo Oil & Gas, Inc., Sr. Unsecd. Note, 8.250%, 7/15/2025	623,052
625,000	<sup>1,3</sup> Chesapeake Energy Corp., Sr. Unsecd. Note, 7.000%, 10/1/2024	10,938
175,000	Chesapeake Energy Corp., Sr. Unsecd. Note, 144A, 5.875%, 2/1/2029	166,788
250,000	Chord Energy Corp., Sr. Unsecd. Note, 144A, 6.375%, 6/1/2026	247,921
150,000	Comstock Resources, Inc., Sr. Unsecd. Note, 144A, 5.875%, 1/15/2030	129,010
1,875,000	Comstock Resources, Inc., Sr. Unsecd. Note, 144A, 6.750%, 3/1/2029	1,717,387
250,000	Crownrock LP/ Crownrock F, Sr. Unsecd. Note, 144A, 5.000%, 5/1/2029	233,200
2,150,000	Crownrock LP/ Crownrock F, Sr. Unsecd. Note, 144A, 5.625%, 10/15/2025	2,109,792
425,000	Endeavor Energy Resources LP, Sr. Unsecd. Note, 144A, 5.750%, 1/30/2028	422,233
725,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 5.875%, 9/1/2025	731,338
675,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 6.450%, 9/15/2036	710,438
975,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 6.625%, 9/1/2030	1,027,733
1,400,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 8.875%, 7/15/2030	1,629,698
850,000	PDC Energy, Inc., Sr. Unsecd. Note, Series WI, 5.750%, 5/15/2026	828,601
250,000	Permian Resources Operating LLC, Sr. Unsecd. Note, 144A, 5.375%, 1/15/2026	237,234
1,250,000	Permian Resources Operating LLC, Sr. Unsecd. Note, 144A, 6.875%, 4/1/2027	1,224,413
275,000	Range Resources Corp., Sr. Unsecd. Note, 4.875%, 5/15/2025	269,910
375,000	Range Resources Corp., Sr. Unsecd. Note, 144A, 4.750%, 2/15/2030	342,315
650,000	Range Resources Corp., Sr. Unsecd. Note, 8.250%, 1/15/2029	685,718
525,000	Rockcliff Energy II LLC, Sr. Unsecd. Note, 144A, 5.500%, 10/15/2029	465,817
250,000	SM Energy Co., Sr. Unsecd. Note, 5.625%, 6/1/2025	242,675



Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Independent Energy—continued</b>	
\$ 50,000	SM Energy Co., Sr. Unsecd. Note, 6.625%, 1/15/2027	\$ 48,081
750,000	SM Energy Co., Sr. Unsecd. Note, 6.750%, 9/15/2026	736,185
425,000	Southwestern Energy Co., Sr. Unsecd. Note, 4.750%, 2/1/2032	375,891
225,000	Southwestern Energy Co., Sr. Unsecd. Note, 5.375%, 3/15/2030	211,797
450,000	Southwestern Energy Co., Sr. Unsecd. Note, 8.375%, 9/15/2028	473,522
1,100,000	Tap Rock Resources LLC., Sr. Unsecd. Note, 144A, 7.000%, 10/1/2026	964,665
	<b>TOTAL</b>	<b>19,814,444</b>
	<b>Industrial - Other—1.4%</b>	
200,000	Madison laq LLC, Sec. Fac. Bond, 144A, 4.125%, 6/30/2028	173,223
3,475,000	Madison laq LLC, Sr. Unsecd. Note, 144A, 5.875%, 6/30/2029	2,687,878
1,875,000	Redwood Star Merger Sub, Sr. Unsecd. Note, 144A, 8.750%, 4/1/2030	1,620,225
800,000	Vertical Holdco GmbH, Sr. Unsecd. Note, 144A, 7.625%, 7/15/2028	692,111
1,775,000	Vertical U.S. Newco, Inc., Sr. Unsecd. Note, 144A, 5.250%, 7/15/2027	1,678,094
	<b>TOTAL</b>	<b>6,851,531</b>
	<b>Insurance - P&amp;C—6.6%</b>	
2,000,000	AmWINS Group, Inc., Sr. Unsecd. Note, 144A, 4.875%, 6/30/2029	1,772,630
2,008,118	Ardonagh Midco 2 PLC, Sr. Unsecd. Note, 144A, 11.500% / 12.750% PIK, 1/15/2027	1,837,428
1,150,000	AssuredPartners, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2029	995,135
2,550,000	AssuredPartners, Inc., Sr. Unsecd. Note, 144A, 7.000%, 8/15/2025	2,483,572
4,150,000	Broadstreet Partners, Inc., Sr. Unsecd. Note, 144A, 5.875%, 4/15/2029	3,514,384
950,000	GTCR AP Finance, Inc., Sr. Unsecd. Note, 144A, 8.000%, 5/15/2027	907,748
2,075,000	Hub International Ltd., Sr. Unsecd. Note, 144A, 5.625%, 12/1/2029	1,810,437
6,800,000	Hub International Ltd., Sr. Unsecd. Note, 144A, 7.000%, 5/1/2026	6,689,688
900,000	Jones Deslauriers Insurance Management, Inc., Sec. Fac. Bond, 144A, 8.500%, 3/15/2030	933,746
1,200,000	Jones Deslauriers Insurance Management, Inc., Sr. Unsecd. Note, 144A, 10.500%, 12/15/2030	1,210,155
600,000	NFP Corp., Sec. Fac. Bond, 144A, 7.500%, 10/1/2030	580,371
5,325,000	NFP Corp., Sr. Unsecd. Note, 144A, 6.875%, 8/15/2028	4,574,548
325,000	Ryan Specialty Group, Sec. Fac. Bond, 144A, 4.375%, 2/1/2030	284,579
3,650,000	USIS Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 6.875%, 5/1/2025	3,599,046
	<b>TOTAL</b>	<b>31,193,467</b>
	<b>Leisure—0.4%</b>	
1,975,000	SeaWorld Parks & Entertainment, Inc., Sr. Unsecd. Note, 144A, 5.250%, 8/15/2029	1,784,867
	<b>Lodging—0.4%</b>	
800,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 3.625%, 2/15/2032	675,720
300,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 3.750%, 5/1/2029	268,797

