

# Semi-Annual Shareholder Report

May 31, 2023



---

Share Class | Ticker

A | IHIAIX

C | IHICX

Institutional | EMDIX

---

## Federated Hermes Emerging Market Debt Fund

*Fund Established 1996*

---

A Portfolio of Federated Hermes World Investment Series, Inc.

Dear Valued Shareholder,

We are pleased to present the Semi-Annual Shareholder Report for your fund covering the period from December 1, 2022 through May 31, 2023. This report includes 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, [FederatedHermes.com/us](https://FederatedHermes.com/us) offers quick and easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists and financial planning tools. You can also access many of those insights by following us on Twitter (@FederatedHermes) and LinkedIn.

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

Sincerely,

A handwritten signature in black ink, appearing to read "J. Christopher Donahue".

J. Christopher Donahue, President

---

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

**CONTENTS**

Portfolio of Investments Summary Table ..... 1

Portfolio of Investments ..... 3

Financial Highlights..... 15

Statement of Assets and Liabilities..... 18

Statement of Operations..... 20

Statement of Changes in Net Assets ..... 22

Notes to Financial Statements ..... 23

Shareholder Expense Example ..... 39

Evaluation and Approval of Advisory Contract ..... 41

Liquidity Risk Management Program –  
Annual Evaluation of Adequacy and Effectiveness..... 51

Voting Proxies on Fund Portfolio Securities ..... 53

Quarterly Portfolio Schedule ..... 53

# Portfolio of Investments Summary Table (unaudited)

At May 31, 2023, the Fund's issuer country exposure composition was as follows:

<b>Country</b>	<b>Exposure as a Percentage of Total Net Assets<sup>1</sup></b>
Brazil	12.4%
Mexico	11.7%
South Africa	7.2%
Oman	4.7%
Israel	4.6%
Ghana	4.3%
Nigeria	4.0%
Indonesia	3.1%
Colombia	3.0%
Angola	2.9%
Peru	2.7%
Turkey	2.6%
Bahrain	2.2%
Ivory Coast	2.2%
Poland	2.1%
Chile	1.9%
Morocco	1.9%
Egypt	1.8%
Senegal	1.6%
Czech Republic	1.6%
Hungary	1.4%
Romania	1.3%
South Korea	1.2%
Costa Rica	1.2%
Mongolia	1.2%
Uzbekistan	1.2%
Ukraine	1.2%
United Arab Emirates	1.2%
El Salvador	1.1%
Tanzania	1.1%
Saudi Arabia	1.0%
Other <sup>2</sup>	8.6%
Cash Equivalents <sup>3,4</sup>	0.0%
Derivative Contracts <sup>5</sup>	(0.3)%
Other Assets and Liabilities—Net <sup>6</sup>	0.1%

**Country**

TOTAL	100%
-------	------

- 1 *This table depicts the Fund's exposure to various countries through its investment in foreign fixed-income securities, along with the Fund's holdings of cash equivalents and other assets and liabilities. With respect to foreign corporate fixed-income securities, country allocations are based primarily on the country in which the issuing company (the "Issuer") has registered the security. However, the Fund's Adviser may allocate the Issuer to a country based on other factors such as the location of the Issuer's head office, the jurisdiction of the Issuer's incorporation, the location of the principal trading market for the Issuer's securities or the country from which a majority of the Issuer's revenue is derived.*
- 2 *For purposes of this table, issuer country exposure which constitutes less than 1.00% of the Fund's total net assets have been aggregated under the designation of "Other."*
- 3 *Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements. This does not include cash held in the Fund that is denominated in foreign currencies. See the Statement of Assets and Liabilities for information regarding the Fund's foreign cash position.*
- 4 *Less than 0.1%.*
- 5 *Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this report.*
- 6 *Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.*

# Portfolio of Investments

May 31, 2023 (unaudited)