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Lodging—continued</b>	
\$ 75,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 5.375%, 5/1/2025	\$ 75,047
325,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 5.750%, 5/1/2028	325,293
625,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, Series WI, 4.875%, 1/15/2030	599,259
	TOTAL	1,944,116
	<b>Media Entertainment—6.7%</b>	
1,550,000	Audacy Capital Corp., 144A, 6.500%, 5/1/2027	113,419
1,575,000	Audacy Capital Corp., 144A, 6.750%, 3/31/2029	113,203
975,000	Cumulus Media News Holdings, Inc., 144A, 6.750%, 7/1/2026	742,180
525,000	<sup>1,3</sup> Diamond Sports Group LLC/Diamond Sports Finance Co., 144A, 5.375%, 8/15/2026	29,531
1,450,000	<sup>1,3</sup> Diamond Sports Group LLC/Diamond Sports Finance Co., Sec. Fac. Bond, 144A, 6.625%, 8/15/2027	19,938
1,275,000	Gray Escrow II, Inc., Sr. Unsecd. Note, 144A, 5.375%, 11/15/2031	848,047
150,000	Gray Escrow, Inc., Sr. Unsecd. Note, 144A, 7.000%, 5/15/2027	125,727
175,000	Gray Television, Inc., Sr. Unsecd. Note, 144A, 4.750%, 10/15/2030	116,375
2,325,000	Gray Television, Inc., Sr. Unsecd. Note, 144A, 5.875%, 7/15/2026	2,013,589
369,700	iHeartCommunications, Inc., 6.375%, 5/1/2026	326,606
625,000	iHeartCommunications, Inc., 144A, 5.250%, 8/15/2027	511,537
3,687,269	iHeartCommunications, Inc., Sr. Unsecd. Note, 8.375%, 5/1/2027	2,685,862
475,000	Lamar Media Corp., Sr. Unsecd. Note, 4.875%, 1/15/2029	447,448
350,000	Lamar Media Corp., Sr. Unsecd. Note, Series WI, 3.625%, 1/15/2031	301,315
1,525,000	Match Group, Inc., Sr. Unsecd. Note, 144A, 4.125%, 8/1/2030	1,315,061
250,000	Match Group, Inc., Sr. Unsecd. Note, 144A, 4.625%, 6/1/2028	232,500
1,350,000	Match Group, Inc., Sr. Unsecd. Note, 144A, 5.000%, 12/15/2027	1,280,023
3,625,000	Midas Opco Holdings LLC, Sr. Unsecd. Note, 144A, 5.625%, 8/15/2029	3,182,739
1,100,000	Nexstar Broadcasting, Inc., Sr. Unsecd. Note, 144A, 4.750%, 11/1/2028	979,594
2,250,000	Nexstar Escrow Corp., Sr. Unsecd. Note, 144A, 5.625%, 7/15/2027	2,081,555
900,000	Outfront Media Capital LLC/Outfront Media Capital Corp., Sr. Unsecd. Note, 144A, 4.250%, 1/15/2029	748,012
300,000	Outfront Media Capital LLC/Outfront Media Capital Corp., Sr. Unsecd. Note, 144A, 4.625%, 3/15/2030	250,555
1,075,000	ROBLOX Corp., Sr. Unsecd. Note, 144A, 3.875%, 5/1/2030	922,861
375,000	Scripps Escrow II, Inc., Sr. Unsecd. Note, 144A, 3.875%, 1/15/2029	294,727
575,000	Scripps Escrow II, Inc., Sr. Unsecd. Note, 144A, 5.375%, 1/15/2031	396,049
975,000	Scripps Escrow II, Inc., Sr. Unsecd. Note, 144A, 5.875%, 7/15/2027	719,062
150,000	Sinclair Television Group, Sec. Fac. Bond, 144A, 4.125%, 12/1/2030	121,118
400,000	Sinclair Television Group, Sr. Unsecd. Note, 144A, 5.125%, 2/15/2027	350,454
2,450,000	Sinclair Television Group, Sr. Unsecd. Note, 144A, 5.500%, 3/1/2030	1,951,229

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Media Entertainment—continued</b>	
\$ 1,375,000	Tegna, Inc., Sr. Unsecd. Note, 144A, 4.625%, 3/15/2028	\$ 1,204,844
1,675,000	Tegna, Inc., Sr. Unsecd. Note, 144A, 5.000%, 9/15/2029	1,449,763
3,675,000	Terrier Media Buyer, Inc., Sr. Unsecd. Note, 144A, 8.875%, 12/15/2027	2,781,938
800,000	Univision Communications, Inc., Sec. Fac. Bond, 144A, 4.500%, 5/1/2029	672,932
575,000	Univision Communications, Inc., Sec. Fac. Bond, 144A, 7.375%, 6/30/2030	544,145
1,600,000	Urban One, Inc., Sec. Fac. Bond, 144A, 7.375%, 2/1/2028	1,455,040
400,000	WMG Acquisition Corp., Sec. Fac. Bond, 144A, 3.750%, 12/1/2029	354,788
	<b>TOTAL</b>	<b>31,683,766</b>
	<b>Metals &amp; Mining—0.5%</b>	
1,200,000	Cleveland-Cliffs, Inc., Sr. Unsecd. Note, 144A, 4.625%, 3/1/2029	1,102,328
1,225,000	Coeur Mining, Inc., Sr. Unsecd. Note, 144A, 5.125%, 2/15/2029	1,039,762
	<b>TOTAL</b>	<b>2,142,090</b>
	<b>Midstream—6.7%</b>	
150,000	AmeriGas Partners LP, Sr. Unsecd. Note, 5.500%, 5/20/2025	144,055
625,000	AmeriGas Partners LP, Sr. Unsecd. Note, 5.750%, 5/20/2027	589,025
2,075,000	AmeriGas Partners LP, Sr. Unsecd. Note, 5.875%, 8/20/2026	1,987,591
1,125,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.375%, 6/15/2029	1,060,099
1,175,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.750%, 3/1/2027	1,149,502
2,475,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.750%, 1/15/2028	2,379,180
550,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 7.875%, 5/15/2026	560,574
1,600,000	Cheniere Energy Partners LP, Sr. Unsecd. Note, 4.000%, 3/1/2031	1,425,568
250,000	Cheniere Energy Partners LP, Sr. Unsecd. Note, Series WI, 4.500%, 10/1/2029	232,486
850,000	Cheniere Energy, Inc., Sec. Fac. Bond, Series WI, 4.625%, 10/15/2028	808,724
1,100,000	CNX Midstream Partners LP, Sr. Unsecd. Note, 144A, 4.750%, 4/15/2030	947,430
475,000	Crestwood Midstream Partners LP, Sr. Unsecd. Note, 144A, 7.375%, 2/1/2031	475,458
1,125,000	DT Midstream, Inc., Sr. Unsecd. Note, 144A, 4.375%, 6/15/2031	981,652
575,000	EQM Midstream Partners LP, Sr. Unsecd. Note, 144A, 4.500%, 1/15/2029	489,495
1,375,000	EQM Midstream Partners LP, Sr. Unsecd. Note, 144A, 4.750%, 1/15/2031	1,143,161
1,575,000	EQM Midstream Partners LP, Sr. Unsecd. Note, 144A, 6.500%, 7/1/2027	1,528,270
1,225,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 5.500%, 7/15/2028	1,114,211
1,225,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 6.500%, 7/15/2048	947,985
248,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 144A, 6.000%, 7/1/2025	245,475
175,000	Hess Midstream Operations LP, Sr. Unsecd. Note, 144A, 5.500%, 10/15/2030	162,987
400,000	Hess Midstream Operations LP, Sr. Unsecd. Note, 144A, 4.250%, 2/15/2030	357,718

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Midstream—continued</b>		
\$ 1,075,000	Hess Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.125%, 6/15/2028	\$ 1,021,639
750,000	Holly Energy Partners LP, Sr. Unsecd. Note, 144A, 5.000%, 2/1/2028	701,150
475,000	Holly Energy Partners LP, Sr. Unsecd. Note, 144A, 6.375%, 4/15/2027	470,231
750,000	NuStar Logistics LP, Sr. Unsecd. Note, 5.625%, 4/28/2027	711,113
1,050,000	Oasis Midstream Partners, Sr. Unsecd. Note, 144A, 8.000%, 4/1/2029	1,071,945
2,000,000	Suburban Propane Partners LP, Sr. Unsecd. Note, 5.875%, 3/1/2027	1,942,721
300,000	Suburban Propane Partners LP, Sr. Unsecd. Note, 144A, 5.000%, 6/1/2031	262,493
1,125,000	Summit Midstream Holdings LLC, Sr. Unsecd. Note, 5.750%, 4/15/2025	938,068
1,225,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 5.000%, 1/15/2028	1,185,641
400,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 6.500%, 7/15/2027	408,190
925,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 144A, 5.500%, 3/1/2030	904,854
675,000	TransMontaigne Partners LP/TLP Finance Corp., Sr. Unsecd. Note, 6.125%, 2/15/2026	581,756
625,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.500%, 3/1/2028	591,866
350,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.650%, 7/1/2026	338,625
1,725,000	Western Gas Partners LP, Sr. Unsecd. Note, 5.300%, 3/1/2048	1,464,266
225,000	Western Midstream Operating LP, Sr. Unsecd. Note, 4.300%, 2/1/2030	205,031
	<b>TOTAL</b>	<b>31,530,235</b>
<b>Oil Field Services—2.0%</b>		
1,500,000	Archrock Partners LP/Archrock Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.250%, 4/1/2028	1,441,440
2,300,000	Archrock Partners LP/Archrock Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.875%, 4/1/2027	2,259,117
825,000	Nabors Industries Ltd., Sr. Unsecd. Note, 144A, 7.250%, 1/15/2026	787,656
650,000	Nabors Industries Ltd., Sr. Unsecd. Note, 144A, 7.500%, 1/15/2028	600,471
425,000	Precision Drilling Corp., Sr. Unsecd. Note, 144A, 6.875%, 1/15/2029	386,070
925,000	Precision Drilling Corp., Sr. Unsecd. Note, 144A, 7.125%, 1/15/2026	904,243
75,000	Transocean Titan Financial Ltd., 144A, 8.375%, 2/1/2028	77,252
1,625,000	USA Compression Partners LP, Sr. Unsecd. Note, 6.875%, 9/1/2027	1,554,402
1,600,000	USA Compression Partners LP, Sr. Unsecd. Note, Series WI, 6.875%, 4/1/2026	1,556,691
	<b>TOTAL</b>	<b>9,567,342</b>
<b>Packaging—5.5%</b>		
2,435,107	ARD Finance SA, Sec. Fac. Bond, 144A, 6.500%, 6/30/2027	1,865,779
1,450,000	Ardagh Metal Packaging, Sr. Unsecd. Note, 144A, 4.000%, 9/1/2029	1,136,010
2,225,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sec. Fac. Bond, 144A, 5.250%, 8/15/2027	1,756,437

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Packaging—continued</b>		
\$ 2,050,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sr. Unsecd. Note, 144A, 5.250%, 8/15/2027	\$ 1,618,290
1,200,000	Ball Corp., Sr. Unsecd. Note, 2.875%, 8/15/2030	1,000,800
350,000	Ball Corp., Sr. Unsecd. Note, 6.875%, 3/15/2028	362,607
575,000	Berry Global Escrow Corp., 144A, 5.625%, 7/15/2027	571,723
1,150,000	Bway Holding Co., 144A, 7.875%, 8/15/2026	1,151,041
1,500,000	Bway Holding Co., 144A, 9.250%, 4/15/2027	1,387,500
4,875,000	Clydesdale Acquisition Holdings, Inc., Sr. Unsecd. Note, 144A, 8.750%, 4/15/2030	4,435,908
1,075,000	Crown Americas LLC/Crown Americas Capital Corp. VI, Sr. Unsecd. Note, 4.750%, 2/1/2026	1,047,980
325,000	OI European Group BV, Sr. Unsecd. Note, 144A, 4.750%, 2/15/2030	297,791
1,050,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 5.375%, 1/15/2025	1,034,513
309,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 5.875%, 8/15/2023	308,824
1,100,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 6.375%, 8/15/2025	1,101,570
225,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 6.625%, 5/13/2027	225,495
225,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 5.000%, 4/15/2029	211,712
300,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 5.500%, 9/15/2025	296,717
325,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 6.125%, 2/1/2028	328,965
1,725,000	Trident Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 6.625%, 11/1/2025	1,597,221
1,050,000	Trident Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 9.250%, 8/1/2024	1,041,426
425,000	Trivium Packaging Finance BV, Sec. Fac. Bond, 144A, 5.500%, 8/15/2026	407,664
2,950,000	Trivium Packaging Finance BV, Sr. Unsecd. Note, 144A, 8.500%, 8/15/2027	2,687,332
	TOTAL	25,873,305
<b>Paper—0.4%</b>		
1,275,000	Clearwater Paper Corp., Sr. Unsecd. Note, 144A, 5.375%, 2/1/2025	1,242,002
275,000	Graphic Packaging International LLC, Sr. Unsecd. Note, 144A, 3.500%, 3/1/2029	238,474
150,000	Graphic Packaging International LLC, Sr. Unsecd. Note, 144A, 3.750%, 2/1/2030	130,327
400,000	Graphic Packaging International LLC, Sr. Unsecd. Note, 144A, 4.750%, 7/15/2027	381,752
	TOTAL	1,992,555
<b>Pharmaceuticals—1.7%</b>		
425,000	Bausch Health Cos., Inc., Sec. Fac. Bond, 144A, 5.750%, 8/15/2027	265,132
275,000	Bausch Health Cos., Inc., Sec. Fac. Bond, 144A, 6.125%, 2/1/2027	178,260

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Pharmaceuticals—continued</b>		
\$ 1,125,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 5.000%, 1/30/2028	\$ 428,940
1,075,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/15/2029	422,255
175,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 5.250%, 1/30/2030	65,516
800,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 5.250%, 2/15/2031	310,000
975,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 6.250%, 2/15/2029	390,380
1,575,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 7.250%, 5/30/2029	604,618
925,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 8.500%, 1/31/2027	423,821
500,000	Catalent Pharma Solutions, Inc., Sr. Unsecd. Note, 144A, 3.500%, 4/1/2030	439,865
1,775,000	Grifols Escrow Issuer SA, Sr. Unsecd. Note, 144A, 4.750%, 10/15/2028	1,457,293
950,000	Jazz Securities Designated Activity Co., Sec. Fac. Bond, 144A, 4.375%, 1/15/2029	874,855
251,248	Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Sr. Unsecd. Note, 144A, 10.000%, 6/15/2029	138,531
350,000	Organon Finance 1 LLC, Sec. Fac. Bond, 144A, 4.125%, 4/30/2028	320,253
1,425,000	Organon Finance 1 LLC, Sr. Unsecd. Note, 144A, 5.125%, 4/30/2031	1,266,223
800,000	Syneos Health, Inc., Sr. Unsecd. Note, 144A, 3.625%, 1/15/2029	658,398
	<b>TOTAL</b>	<b>8,244,340</b>
<b>Restaurant—1.7%</b>		
925,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., 144A, 4.375%, 1/15/2028	854,848
375,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., 1st Lien, 144A, 3.500%, 2/15/2029	336,109
5,025,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., 2nd Lien, 144A, 4.000%, 10/15/2030	4,313,460
275,000	Yum! Brands, Inc., Sr. Unsecd. Note, 3.625%, 3/15/2031	241,698
1,825,000	Yum! Brands, Inc., Sr. Unsecd. Note, 4.625%, 1/31/2032	1,698,892
250,000	Yum! Brands, Inc., Sr. Unsecd. Note, 5.375%, 4/1/2032	242,232
350,000	Yum! Brands, Inc., Sr. Unsecd. Note, 144A, 4.750%, 1/15/2030	334,756
	<b>TOTAL</b>	<b>8,021,995</b>
<b>Retailers—0.5%</b>		
925,000	Academy Ltd., Sec. Fac. Bond, 144A, 6.000%, 11/15/2027	903,371
375,000	Asbury Automotive Group, Inc., Sr. Unsecd. Note, 144A, 4.625%, 11/15/2029	336,135
375,000	Asbury Automotive Group, Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/15/2032	329,025
250,000	Gap (The), Inc., Sr. Unsecd. Note, 144A, 3.625%, 10/1/2029	178,550
375,000	Gap (The), Inc., Sr. Unsecd. Note, 144A, 3.875%, 10/1/2031	260,539
350,000	Kontoor Brands, Inc., Sr. Unsecd. Note, 144A, 4.125%, 11/15/2029	300,857
	<b>TOTAL</b>	<b>2,308,477</b>