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—78.1%	
	<b>Banking—1.2%</b>	
\$200,000	Development Bank of Mongolia, Sr. Unsecd. Note, 144A, 7.250%, 10/23/2023	\$ 197,619
	<b>Chemicals &amp; Plastics—1.8%</b>	
200,000	Office Cherifien, Sr. Unsecd. Note, REGS, 3.750%, 6/23/2031	164,647
200,000	Groupe Office Cherifien des Phosphates SA, Sr. Unsecd. Note, 144A, 5.125%, 6/23/2051	145,036
	TOTAL	309,683
	<b>Oil &amp; Gas—5.5%</b>	
100,000	Ecopetrol SA, Sr. Unsecd. Note, 6.875%, 4/29/2030	89,589
133,000	Ecopetrol SA, Sr. Unsecd. Note, 8.875%, 1/13/2033	130,159
1,000,000	<sup>1,2</sup> Petroleos de Venezuela, S.A., Unsecd. Note, REGS, 6.000%, 5/16/2024	25,250
275,000	Petroleos Mexicanos, Sr. Unsecd. Note, 144A, 10.000%, 2/7/2033	246,859
150,000	Petroleos Mexicanos, Sr. Unsecd. Note, 6.700%, 2/16/2032	112,531
100,000	Petroleos Mexicanos, Sr. Unsecd. Note, 6.875%, 10/16/2025	96,189
100,000	Petroleos Mexicanos, Sr. Unsecd. Note, 6.950%, 1/28/2060	59,707
200,000	Saudi Arabian Oil Co. (Aramco), Sr. Unsecd. Note, 144A, 4.375%, 4/16/2049	171,129
	TOTAL	931,413
	<b>Sovereign—65.8%</b>	
200,000	Angola, Government of, Sr. Unsecd. Note, 144A, 8.000%, 11/26/2029	169,704
200,000	Angola, Government of, Sr. Unsecd. Note, 144A, 8.750%, 4/14/2032	167,698
200,000	Angola, Government of, Sr. Unsecd. Note, REGS, 9.125%, 11/26/2049	148,954
55,503	<sup>1,2</sup> Argentina, Government of, Sr. Unsecd. Note, 0.500%, 7/9/2030	14,570
321,997	<sup>1,2</sup> Argentina, Government of, Sr. Unsecd. Note, 1.500%, 7/9/2035	74,747
50,000	<sup>1,2</sup> Argentina, Government of, Sr. Unsecd. Note, 3.500%, 7/9/2041	12,870
50,000	<sup>1,2</sup> Argentina, Government of, Unsecd. Note, 0.500%, 7/9/2030	10,405

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	<b>Sovereign—continued</b>	
\$22,899	<sup>1,2</sup> Argentina, Government of, Unsecd. Note, 1.000%, 7/9/2029	\$ 4,980
200,000	Bahrain, Government of, Sr. Unsecd. Note, REGS, 7.000%, 10/12/2028	202,218
CLP 160,000,000	Bonos Tesoreria Pesos, Unsecd. Note, 2.500%, 3/1/2025	184,078
100,000,000	Bonos Tesoreria Pesos, Unsecd. Note, 6.000%, 4/1/2033	129,688
EUR 200,000	Benin, Government of, Sr. Unsecd. Note, 144A, 4.950%, 1/22/2035	146,029
BRL 7,900,000	Brazil, Government of, Series NTNFB, 10.000%, 1/1/2025	1,586,841
\$200,000	Brazil, Government of, Sr. Unsecd. Note, 6.000%, 10/20/2033	196,089
200,000	Costa Rica, Government of, Sr. Unsecd. Note, 144A, 6.550%, 4/3/2034	201,950
CZK 7,700,000	Czech, Government of, Unsecd. Note, Series 121, 1.200%, 3/13/2031	270,466
\$150,000	Dominican Republic, Government of, Sr. Unsecd. Note, 144A, 7.050%, 2/3/2031	148,827
169,024	<sup>3</sup> Ecuador, Government of, Sr. Unsecd. Note, 144A, 0.000%, 7/31/2030	49,112
150,000	Ecuador, Government of, Sr. Unsecd. Note, REGS, 1.000%, 7/31/2035	51,191
50,000	<sup>1,2</sup> Ecuador, Government of, Sr. Unsecd. Note, REGS, 1.500%, 7/31/2040	16,000
200,000	Egypt, Government of, Sr. Unsecd. Note, 144A, 3.875%, 2/16/2026	135,320
EUR 100,000	Egypt, Government of, Sr. Unsecd. Note, 144A, 6.375%, 4/11/2031	56,251
\$200,000	Egypt, Government of, Sr. Unsecd. Note, 144A, 7.052%, 1/15/2032	109,173
150,000	El Salvador, Government of, Sr. Unsecd. Note, 144A, 7.124%, 1/20/2050	73,805
50,000	El Salvador, Government of, Sr. Unsecd. Note, REGS, 6.375%, 1/18/2027	31,780
150,000	El Salvador, Government of, Sr. Unsecd. Note, REGS, 7.650%, 6/15/2035	79,299
200,000	Gabon, Government of, Sr. Unsecd. Note, REGS, 6.625%, 2/6/2031	156,250
200,000	<sup>1,2</sup> Ghana, Government of, Sr. Unsecd. Note, 144A, 8.875%, 5/7/2042	75,904
200,000	<sup>1,2</sup> Ghana, Government of, Sr. Unsecd. Note, REGS, 7.750%, 4/7/2029	80,000