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Supermarkets—0.8%</b>		
\$ 525,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 3.250%, 3/15/2026	\$ 494,534
2,075,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 3.500%, 3/15/2029	1,807,396
575,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 5.875%, 2/15/2028	572,067
400,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 6.500%, 2/15/2028	401,422
300,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 7.500%, 3/15/2026	308,088
	<b>TOTAL</b>	<b>3,583,507</b>
<b>Technology—9.2%</b>		
825,000	AMS AG, Sr. Unsecd. Note, 144A, 7.000%, 7/31/2025	774,770
1,000,000	Black Knight InfoServ LLC, Sr. Unsecd. Note, 144A, 3.625%, 9/1/2028	911,250
1,125,000	Boxer Parent Co., Inc., 144A, 9.125%, 3/1/2026	1,095,019
1,500,000	Cars.com, Inc., Sr. Unsecd. Note, 144A, 6.375%, 11/1/2028	1,419,060
300,000	CDW LLC/ CDW Finance, Sr. Unsecd. Note, 3.250%, 2/15/2029	264,213
1,000,000	Centerfield Media Parent, Sr. Note, 144A, 6.625%, 8/1/2026	651,260
1,275,000	Central Parent, Inc./Central Merger Sub, Inc., 144A, 7.250%, 6/15/2029	1,254,318
250,000	Ciena Corp., Sr. Unsecd. Note, 144A, 4.000%, 1/31/2030	217,725
1,700,000	Clarivate Science Holdings Corp., Sr. Unsecd. Note, 144A, 4.875%, 7/1/2029	1,539,086
1,400,000	Coherent Corp., Sr. Unsecd. Note, 144A, 5.000%, 12/15/2029	1,272,250
575,000	Consensus Cloud Solutions, Inc., Sr. Unsecd. Note, 144A, 6.000%, 10/15/2026	500,056
1,150,000	Consensus Cloud Solutions, Inc., Sr. Unsecd. Note, 144A, 6.500%, 10/15/2028	954,729
625,000	Dun & Bradstreet Corp., Sr. Unsecd. Note, 144A, 5.000%, 12/15/2029	541,866
1,575,000	Elastic N.V., Sr. Unsecd. Note, 144A, 4.125%, 7/15/2029	1,346,341
400,000	Entegris Escrow Corp., Sr. Unsecd. Note, 144A, 5.950%, 6/15/2030	388,096
500,000	Fair Isaac & Co., Inc., Sr. Unsecd. Note, 144A, 4.000%, 6/15/2028	464,207
400,000	Gartner, Inc., Sr. Unsecd. Note, 144A, 3.750%, 10/1/2030	359,408
175,000	Gartner, Inc., Sr. Unsecd. Note, 144A, 4.500%, 7/1/2028	166,279
1,550,000	HealthEquity, Inc., Sr. Unsecd. Note, 144A, 4.500%, 10/1/2029	1,379,064
1,425,000	Helios Software Holdings, Sec. Fac. Bond, 144A, 4.625%, 5/1/2028	1,159,234
2,175,000	Logan Merger Sub, Inc., Sr. Secd. Note, 144A, 5.500%, 9/1/2027	1,115,666
4,225,000	McAfee Corp., Sr. Unsecd. Note, 144A, 7.375%, 2/15/2030	3,546,441
4,250,000	Minerva Merger Sub, Inc., Sr. Unsecd. Note, 144A, 6.500%, 2/15/2030	3,449,978
1,050,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.000%, 10/1/2028	924,000
1,225,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.125%, 4/15/2029	1,061,155
1,375,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.250%, 10/1/2030	1,123,760
175,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.750%, 9/1/2027	172,164
300,000	NCR Corp., Sr. Unsecd. Note, 144A, 6.125%, 9/1/2029	296,181
550,000	Open Text Corp., 144A, 6.900%, 12/1/2027	567,875
475,000	Open Text Corp., Sr. Unsecd. Note, 144A, 3.875%, 2/15/2028	424,531

Principal Amount or Shares		Value
CORPORATE BONDS—continued		
<b>Technology—continued</b>		
\$ 250,000	Open Text Holdings, Inc./ Open Text Corp., Sr. Unsecd. Note, 144A, 3.875%, 12/1/2029	\$ 210,724
550,000	Open Text Holdings, Inc. / Open Text Corp., Sr. Unsecd. Note, 144A, 4.125%, 12/1/2031	454,292
1,725,000	Picard Midco, Inc., Sec. Fac. Bond, 144A, 6.500%, 3/31/2029	1,527,520
1,425,000	Rackspace Technology, Inc., 144A, 3.500%, 2/15/2028	742,824
1,975,000	Rackspace Technology, Inc., Sr. Unsecd. Note, 144A, 5.375%, 12/1/2028	757,338
2,425,000	Rocket Software, Inc., Sr. Unsecd. Note, 144A, 6.500%, 2/15/2029	1,912,190
1,624,500	Seagate HDD Cayman, Sr. Unsecd. Note, 144A, 9.625%, 12/1/2032	1,822,197
350,000	Sensata Technologies B.V., Sr. Unsecd. Note, 144A, 4.375%, 2/15/2030	319,319
625,000	Sensata Technologies B.V., Sr. Unsecd. Note, 144A, 5.875%, 9/1/2030	620,094
125,000	Sensata Technologies, Inc., Sr. Unsecd. Note, 144A, 3.750%, 2/15/2031	109,487
2,650,000	SS&C Technologies, Inc., Sr. Unsecd. Note, 144A, 5.500%, 9/30/2027	2,574,272
450,000	Synaptics, Inc., Sr. Unsecd. Note, 144A, 4.000%, 6/15/2029	388,206
750,000	TTM Technologies, Inc., Sr. Unsecd. Note, 144A, 4.000%, 3/1/2029	653,554
1,675,000	Veritas US, Inc./Veritas Bermuda Ltd., Sr. Secd. Note, 144A, 7.500%, 9/1/2025	1,262,556
275,000	Viavi Solutions, Inc., Sr. Unsecd. Note, 144A, 3.750%, 10/1/2029	235,457
650,000	ZipRecruiter, Inc., Sr. Unsecd. Note, 144A, 5.000%, 1/15/2030	556,559
	<b>TOTAL</b>	<b>43,486,571</b>
<b>Transportation Services—0.5%</b>		
975,000	Stena International S.A., Sec. Fac. Bond, 144A, 6.125%, 2/1/2025	938,238
1,675,000	Watco Cos. LLC/Finance Co., Sr. Unsecd. Note, 144A, 6.500%, 6/15/2027	1,572,157
	<b>TOTAL</b>	<b>2,510,395</b>
<b>Utility - Electric—3.0%</b>		
800,000	Calpine Corp., 144A, 4.500%, 2/15/2028	743,055
100,000	Calpine Corp., 144A, 5.250%, 6/1/2026	97,607
800,000	Calpine Corp., Sr. Secd. Note, 144A, 3.750%, 3/1/2031	675,539
325,000	Calpine Corp., Sr. Unsecd. Note, 144A, 4.625%, 2/1/2029	281,056
350,000	Calpine Corp., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2031	296,661
1,175,000	Calpine Corp., Sr. Unsecd. Note, 144A, 5.125%, 3/15/2028	1,077,370
2,775,000	Enviva Partners LP/Enviva Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.500%, 1/15/2026	2,528,122
259,000	NRG Energy, Inc., Sr. Unsecd. Note, 6.625%, 1/15/2027	258,762
200,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 3.375%, 2/15/2029	165,825
225,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 3.625%, 2/15/2031	180,666
1,400,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 3.875%, 2/15/2032	1,121,526
750,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 5.250%, 6/15/2029	697,327
575,000	NRG Energy, Inc., Sr. Unsecd. Note, Series WI, 5.750%, 1/15/2028	564,765



Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	<b>Utility - Electric—continued</b>	
\$ 600,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 4.750%, 1/15/2030	\$ 538,959
1,725,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 5.000%, 1/31/2028	1,640,912
250,000	TransAlta Corp., Sr. Unsecd. Note, 7.750%, 11/15/2029	263,030
875,000	Vistra Operations Co. LLC, Sr. Unsecd. Note, 144A, 5.000%, 7/31/2027	828,542
700,000	Vistra Operations Co. LLC, Sr. Unsecd. Note, 144A, 5.500%, 9/1/2026	680,613
1,700,000	Vistra Operations Co. LLC, Sr. Unsecd. Note, 144A, 5.625%, 2/15/2027	1,652,102
	TOTAL	14,292,439
	<b>Wireless Communications—0.6%</b>	
475,000	Sprint Corp., Sr. Unsecd. Note, 7.125%, 6/15/2024	483,299
1,100,000	Sprint Corp., Sr. Unsecd. Note, 7.625%, 2/15/2025	1,141,652
1,300,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 2.250%, 2/15/2026	1,210,249
	TOTAL	2,835,200
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$517,425,694)	451,765,085
	COMMON STOCKS—0.4%	
	<b>Cable Satellite—0.0%</b>	
2,207	<sup>2,3</sup> Intelsat Jackson Holdings S.A.	13,794
	<b>Independent Energy—0.0%</b>	
677	<sup>2,3</sup> Ultra Resources, Inc.	0
	<b>Media Entertainment—0.0%</b>	
25,586	<sup>3</sup> iHeartMedia, Inc.	99,785
	<b>Oil Field Services—0.3%</b>	
24,152	<sup>2,3</sup> Superior Energy Services, Inc.	1,594,032
	<b>Pharmaceuticals—0.1%</b>	
27,816	<sup>3</sup> Mallinckrodt PLC	202,782
	TOTAL COMMON STOCKS (IDENTIFIED COST \$2,536,267)	1,910,393
	FLOATING RATE LOAN—0.1%	
	<b>Independent Energy—0.1%</b>	
\$ 625,000	<sup>4</sup> Ascent Resources Utica Holdings, LLC, 2020 Fixed 2nd Lien Term Loan, 13.815% (3-month LIBOR +9.000%), 11/1/2025 (IDENTIFIED COST \$625,000)	663,803

Principal Amount or Shares		Value
	INVESTMENT COMPANY—2.2%	
10,185,622	Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares, 4.82% <sup>5</sup> (IDENTIFIED COST \$10,186,870)	\$ 10,183,585
	TOTAL INVESTMENT IN SECURITIES—98.3% (IDENTIFIED COST \$530,773,831) <sup>6</sup>	464,522,866
	OTHER ASSETS AND LIABILITIES - NET—1.7% <sup>7</sup>	8,106,282
	TOTAL NET ASSETS—100%	\$472,629,148

Transactions with affiliated investment companies, which are funds managed by the Adviser or an affiliate of the Adviser, during the period ended March 31, 2023, were as follows:

	Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares
Value as of 3/31/2022	\$ 10,480,505
Purchases at Cost	\$ 84,654,742
Proceeds from Sales	\$(84,953,058)
Change in Unrealized Appreciation/Depreciation	\$ (504)
Net Realized Gain/(Loss)	\$ 1,900
Value as of 3/31/2023	\$ 10,183,585
Shares Held as of 3/31/2023	10,185,622
Dividend Income	\$ 329,317

1 *Issuer in default.*

2 *Market quotations and price valuations are not available. Fair value determined using significant unobservable inputs in accordance with procedures established by and under the supervision of the Fund's Adviser acting through its Valuation Committee.*

3 *Non-income-producing security.*

4 *Floating/variable note with current rate and current maturity or next reset date shown.*

5 *7-day net yield.*

6 *The cost of investments for federal tax purposes amounts to \$532,124,629.*

7 *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 March 31, 2023.

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 March 31, 2023, in valuing the Fund’s assets carried at fair value:

#### Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
<b>Debt Securities:</b>				
Corporate Bonds	\$ —	\$451,765,085	\$ 0	\$451,765,085
Floating Rate Loan	—	663,803	—	663,803
<b>Equity Securities:</b>				
Common Stocks				
Domestic	99,785	—	1,594,032	1,693,817
International	202,782	—	13,794	216,576
<b>Investment Company</b>	10,183,585	—	—	10,183,585
<b>TOTAL SECURITIES</b>	<b>\$10,486,152</b>	<b>\$452,428,888</b>	<b>\$1,607,826</b>	<b>\$464,522,866</b>

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

GMTN—Global Medium Term Note

LIBOR —London Interbank Offered Rate

PIK —Payment in Kind

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended March 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$7.19</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.38</b>	<b>\$7.39</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.35	0.33	0.34	0.38	0.39
Net realized and unrealized gain (loss)	(0.69)	(0.37)	1.07	(0.82)	(0.00) <sup>2</sup>
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.34)</b>	<b>(0.04)</b>	<b>1.41</b>	<b>(0.44)</b>	<b>0.39</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.37)	(0.35)	(0.37)	(0.40)	(0.40)
<b>Net Asset Value, End of Period</b>	<b>\$6.48</b>	<b>\$7.19</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.38</b>
<b>Total Return<sup>3</sup></b>	<b>(4.70)%</b>	<b>(0.64)%</b>	<b>21.86%</b>	<b>(6.52)%</b>	<b>5.50%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>4</sup>	0.89%	0.89%	0.89%	0.89%	0.89%
Net investment income	5.37%	4.44%	4.64%	5.14%	5.34%
Expense waiver/reimbursement <sup>5</sup>	0.13%	0.10%	0.11%	0.10%	0.10%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$324,008	\$387,138	\$419,564	\$350,673	\$418,481
Portfolio turnover <sup>6</sup>	7%	28%	37%	26%	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, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.

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 – Class C Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended March 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$7.16</b>	<b>\$7.56</b>	<b>\$6.52</b>	<b>\$7.36</b>	<b>\$7.37</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.30	0.27	0.28	0.32	0.33
Net realized and unrealized gain (loss)	(0.70)	(0.38)	1.07	(0.82)	(0.00) <sup>2</sup>
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.40)</b>	<b>(0.11)</b>	<b>1.35</b>	<b>(0.50)</b>	<b>0.33</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.31)	(0.29)	(0.31)	(0.34)	(0.34)
<b>Net Asset Value, End of Period</b>	<b>\$6.45</b>	<b>\$7.16</b>	<b>\$7.56</b>	<b>\$6.52</b>	<b>\$7.36</b>
<b>Total Return<sup>3</sup></b>	<b>(5.50)%</b>	<b>(1.58)%</b>	<b>20.95%</b>	<b>(7.30)%</b>	<b>4.66%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>4</sup>	1.72%	1.71%	1.71%	1.71%	1.71%
Net investment income	4.55%	3.62%	3.85%	4.32%	4.50%
Expense waiver/reimbursement <sup>5</sup>	0.06%	0.04%	0.05%	0.04%	0.04%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$25,044	\$34,895	\$49,852	\$51,588	\$67,721
Portfolio turnover <sup>6</sup>	7%	28%	37%	26%	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, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable.

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 – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended March 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$7.18</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.37</b>	<b>\$7.39</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.37	0.35	0.36	0.40	0.41
Net realized and unrealized gain (loss)	(0.70)	(0.38)	1.06	(0.82)	(0.01)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.33)</b>	<b>(0.03)</b>	<b>1.42</b>	<b>(0.42)</b>	<b>0.40</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.38)	(0.37)	(0.38)	(0.41)	(0.42)
<b>Net Asset Value, End of Period</b>	<b>\$6.47</b>	<b>\$7.18</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.37</b>
<b>Total Return<sup>2</sup></b>	<b>(4.47)%</b>	<b>(0.52)%</b>	<b>22.17%</b>	<b>(6.15)%</b>	<b>5.62%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>3</sup>	0.64%	0.64%	0.64%	0.64%	0.64%
Net investment income	5.61%	4.69%	4.89%	5.38%	5.59%
Expense waiver/reimbursement <sup>4</sup>	0.13%	0.11%	0.11%	0.11%	0.12%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$68,360	\$99,434	\$101,547	\$74,375	\$96,041
Portfolio turnover <sup>5</sup>	7%	28%	37%	26%	19%

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

2 Based on net asset value.

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

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

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

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class R6 Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended March 31,				
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$7.18</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.38</b>	<b>\$7.39</b>
<b>Income From Investment Operations:</b>					
Net investment income (loss) <sup>1</sup>	0.37	0.35	0.36	0.40	0.41
Net realized and unrealized gain (loss)	(0.70)	(0.38)	1.06	(0.82)	(0.00) <sup>2</sup>
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>(0.33)</b>	<b>(0.03)</b>	<b>1.42</b>	<b>(0.42)</b>	<b>0.41</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.38)	(0.37)	(0.38)	(0.42)	(0.42)
<b>Net Asset Value, End of Period</b>	<b>\$6.47</b>	<b>\$7.18</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$7.38</b>
<b>Total Return<sup>3</sup></b>	<b>(4.46)%</b>	<b>(0.51)%</b>	<b>22.18%</b>	<b>(6.27)%</b>	<b>5.78%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>4</sup>	0.63%	0.63%	0.63%	0.63%	0.63%
Net investment income	5.62%	4.70%	4.88%	5.40%	5.59%
Expense waiver/reimbursement <sup>5</sup>	0.06%	0.04%	0.05%	0.04%	0.04%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$55,217	\$74,977	\$71,801	\$47,053	\$53,574
Portfolio turnover <sup>6</sup>	7%	28%	37%	26%	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.