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	<b>Sovereign—continued</b>	
\$200,000	Ghana, Government of, Sr. Unsecd. Note, REGS, 7.875%, 3/26/2027	\$ 82,776
200,000	<sup>1,2</sup> Ghana, Government of, Unsecd. Note, REGS, 8.125%, 1/18/2026	83,838
HUF 105,000,000	Hungary, Government of, Unsecd. Note, Series 27/A, 3.000%, 10/27/2027	238,387
IDR 6,900,000,000	Indonesia, Government of, Sr. Unsecd. Note, Series FR68, 8.375%, 3/15/2034	524,704
EUR 100,000	Ivory Coast, Government of, Sr. Unsecd. Note, 144A, 5.875%, 10/17/2031	86,994
\$87,751	Ivory Coast, Government of, Sr. Unsecd. Note, REGS, 5.750%, 12/31/2032	80,973
200,000	Ivory Coast, Government of, Sr. Unsecd. Note, REGS, 6.375%, 3/3/2028	191,200
200,000	Kingdom of Bahrain, Government of, Sr. Unsecd. Note, 144A, 5.625%, 5/18/2034	170,278
200,000	<sup>1,2</sup> Lebanon, Government of, Sr. Unsecd. Note, 6.000%, 6/30/2023	11,500
MXN 10,800,000	Mex Bonos Desarr Fix Rt, Sr. Unsecd. Note, Series M, 7.750%, 11/23/2034	563,793
10,000,000	Mexico, Government of, Sr. Unsecd. Note, Series M, 5.750%, 3/5/2026	512,946
\$200,000	Nigeria, Government of, Sr. Unsecd. Note, 144A, 7.375%, 9/28/2033	147,577
200,000	Nigeria, Government of, Sr. Unsecd. Note, REGS, 6.500%, 11/28/2027	168,814
200,000	Oman, Government of, Sr. Unsecd. Note, 144A, 6.250%, 1/25/2031	202,450
200,000	Oman, Government of, Sr. Unsecd. Note, REGS, 4.750%, 6/15/2026	194,635
200,000	Oman, Government of, Sr. Unsecd. Note, REGS, 5.625%, 1/17/2028	198,597
200,000	Pakistan, Government of, Sr. Secd. Note, REGS, 6.875%, 12/5/2027	74,800
PEN 1,750,000	Peru, Government of, Sr. Unsecd. Note, 6.150%, 8/12/2032	447,303
PLN 1,600,000	Poland, Government of, Unsecd. Note, Series 0726, 2.500%, 7/25/2026	341,368
RON 1,100,000	Romania, Government of, Unsecd. Note, Series 5Y, 3.250%, 6/24/2026	214,725

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	<b>Sovereign—continued</b>	
RUB 42,800,000	<sup>1,2,4</sup> Russia, Government of, Unsec'd. Note, Series 6222, 7.100%, 10/16/2024	\$ 26,242
\$200,000	Rwanda, Government of, Sr. Unsec'd. Note, 144A, 5.500%, 8/9/2031	145,372
EUR 200,000	Senegal, Government of, Sr. Unsec'd. Note, 144A, 5.375%, 6/8/2037	132,753
\$200,000	Senegal, Government of, Sr. Unsec'd. Note, 144A, 6.750%, 3/13/2048	133,528
200,000	South Africa, Government of, Sr. Unsec'd. Note, 5.875%, 4/20/2032	171,644
ZAR 3,000,000	South Africa, Government of, Sr. Unsec'd. Note, Series 2044, 8.750%, 1/31/2044	107,859
4,500,000	South Africa, Government of, Unsec'd. Note, Series 2032, 8.250%, 3/31/2032	183,024
\$200,000	State of Israel, Sr. Unsec'd. Note, 4.500%, 1/17/2033	196,385
COP 1,500,000,000	Titulos De Tesoreria, Unsec'd. Note, Series B, 7.000%, 6/30/2032	258,776
\$400,000	Turkey, Government of, Sr. Unsec'd. Note, 4.875%, 4/16/2043	247,348
200,000	<sup>1,2</sup> Ukraine, Government of, Sr. Unsec'd. Note, REGS, 7.750%, 9/1/2026	36,898
325,000	<sup>1,2</sup> Ukraine, Government of, Unsec'd. Note, 144A, 1.258%, 8/1/2041	94,250
200,000	Uzbekistan, Government of, Unsec'd. Note, 144A, 4.750%, 2/20/2024	196,904
1,500,000	<sup>1,2</sup> Venezuela, Government of, Sr. Unsec'd. Note, 8.250%, 10/13/2024	123,750
	TOTAL	11,176,590
	<b>Telecommunications &amp; Cellular—1.1%</b>	
200,000	Oryx Funding Ltd., Sr. Unsec'd. Note, 144A, 5.800%, 2/3/2031	193,770
	<b>Transportation—1.3%</b>	
200,000	<sup>1,2</sup> State Age Roads, Sr. Unsec'd. Note, 144A, 6.250%, 6/24/2030	34,672
200,000	Transnet SOC Ltd., Sr. Unsec'd. Note, 144A, 8.250%, 2/6/2028	191,885
	TOTAL	226,557
	<b>Utilities—1.4%</b>	
200,000	Eskom Holdings Soc Ltd., Sr. Unsec'd. Note, REGS, 6.750%, 8/6/2023	198,505