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

March 31, 2023

## Assets:

Investment in securities, at value including \$10,183,585 of investments in affiliated holdings* (identified cost \$530,773,831, including \$10,186,870 of identified cost in affiliated holdings)	\$ 464,522,866
Income receivable	8,158,634
Income receivable from affiliated holdings	41,771
Receivable for investments sold	889,408
Receivable for shares sold	76,869
<b>TOTAL ASSETS</b>	<b>473,689,548</b>

## Liabilities:

Payable for investments purchased	253,350
Payable for shares redeemed	502,038
Payable to bank	36,849
Payable for investment adviser fee (Note 5)	5,632
Payable for administrative fee (Note 5)	1,003
Payable for transfer agent fees (Notes 2 and 5)	76,620
Payable for share registration costs	20,344
Payable for distribution services fee (Note 5)	16,055
Payable for other service fees (Notes 2 and 5)	104,460
Accrued expenses (Note 5)	44,049
<b>TOTAL LIABILITIES</b>	<b>1,060,400</b>
Net assets for 72,992,826 shares outstanding	\$ 472,629,148

## Net Assets Consist of:

Paid-in capital	\$ 591,525,990
Total distributable earnings (loss)	(118,896,842)
<b>TOTAL NET ASSETS</b>	<b>\$ 472,629,148</b>



# Statement of Assets and Liabilities – continued

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

### Class A Shares:

Net asset value per share ( $\$324,007,768 \div 50,019,523$ shares outstanding), \$0.001 par value, 750,000,000 shares authorized	\$6.48
Offering price per share (100/95.50 of \$6.48)	\$6.79
Redemption proceeds per share	\$6.48

### Class C Shares:

Net asset value per share ( $\$25,044,397 \div 3,881,056$ shares outstanding), \$0.001 par value, 400,000,000 shares authorized	\$6.45
Offering price per share	\$6.45
Redemption proceeds per share (99.00/100 of \$6.45)	\$6.39

### Institutional Shares:

Net asset value per share ( $\$68,359,563 \div 10,564,438$ shares outstanding), \$0.001 par value, 4,000,000,000 shares authorized	\$6.47
Offering price per share	\$6.47
Redemption proceeds per share	\$6.47

### Class R6 Shares:

Net asset value per share ( $\$55,217,420 \div 8,527,809$ shares outstanding), \$0.001 par value, 4,000,000,000 shares authorized	\$6.47
Offering price per share	\$6.47
Redemption proceeds per share	\$6.47

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

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Year Ended March 31, 2023

## Investment Income:

Interest	\$ 31,507,102
Dividends received from affiliated holdings*	329,317
<b>TOTAL INCOME</b>	<b>31,836,419</b>

## Expenses:

Investment adviser fee (Note 5)	2,541,266
Administrative fee (Note 5)	405,546
Custodian fees	28,791
Transfer agent fees (Note 2)	502,781
Directors'/Trustees' fees (Note 5)	10,271
Auditing fees	36,000
Legal fees	10,654
Portfolio accounting fees	184,607
Distribution services fee (Note 5)	228,018
Other service fees (Notes 2 and 5)	915,633
Share registration costs	87,919
Printing and postage	55,923
Taxes	300
Miscellaneous (Note 5)	27,176
<b>TOTAL EXPENSES</b>	<b>5,034,885</b>

## Waiver and Reimbursements:

Waiver/reimbursement of investment adviser fee (Note 5)	(315,864)
Reimbursement of other operating expenses (Notes 2 and 5)	(275,762)
<b>TOTAL WAIVER AND REIMBURSEMENTS</b>	<b>(591,626)</b>
Net expenses	4,443,259
Net investment income	27,393,160

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

Net realized loss on investments (including net realized gain of \$1,900 on sales of investments in affiliated holdings*)	(12,590,559)
Net change in unrealized depreciation of investments (including net change in unrealized depreciation of \$(504) of investments in affiliated holdings*)	(44,915,434)
Net realized and unrealized gain (loss) on investments	(57,505,993)
Change in net assets resulting from operations	\$(30,112,833)

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

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

Year Ended March 31	2023	2022
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 27,393,160	\$ 28,966,764
Net realized gain (loss)	(12,590,559)	3,749,861
Net change in unrealized appreciation/depreciation	(44,915,434)	(36,658,718)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	(30,112,833)	(3,942,093)
<b>Distributions to Shareholders:</b>		
Class A Shares	(18,881,093)	(19,602,484)
Class B Shares <sup>1</sup>	(70,738)	(136,275)
Class C Shares	(1,385,668)	(1,562,908)
Institutional Shares	(4,675,734)	(5,086,557)
Class R6 Shares	(3,527,107)	(3,968,302)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(28,540,340)	(30,356,526)
<b>Share Transactions:</b>		
Proceeds from sale of shares	51,517,072	107,215,269
Net asset value of shares issued to shareholders in payment of distributions declared	26,279,301	28,039,840
Cost of shares redeemed	(145,351,450)	(150,110,477)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(67,555,077)	(14,855,368)
Change in net assets	(126,208,250)	(49,153,987)
<b>Net Assets:</b>		
Beginning of period	598,837,398	647,991,385
End of period	\$ 472,629,148	\$ 598,837,398

1 On February 3, 2023, Class B Shares were converted into Class A Shares. Within the Statement of Changes in Net Assets, the conversion from Class B Shares is within the Cost of shares redeemed and the conversion to Class A Shares is within Proceeds from sale of shares.

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

March 31, 2023

## 1. ORGANIZATION

Federated Hermes High Income Bond Fund, Inc. (the “Fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified, open-end management investment company. The Fund offers four classes of shares: Class A Shares, Class C Shares, Institutional Shares and Class R6 Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The investment objective of the Fund is to seek high current income.

At the close of business on February 3, 2023, Class B Shares were converted into the Fund’s existing Class A Shares pursuant to a Plan of Conversion approved by the Fund’s Board of Directors (the “Directors”). The conversion occurred on a tax-free basis. The cash value of a shareholder’s investment was not changed as a result of the share class conversion. No action was required by shareholders to effect the conversion.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

### Investment Valuation

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

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by Federated Investment Management Company (the “Adviser”).
- Shares of other mutual funds or non-exchange traded investment companies are valued based upon their reported NAVs, or NAV per share practical expedient, as applicable.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and ask quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Adviser.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, certain factors may be considered, such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer’s financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Adviser’s valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser’s valuation committee (“Valuation Committee”), is deemed not representative of the fair value of

such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share, and the actual value obtained could be materially different.

### **Fair Valuation and Significant Events Procedures**

Pursuant to Rule 2a-5 under the Act, the Directors have designated the Adviser as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the Directors' oversight and certain reporting and other requirements intended to provide the Directors 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 Directors periodically review the fair valuations made by the Valuation Committee. The Directors 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 Directors 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.

## 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 monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. The detail of the total fund expense waiver and reimbursements of \$591,626 is disclosed in Notes 2 and 5.

## Transfer Agent Fees

For the year ended March 31, 2023, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Class A Shares	\$359,997	\$(218,501)
Class B Shares	2,399	(269)
Class C Shares	33,843	(801)
Institutional Shares	88,292	(56,191)
Class R6 Shares	18,250	—
TOTAL	\$502,781	\$(275,762)

## Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund's Class A Shares and Class C Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Prior to their conversion to Class A Shares at the close of business on February 3, 2023, the Class B Shares were also subject to these fees. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees.