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	<b>Utilities—continued</b>	
\$200,000	<sup>1,2</sup> NPC Ukrenergo, Sr. Unsecd. Note, 144A, 6.875%, 11/9/2028	\$ 35,000
	TOTAL	233,505
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$18,815,782)	13,269,137
	CORPORATE BONDS—22.1%	
	<b>Banking—3.8%</b>	
200,000	<sup>5</sup> Access Bank PLC, Jr. Sub. Note, 144A, 9.125%, 10/7/2026	154,400
200,000	Akbank TAS, Sr. Unsecd. Note, 144A, 6.800%, 2/6/2026	184,875
200,000	<sup>1,2,4</sup> Alfa Bank (Alfa Bond), Sub., REGS, 5.950%, 4/15/2030	10,000
100,000	<sup>5</sup> Banco Mercantil De Norte, Jr. Sub. Note, 144A, 6.625%, 1/24/2032	79,600
200,000	Bank Leumi Le-Israel, Sub., 7.129%, 7/18/2033	197,312
200,000	<sup>1,2,4,5</sup> SovCo Capital Partners BV, Jr. Sub. Note, 144A, 7.600%, 2/17/2027	10,000
200,000	<sup>1,2,4,5</sup> SovCo Capital Partners BV, Jr. Sub. Note, 144A, 7.750%, 5/6/2025	10,000
	TOTAL	646,187
	<b>Building Materials—1.2%</b>	
200,000	<sup>5</sup> Cemex SAB de CV, Sr. Sub. Note, 144A, 9.125%, 6/14/2023	200,990
	<b>Chemicals &amp; Plastics—3.2%</b>	
200,000	Cydsa SAB de CV, Sr. Unsecd. Note, REGS, 6.250%, 10/4/2027	185,230
200,000	Sasol Financing USA LLC, Sr. Unsecd. Note, 144A, 8.750%, 5/3/2029	191,757
200,000	Sasol Financing USA LLC, Sr. Unsecd. Note, 5.500%, 3/18/2031	156,133
	TOTAL	533,120
	<b>Consumer Products—0.0%</b>	
25,000	ATENTO LUXCO 1 SA, REGS, 8.000%, 2/10/2026	4,500
	<b>Finance—Retail—0.5%</b>	
100,000	Ct Trust, Sec. Fac. Bond, REGS, 5.125%, 2/3/2032	78,897
	<b>Financial Intermediaries—1.0%</b>	
190,000	Mx Remit Fund Fiduc Est, Sr. Note, REGS, 4.875%, 1/15/2028	170,667
	<b>Food Services—0.8%</b>	
200,000	MARB BondCo PLC, Sr. Unsecd. Note, REGS, 3.950%, 1/29/2031	145,660

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	<b>Oil &amp; Gas—6.4%</b>	
\$200,000	Energiean Israel Finance Ltd., Sec. Fac. Bond, 4.875%, 3/30/2026	\$ 184,760
182,114	Guara Norte Sarl, Sr. Note, 144A, 5.198%, 6/15/2034	152,571
200,000	Kosmos Energy Ltd., Sr. Unsecd. Note, 144A, 7.500%, 3/1/2028	165,950
200,000	Leviathan Bond Ltd., Sr. Note, 6.500%, 6/30/2027	190,880
200,000	SEPLAT Petroleum Development Co. PLC, Sr. Unsecd. Note, 144A, 7.750%, 4/1/2026	157,500
184,000	Tullow Oil PLC, Sec. Fac. Bond, 144A, 10.250%, 5/15/2026	137,080
200,000	Tullow Oil PLC, Sr. Unsecd. Note, 144A, 7.000%, 3/1/2025	108,367
	TOTAL	1,097,108
	<b>Rail Industry—0.2%</b>	
34,900	Panama Canal Railway Co., Sr. Note, REGS, 7.000%, 11/1/2026	34,785
	<b>Real Estate—1.5%</b>	
200,000	Country Garden Holdings Co., 3.300%, 1/12/2031	59,930
200,000	Esic Sukuk Ltd, Sr. Unsecd. Note, Series EMTN, 3.939%, 7/30/2024	195,273
	TOTAL	255,203
	<b>Steel—1.2%</b>	
200,000	Posco, Sr. Unsecd. Note, 144A, 5.750%, 1/17/2028	205,844
	<b>Telecommunications &amp; Cellular—2.3%</b>	
200,000	HTA Group Ltd., Sr. Unsecd. Note, 144A, 7.000%, 12/18/2025	185,952
50,000	IHS Holding Ltd., Sr. Unsecd. Note, 144A, 6.250%, 11/29/2028	40,162
100,000	Kenbourne Invest SA, Sr. Unsecd. Note, REGS, 4.700%, 1/22/2028	68,500
100,000	Telfon Celuar Del Paraguay, Sr. Unsecd. Note, REGS, 5.875%, 4/15/2027	92,192
	TOTAL	386,806
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$4,929,737)	3,759,767
	<b>PURCHASED PUT OPTIONS—0.0%</b>	
30,000	USD PUT/CAD CALL, JP Morgan, Notional Amount \$30,000, Exercise Price \$1.3225, Expiration Date 7/14/2023	37
60,000	EUR PUT/NOK CALL, Toronto Dominion, Notional Amount \$60,000, Exercise Price \$11.52, Expiration Date 6/7/2023	8

Principal Amount, Foreign Currency Par Amount, Contracts or Shares		Value in U.S. Dollars
	PURCHASED PUT OPTIONS—continued	
\$60,000	GBP PUT/AUD CALL, Bank of Montreal, Notional Amount \$60,000, Exercise Price \$1.849, Expiration Date 6/8/2023	\$ 1
60,000	GBP PUT/NZD CALL, Bank of Montreal, Notional Amount \$60,000, Exercise Price \$1.98, Expiration Date 6/8/2023	0
	TOTAL PURCHASED PUT OPTIONS (IDENTIFIED COST \$1,928)	46
	PURCHASED CALL OPTIONS—0.0%	
30,000	AUD CALL/USD PUT, JP Morgan, Notional Amount \$30,000, Exercise Price \$0.7185, Expiration Date 7/13/2023	1
30,000	AUD CALL/USD PUT, Toronto Dominion, Notional Amount \$30,000, Exercise Price \$0.6753, Expiration Date 6/7/2023	1
	TOTAL PURCHASED CALL OPTIONS (IDENTIFIED COST \$1,033)	2
	INVESTMENT COMPANY—0.0%	
1,067	Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares, 5.15% <sup>6</sup> (IDENTIFIED COST \$1,067)	1,067
	TOTAL INVESTMENT IN SECURITIES—100.2% (IDENTIFIED COST \$23,749,547) <sup>7</sup>	17,030,019
	OTHER ASSETS AND LIABILITIES - NET—(0.2)% <sup>8</sup>	(33,266)
	TOTAL NET ASSETS—100%	\$16,996,753

At May 31, 2023, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation
<b>Long Futures:</b>				
United States Treasury Notes 10 Year Long Bond, Long Futures	11	\$1,259,156	September 2023	\$ 9,615
United States Treasury Notes Ultra Bond, Long Futures	2	\$ 273,750	September 2023	\$ 5,464
United States Treasury Notes Long Bond, Long Futures	4	\$ 513,375	September 2023	\$ 7,772
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$22,851

At May 31, 2023, the Fund had the following outstanding written option contracts:

Counterparty	Description	Number of Contracts	Notional Amount	Expiration Date	Exercise Price	Value
<b>Call Option:</b>						
JP Morgan	USD CALL/CAD PUT	(30,000)	\$30,000	7/14/2023	\$1.359	\$ (233)
<b>Put Option:</b>						
Bank of New York	EUR PUT/USD CALL	(27,959)	\$27,959	7/13/2023	\$1.073	\$ (306)
JP Morgan	AUD PUT/USD CALL	(44,183)	\$44,183	7/13/2023	\$0.679	\$(1,266)
(Premium Paid \$1,572)						\$(1,805)

At May 31, 2023, the Fund had the following outstanding foreign exchange contracts:

Settlement Date	Counterparty	Foreign Currency Units to Deliver/Receive	In Exchange For	Net Unrealized Appreciation (Depreciation)
<b>Contracts Purchased:</b>				
6/2/2023	Barclays	5,135,000 BRL	\$1,015,725	\$ (3,564)
6/2/2023	UBS	500,000 BRL	\$99,372	\$ (817)
6/14/2023	Barclays	2,867,000 ZAR	\$147,686	\$ (2,494)
6/14/2023	BNY Mellon	1,600,000 MXN	\$88,045	\$ 2,127
6/14/2023	Credit Agricole	57,700,000 HUF	\$150,370	\$ 15,416
6/14/2023	Credit Agricole	92,972,000 HUF	\$264,647	\$ 2,483
6/14/2023	JPMorgan	1,655,453,000 COP	\$368,028	\$ 2,591
6/14/2023	Morgan Stanley	2,494,384 ZAR	\$135,271	\$ (8,949)
6/14/2023	UBS	600,000,000 COP	\$129,610	\$ 4,717
6/21/2023	Barclays	842,000 RON	\$182,161	\$ (1,018)
6/21/2023	BNP Paribas	2,856,000 CZK	\$132,749	\$ (4,187)
6/21/2023	BNP Paribas	810,700 RON	\$175,075	\$ (667)
6/21/2023	BNY Mellon	30,000 EUR	\$33,102	\$ (994)
6/21/2023	Credit Agricole	995,000 PLN	\$235,148	\$ (497)
6/21/2023	Credit Agricole	131,725 SGD	\$99,064	\$ (1,584)