For the year ended March 31, 2023, other service fees for the Fund were as follows:

	Other Service Fees Incurred
Class A Shares	\$839,627
Class B Shares	3,763
Class C Shares	72,243
TOTAL	\$915,633

## **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 March 31, 2023, 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 March 31, 2023, tax years 2020 through 2023 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America, the State of Maryland and the Commonwealth of Pennsylvania.

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

## **Foreign Currency Translation**

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

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

## **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.

## **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 Directors. 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.

## 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. CAPITAL STOCK

The following tables summarize capital stock activity:

	Year Ended 3/31/2023		Year Ended 3/31/2022	
<b>Class A Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	4,034,498	\$ 26,486,146	6,240,245	\$ 47,258,534
Shares issued to shareholders in payment of distributions declared	2,616,772	17,111,576	2,365,970	17,828,452
Conversion of Class B Shares to Class A Shares <sup>1</sup>	219,893	1,457,889	—	—
Shares redeemed	(10,726,725)	(69,873,608)	(10,057,420)	(75,409,531)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(3,855,562)	\$(24,817,997)	(1,451,205)	\$(10,322,545)

	Year Ended 3/31/2023		Year Ended 3/31/2022	
<b>Class B Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	220,615	\$ 1,457,894	102	\$ 770
Shares issued to shareholders in payment of distributions declared	9,855	64,545	16,614	125,200
Conversion of Class B Shares to Class A Shares <sup>1</sup>	(220,615)	(1,457,889)	—	—
Shares redeemed	(344,089)	(2,272,528)	(373,756)	(2,823,556)
NET CHANGE RESULTING FROM CLASS B SHARE TRANSACTIONS	(334,234)	\$( 2,207,978)	(357,040)	\$( 2,697,586)

	Year Ended 3/31/2023		Year Ended 3/31/2022	
<b>Class C Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	406,885	\$ 2,649,720	815,415	\$ 6,175,727
Shares issued to shareholders in payment of distributions declared	210,993	1,375,306	204,552	1,537,652
Shares redeemed	(1,610,106)	(10,513,513)	(2,741,731)	(20,675,275)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(992,228)	\$( 6,488,487)	(1,721,764)	\$(12,961,896)

	Year Ended 3/31/2023		Year Ended 3/31/2022	
<b>Institutional Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	2,370,790	\$ 15,381,981	3,735,685	\$ 28,005,218
Shares issued to shareholders in payment of distributions declared	647,565	4,235,022	624,676	4,699,204
Shares redeemed	(6,305,774)	(41,075,686)	(3,912,092)	(29,212,767)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(3,287,419)	\$(21,458,683)	448,269	\$ 3,491,655

	Year Ended 3/31/2023		Year Ended 3/31/2022	
<b>Class R6 Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	845,219	\$ 5,541,331	3,408,862	\$ 25,775,020
Shares issued to shareholders in payment of distributions declared	533,846	3,492,852	511,444	3,849,332
Shares redeemed	(3,289,237)	(21,616,115)	(2,954,110)	(21,989,348)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	(1,910,172)	\$(12,581,932)	966,196	\$ 7,635,004
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(10,379,615)	\$(67,555,077)	(2,115,544)	\$(14,855,368)

- 1 On February 3, 2023, Class B Shares were converted into Class A Shares. Within the Statement of Changes in Net Assets, the conversion from Class B Shares is within the Cost of shares redeemed and the conversion to Class A Shares is within Proceeds from sale of shares.

#### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended March 31, 2023 and 2022, was as follows:

	<b>2023</b>	<b>2022</b>
Ordinary income	\$28,540,340	\$30,356,526

As of March 31, 2023, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 819,118
Net unrealized depreciation	\$ (67,601,763)
Capital loss carryforwards	\$ (52,114,197)
<b>TOTAL</b>	<b>\$(118,896,842)</b>

At March 31, 2023, the cost of investments for federal tax purposes was \$532,124,629. The net unrealized depreciation of investments for federal tax purposes was \$67,601,763. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$3,056,144 and unrealized depreciation from investments for those securities having an excess of cost over value of \$70,657,907. The difference between book-basis and tax-basis net unrealized depreciation is attributable to differing treatments for discount accretion/premium amortization on debt securities and defaulted securities.

As of March 31, 2023, the Fund had a capital loss carryforward of \$52,114,197 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
\$424,878	\$51,689,319	\$52,114,197

**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 0.50% 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 March 31, 2023, the Adviser voluntarily waived \$303,812 of its fee and voluntarily reimbursed \$275,762 of transfer agent fees.

The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended March 31, 2023, the Adviser reimbursed \$12,052.

**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 March 31, 2023, the annualized fee paid to FAS was 0.080% 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 Class C 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
Class C Shares	0.75%

Prior to their conversion to Class A Shares at the close of business on February 3, 2023, the Class B Shares were also subject to the Plan at 0.75% of average daily net assets of the Class B Shares. 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 March 31, 2023, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Class B Shares	\$ 11,288
Class C Shares	216,730
TOTAL	\$228,018

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares.

FSC may voluntarily choose to waive any portion of its fee. For the year ended March 31, 2023, FSC retained \$35,550 of fees paid by the Fund.

## Sales Charges

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. They are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. For the year ended March 31, 2023, FSC retained \$13,085 in sales charges from the sale of Class A Shares. FSC also retained \$6,380, \$1,223 and \$2,439 of CDSC relating to redemptions of Class A Shares, Class B Shares and Class C Shares, respectively.

## Other Service Fees

For the year ended March 31, 2023, FSSC received \$81,458 of the other service fees disclosed in Note 2.

## Expense Limitation

The Adviser and certain of its affiliates (which may include FSC, FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Effective June 1, 2022, 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 Class A Shares, Class C Shares, Institutional Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.89%, 1.73%, 0.64% and 0.63% (the “Fee Limit”), respectively, up to but not including the later of (the “Termination Date”):

(a) June 1, 2024; 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 Directors.

### **Interfund Transactions**

During the year ended March 31, 2023, the Fund engaged in purchase transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These purchase transactions complied with Rule 17a-7 under the Act and amounted to \$675,031.

### **Directors'/Trustees' and Miscellaneous Fees**

Certain Officers and Directors 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 March 31, 2023, were as follows:

Purchases	\$ 34,239,381
Sales	\$108,628,300

## **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 March 31, 2023, the Fund had no outstanding loans. During the year ended March 31, 2023, 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 March 31, 2023, there were no outstanding loans. During the year ended March 31, 2023, 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. SUBSEQUENT EVENT**

On November 10, 2022, the Board of Directors approved re-naming the Fund to Federated Hermes Sustainable High Yield Bond Fund and appointed Hermes Investment Management Limited as sub-adviser effective May 26, 2023.

# Report of Independent Registered Public Accounting Firm

## **TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF FEDERATED HERMES HIGH INCOME BOND FUND, INC.:**

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of Federated Hermes High Income Bond Fund, Inc. (the “Fund”), including the portfolio of investments, as of March 31, 2023, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at March 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the 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 standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of the Fund's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2023, by correspondence with the custodian, brokers, and others; when replies were not received from brokers or others, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst & Young LLP*

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

Boston, Massachusetts  
May 24, 2023

# Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase or redemption payments; and (2) 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 mutual funds. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2022 to March 31, 2023.

## 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 and do not reflect any transaction costs, such as sales charges (loads) on purchase or redemption payments. 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. In addition, if these transaction costs were included, your costs would have been higher.