Settlement Date	Counterparty	Foreign Currency Units to Deliver/Receive	In Exchange For	Net Unrealized Appreciation (Depreciation)
6/21/2023	HSBC	3,840,000 CZK	\$173,998	\$ (1,142)
6/21/2023	Morgan Stanley	580,000 PLN	\$131,087	\$ 5,695
7/10/2023	HSBC	3,871,910 CNY	\$566,723	\$(19,302)
8/15/2023	Morgan Stanley	131,150,000 IDR	\$8,777	\$ (36)
8/15/2023	Wells Fargo	85,565 EUR	\$94,509	\$ (2,643)
<b>Contracts Sold:</b>				
6/2/2023	HSBC	5,635,000 BRL	\$1,133,076	\$ 22,359
6/14/2023	Bank of America	57,700,000 HUF	\$163,509	\$ (2,277)
6/14/2023	Barclays	1,850,000,000 COP	\$397,759	\$(16,415)
6/14/2023	Barclays	1,655,453,000 COP	\$339,951	\$(30,668)
6/14/2023	BNY Mellon	10,723,100 MXN	\$570,216	\$(34,114)
6/21/2023	UBS	435,000 EUR	\$478,242	\$ 12,685
8/15/2023	Bank of America	\$60,000	94,156 NZD	\$ (3,312)
8/15/2023	Barclays	\$60,000	8,204,550 JPY	\$ (383)
8/15/2023	Barclays	\$30,000	43,914 AUD	\$ (1,353)
8/15/2023	Citibank	20,000 GBP	37,143 AUD	\$ (684)
8/15/2023	Citibank	\$30,000	311,809 NOK	\$ (1,805)
8/15/2023	HSBC	20,000 GBP	39,874 NZD	\$ (907)
8/15/2023	JPMorgan	\$60,000	55,084 EUR	\$ (859)
8/15/2023	JPMorgan	\$60,000	7,947,770 JPY	\$ (2,248)
9/5/2023	State Street	5,220,000 BRL	\$1,015,189	\$ 4,597
NET UNREALIZED DEPRECIATION ON FOREIGN EXCHANGE CONTRACTS				\$(70,249)

Net Unrealized Appreciation (Depreciation) on Futures Contracts, Foreign Exchange Contracts and the value of Written Option Contracts are included in "Other Assets and Liabilities—Net."

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

	<b>Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares</b>
Value as of 11/30/2022	\$ 52,057
Purchases at Cost	\$ 5,908,658
Proceeds from Sales	\$(5,959,813)
Change in Unrealized Appreciation/Depreciation	\$ (3)
Net Realized Gain/(Loss)	\$ 168
Value as of 5/31/2023	\$ 1,067
Shares Held as of 5/31/2023	1,067
Dividend Income	\$ 9,854

- 1 *Non-income-producing security.*
- 2 *Issuer in default.*
- 3 *Zero coupon bond, reflects effective rate at time of purchase.*
- 4 *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.*
- 5 *Perpetual Bond Security. The maturity date reflects the next call date.*
- 6 *7-day net yield.*
- 7 *The cost of investments for federal tax purposes amounts to \$23,596,569.*
- 8 *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 May 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 May 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>				
Foreign Governments/Agencies	\$ —	\$13,242,895	\$26,242	\$13,269,137
Corporate Bonds	—	3,729,767	30,000	3,759,767
<b>Purchased Call Options</b>	—	2	—	2
<b>Purchased Put Options</b>	—	46	—	46
<b>Investment Company</b>	1,067	—	—	1,067
<b>TOTAL SECURITIES</b>	<b>\$ 1,067</b>	<b>\$16,972,710</b>	<b>\$56,242</b>	<b>\$17,030,019</b>
<b>Other Financial Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$22,851	\$ —	\$ —	\$ 22,851
Foreign Exchange Contracts	—	72,670	—	72,670
<b>Liabilities</b>				
Written Call Options	—	(233)	—	(233)
Written Put Options	—	(1,572)	—	(1,572)
Foreign Exchange Contracts	—	(142,919)	—	(142,919)
<b>TOTAL OTHER FINANCIAL INSTRUMENTS</b>	<b>\$22,851</b>	<b>\$ (72,054)</b>	<b>\$ —</b>	<b>\$ (49,203)</b>

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

	Investments in Foreign Governments/ Agencies	Investments in Corporate Bonds
Balance as of 11/30/2022	\$ 287,554	\$30,000
Accreted/amortized discount/premiums	—	—
Transfers into Level 3	—	—
Net realized gain/(loss)	—	—
Change in unrealized appreciation/depreciation	(261,312)	—
Purchases	—	—
Sales	—	—
Balance as of 5/31/2023	\$ 26,242	\$30,000
The total change in unrealized appreciation/ depreciation attributable to investments still held at May 31, 2023	\$(261,312)	\$ —

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

AUD —Australian Dollar  
BRL —Brazilian Real  
CAD —Canadian Dollar  
CLP —Chilean Peso  
CNY —Chinese Yuan Renminbi  
COP —Colombian Peso  
CZK —Czech Koruna  
EMTN—Euro Medium Term Note  
EUR —Euro  
GBP —Great British Pound  
HUF —Hungarian Forint  
INR —Indian Rupee  
JPY —Japanese Yen  
MXN —Mexican Peso  
NOK —Norwegian Krone  
NZD —New Zealand Dollar  
PEN —Peruvian Nuevo Sol  
PLN —Polish Zloty  
RON —Romanian Leu  
RUB —Russian Ruble  
SGD —Singapore Dollar  
USD —United States Dollar  
ZAR —South African Rand

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class A Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 5/31/2023	Year Ended November 30,				
		2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$6.80</b>	<b>\$8.41</b>	<b>\$8.85</b>	<b>\$8.56</b>	<b>\$7.91</b>	<b>\$8.72</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.27	0.50	0.44 <sup>1</sup>	0.47	0.54	0.48 <sup>1</sup>
Net realized and unrealized gain (loss)	(0.14)	(1.80)	(0.60)	0.02	0.33	(1.00)
TOTAL FROM INVESTMENT OPERATIONS	0.13	(1.30)	(0.16)	0.49	0.87	(0.52)
<b>Less Distributions:</b>						
Distributions from net investment income	(0.17)	(0.31)	(0.28)	(0.20)	(0.22)	(0.29)
<b>Net Asset Value, End of Period</b>	<b>\$6.76</b>	<b>\$6.80</b>	<b>\$8.41</b>	<b>\$8.85</b>	<b>\$8.56</b>	<b>\$7.91</b>
<b>Total Return<sup>2</sup></b>	1.90%	(15.60)%	(1.96)%	5.83%	11.23%	(6.06)%

## Ratios to Average Net Assets:

Net expenses <sup>3</sup>	1.19% <sup>4</sup>	1.18%	1.18%	1.18% <sup>5</sup>	1.18% <sup>5</sup>	1.20% <sup>5</sup>
Net investment income	7.91% <sup>4</sup>	6.21%	5.01%	5.51%	6.13%	5.72%
Expense waiver/reimbursement <sup>6</sup>	2.05% <sup>4</sup>	1.43%	1.01%	1.16%	0.91%	0.83%

## Supplemental Data:

Net assets, end of period (000 omitted)	\$11,937	\$12,442	\$28,558	\$24,294	\$26,993	\$27,267
Portfolio turnover <sup>7</sup>	43%	81%	74%	69%	91%	140%

- Per share numbers have been calculated using the average shares method.*
- Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.*
- Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.*
- Computed on an annualized basis.*
- The net expense ratios are calculated without reduction for expense offset arrangements. The net expense ratios are 1.18%, 1.18% and 1.20% for the years ended November 30, 2020, 2019 and 2018, respectively, after taking into account these expense reductions.*
- This expense decrease is reflected in both the net expense and net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.*
- 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)

	Six Months Ended (unaudited) 5/31/2023	Year Ended November 30,				
		2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$6.75</b>	<b>\$8.35</b>	<b>\$8.80</b>	<b>\$8.50</b>	<b>\$7.86</b>	<b>\$8.67</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.24	0.46	0.39 <sup>1</sup>	0.45	0.49	0.42 <sup>1</sup>
Net realized and unrealized gain (loss)	(0.14)	(1.80)	(0.63)	(0.02)	0.31	(1.00)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.10</b>	<b>(1.34)</b>	<b>(0.24)</b>	<b>0.43</b>	<b>0.80</b>	<b>(0.58)</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.14)	(0.26)	(0.21)	(0.13)	(0.16)	(0.23)
<b>Net Asset Value, End of Period</b>	<b>\$6.71</b>	<b>\$6.75</b>	<b>\$8.35</b>	<b>\$8.80</b>	<b>\$8.50</b>	<b>\$7.86</b>
<b>Total Return<sup>2</sup></b>	<b>1.53%</b>	<b>(16.23)%</b>	<b>(2.79)%</b>	<b>5.20%</b>	<b>10.34%</b>	<b>(6.81)%</b>
<b>Ratios to Average Net Assets:</b>						
Net expenses <sup>3</sup>	1.94% <sup>4</sup>	1.93%	1.93%	1.93% <sup>5</sup>	1.93% <sup>5</sup>	1.95% <sup>5</sup>
Net investment income	7.21% <sup>4</sup>	5.61%	4.51%	4.93%	5.56%	5.08%
Expense waiver/reimbursement <sup>6</sup>	2.05% <sup>4</sup>	1.48%	1.05%	1.15%	0.91%	0.81%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$219	\$257	\$501	\$1,394	\$2,207	\$3,331
Portfolio turnover <sup>7</sup>	43%	81%	74%	69%	91%	140%