	Beginning Account Value 10/1/2022	Ending Account Value 3/31/2023	Expenses Paid During Period
<b>Actual:</b>			
Class A Shares	\$1,000	\$1,076.00	\$4.61
Class C Shares	\$1,000	\$1,070.20	\$8.83
Institutional Shares	\$1,000	\$1,077.40	\$3.31
Class R6 Shares	\$1,000	\$1,075.70	\$3.26
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000	\$1,020.49	\$4.48
Class C Shares	\$1,000	\$1,016.40	\$8.60
Institutional Shares	\$1,000	\$1,021.74	\$3.23
Class R6 Shares	\$1,000	\$1,021.79	\$3.18

1 Expenses are equal to the Fund's annualized net expense ratios, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half-year period). The annualized net expense ratios are as follows:

Class A Shares	0.89%
Class C Shares	1.71%
Institutional Shares	0.64%
Class R6 Shares	0.63%

# Board of Directors and Fund Officers

The Board of Directors is responsible for managing the Fund’s business affairs and for exercising all the Fund’s powers except those reserved for the shareholders. The following tables give information about each Director and the senior officers of the Fund. Where required, the tables separately list Directors who are “interested persons” of the Fund (i.e., “Interested” Directors) and those who are not (i.e., “Independent” Directors). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Directors listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2022, the Fund comprised one 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 Director 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 Fund Directors and is available, without charge and upon request, by calling 1-800-341-7400, Option #4.

## INTERESTED DIRECTORS BACKGROUND

<b>Name</b>	
<b>Birth Date</b>	
<b>Positions Held with Fund</b>	<b>Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)</b>
<b>Date Service Began</b>	
<b>J. Christopher Donahue*</b>	<b>Principal Occupations:</b> Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or
Birth Date: April 11, 1949	Trustee of the Funds in the Federated Hermes Fund Family; President,
PRESIDENT AND DIRECTOR	Chief Executive Officer and Director, Federated Hermes, Inc.;
Indefinite Term	Chairman and Trustee, Federated Investment Management Company;
Began serving: July 1987	Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company.
	<b>Previous Positions:</b> President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.

Name	Birth Date	Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
<b>John B. Fisher*</b>	Birth Date: May 16, 1956	DIRECTOR Indefinite Term Began serving: May 2016	<p><b>Principal Occupations:</b> Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of certain of the Funds in the Federated Hermes Fund Family; Director and Vice President, Federated Hermes, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, and Federated MDTA LLC; Director, Federated Investors Trust Company.</p> <p><b>Previous Positions:</b> President and Director of the Institutional Sales Division of Federated Securities Corp.; President and CEO of Passport Research, Ltd.; Director and President, Technology, Federated Services Company.</p>

\* Reasons for "interested" status: J. Christopher Donahue and John B. Fisher are interested due to their beneficial ownership of shares of Federated Hermes, Inc. and due to positions they hold with Federated Hermes, Inc. and its subsidiaries.

## INDEPENDENT DIRECTORS BACKGROUND

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

Name	
Birth Date	
Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>G. Thomas Hough</b> Birth Date: February 28, 1955 DIRECTOR Indefinite Term Began serving: August 2015	<p><b>Principal Occupations:</b> Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst &amp; Young LLP (public accounting firm) (Retired).</p> <p><b>Other Directorships Held:</b> Director, Chair of the Audit Committee, Equifax, Inc.; Lead Director, Member of the Audit and Nominating and Corporate Governance Committees, Haverty Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p><b>Qualifications:</b> Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst &amp; Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served on the Business School Board of Visitors for Wake Forest University, and he previously served as an Executive Committee member of the United States Golf Association.</p>
<b>Maureen Lally-Green</b> Birth Date: July 5, 1949 DIRECTOR Indefinite Term Began serving: August 2009	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Adjunct Professor Emerita of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p><b>Other Directorships Held:</b> Director, CNX Resources Corporation (natural gas).</p> <p><b>Qualifications:</b> Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). Judge Lally-Green previously served as Associate General Secretary of the Diocese of Pittsburgh, a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green was appointed by the Supreme Court of Pennsylvania to serve on the Supreme Court's Board of Continuing Judicial Education and the Supreme Court's Appellate Court Procedural Rules Committee. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); Director, Catholic Charities, Pittsburgh; and Director CNX Resources Corporation (natural gas). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; Director and Chair, North Catholic High School, Inc.; Director and Vice Chair, Our Campaign for the Church Alive!, Inc.; and Director and Vice Chair, Saint Francis University.</p>

Name	
Birth Date	
Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>Thomas M. O'Neill</b> Birth Date: June 14, 1951 DIRECTOR Indefinite Term Began serving: October 2006	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); Director, Midway Pacific (lumber); and Director, The Golisano Children's Museum of Naples, Florida.</p>
<b>Madelyn A. Reilly</b> Birth Date: February 2, 1956 DIRECTOR Indefinite Term Began serving: November 2020	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; formerly, Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors, Duquesne University (Retired).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Senior Vice President for Legal Affairs, General Counsel and Secretary of Board of Directors and Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries. Ms. Reilly currently serves as a member of the Board of Directors of UPMC Mercy Hospital.</p>

Name	
Birth Date	
Positions Held with Fund Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
<b>P. Jerome Richey</b> Birth Date: February 23, 1949 DIRECTOR Indefinite Term Began serving: October 2013	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CONSOL Energy Inc. (now split into two separate publicly traded companies known as CONSOL Energy Inc. and CNX Resources Corp.).</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CONSOL Energy Inc. and CNX Gas Company; and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll &amp; Rooney PC (a law firm).</p>
<b>John S. Walsh</b> Birth Date: November 28, 1957 DIRECTOR Indefinite Term Began serving: January 1999	<p><b>Principal Occupations:</b> Director or Trustee of the Federated Hermes Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc.</p> <p><b>Other Directorships Held:</b> None.</p> <p><b>Qualifications:</b> Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh &amp; Kelly, Inc. (paving contractors).</p>



## OFFICERS

<b>Name</b> <b>Birth Date</b> <b>Address</b> <b>Positions Held with Fund</b> <b>Date Service Began</b>	<b>Principal Occupation(s) for Past Five Years and Previous Position(s)</b>
<b>Lori A. Hensler</b> Birth Date: January 6, 1967 TREASURER Officer since: April 2013	<p><b>Principal Occupations:</b> Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation.</p> <p><b>Previous Positions:</b> Controller of Federated Hermes, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.</p>
<b>Peter J. Germain</b> Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: January 2005	<p><b>Principal Occupations:</b> Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association.</p> <p><b>Previous Positions:</b> Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.</p>
<b>Stephen Van Meter</b> Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	<p><b>Principal Occupations:</b> Senior Vice President and Chief Compliance Officer of the Federated Hermes Fund Family; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66.</p> <p><b>Previous Positions:</b> Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.</p>

Name	
Birth Date	
Address	
Positions Held with Fund	Principal Occupation(s) for Past Five Years
Date Service Began	and Previous Position(s)
<b>Robert J. Ostrowski</b> Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: May 2004	<b>Principal Occupations:</b> Robert J. Ostrowski joined Federated Hermes, Inc. in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated Hermes' taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.

# Evaluation and Approval of Advisory Contract – May 2022

## **FEDERATED HERMES HIGH INCOME BOND FUND, INC. (THE “FUND”)**

At its meetings in May 2022 (the “May Meetings”), the Fund’s Board of Directors (the “Board”), including those Directors who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Directors”), 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 Directors, 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 Directors. At the request of the Independent Directors, 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 Directors encompassing a wide variety of topics, including those summarized below. The Board also considered such additional matters as the Independent Directors

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 Directors were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Directors 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 Directors 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 ongoing 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 one-year, three-year and five-year periods ended December 31, 2021, the Fund's performance was above the median of the Performance Peer Group.

Based on these considerations, the Board concluded that it had continued confidence in the 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, net 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 fee rates relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was below the median of the Expense Peer Group, and the Board was satisfied that the overall expense structure of the Fund remained competitive.

The Board also received and considered information about the fees charged by Federated Hermes for providing advisory services to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-registered fund clients (such as institutional separate accounts) and third-party unaffiliated registered funds for which 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 Directors, 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 High Income Bond Fund, Inc. (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”) has adopted and implemented a liquidity risk management program (the “Program”) for the Fund. 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 Directors of the Fund (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator (the “Administrator”) for the Program 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](https://www.federatedinvestors.com/fundinformation). Form N-PX filings are also available at the SEC's website at [sec.gov](https://www.sec.gov).

## Quarterly Portfolio Schedule

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

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

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

### Sign up for Electronic Delivery!

A faster way to receive documents.

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



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