- 1 Per share numbers have been calculated using the average shares method.
- 2 Based on net asset value, which does not reflect the sales charge, redemption fee or contingent deferred sales charge, if applicable. Total returns for periods of less than one year are not annualized.
- 3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 4 Computed on an annualized basis.
- 5 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense ratios are 1.93%, 1.93% and 1.95% for the years ended November 30, 2020, 2019 and 2018, respectively, after taking into account these expense reductions.
- 6 This expense decrease is reflected in both the net expense and net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.
- 7 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 5/31/2023	Year Ended November 30,				
		2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$6.81</b>	<b>\$8.42</b>	<b>\$8.87</b>	<b>\$8.57</b>	<b>\$7.92</b>	<b>\$8.74</b>
<b>Income From Investment Operations:</b>						
Net investment income	0.29	0.55	0.46 <sup>1</sup>	0.49	0.56	0.50 <sup>1</sup>
Net realized and unrealized gain (loss)	(0.15)	(1.83)	(0.61)	0.03	0.33	(1.01)
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>0.14</b>	<b>(1.28)</b>	<b>(0.15)</b>	<b>0.52</b>	<b>0.89</b>	<b>(0.51)</b>
<b>Less Distributions:</b>						
Distributions from net investment income	(0.18)	(0.33)	(0.30)	(0.22)	(0.24)	(0.31)
<b>Net Asset Value, End of Period</b>	<b>\$6.77</b>	<b>\$6.81</b>	<b>\$8.42</b>	<b>\$8.87</b>	<b>\$8.57</b>	<b>\$7.92</b>
<b>Total Return<sup>2</sup></b>	<b>2.02%</b>	<b>(15.37)%</b>	<b>(1.81)%</b>	<b>6.21%</b>	<b>11.49%</b>	<b>(5.92)%</b>
<b>Ratios to Average Net Assets:</b>						
Net expenses <sup>3</sup>	0.94% <sup>4</sup>	0.93%	0.93%	0.93% <sup>5</sup>	0.93% <sup>5</sup>	0.95% <sup>5</sup>
Net investment income	8.15% <sup>4</sup>	6.66%	5.22%	5.81%	6.40%	5.99%
Expense waiver/reimbursement <sup>6</sup>	2.05% <sup>4</sup>	1.48%	1.01%	1.15%	0.91%	0.82%
<b>Supplemental Data:</b>						
Net assets, end of period (000 omitted)	\$4,841	\$5,479	\$10,464	\$7,653	\$9,256	\$9,417
Portfolio turnover <sup>7</sup>	43%	81%	74%	69%	91%	140%

- 1 Per share numbers have been calculated using the average shares method.
- 2 Based on net asset value. Total returns for periods of less than one year are not annualized.
- 3 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 4 Computed on an annualized basis.
- 5 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense ratios are 0.93%, 0.93% and 0.95% for the years ended November 30, 2020, 2019 and 2018, respectively, after taking into account these expense reductions.
- 6 This expense decrease is reflected in both the net expense and net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.
- 7 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Statement of Assets and Liabilities

May 31, 2023 (unaudited)

## Assets:

Investment in securities, at value including \$1,067 of investment in an affiliated holding* (identified cost \$23,749,547, including \$1,067 of identified cost in an affiliated holding)	\$ 17,030,019
Due from broker (Note 2)	54,550
Income receivable	322,416
Unrealized appreciation on foreign exchange contracts	72,670
Receivable for variation margin on futures contracts	10,313
Receivable for shares sold	1,751
<b>TOTAL ASSETS</b>	<b>17,491,719</b>

## Liabilities:

Payable to bank	\$215,137
Unrealized depreciation on foreign exchange contracts	142,919
Payable for shares redeemed	4,703
Payable for investments purchased	1,836
Written options outstanding, at value (premium paid \$1,572)	1,805
Payable for portfolio accounting fees	79,411
Payable for custodian fees	19,486
Payable for auditing fees	18,093
Payable to adviser (Note 5)	2,427
Payable for other service fees (Notes 2 and 5)	1,586
Payable for administrative fee (Note 5)	219
Payable for distribution services fee (Note 5)	140
Accrued expenses (Note 5)	7,204
<b>TOTAL LIABILITIES</b>	<b>494,966</b>
Net assets for 2,512,855 shares outstanding	\$ 16,996,753

## Net Assets Consists of:

Paid-in capital	\$ 38,342,009
Total distributable earnings (loss)	(21,345,256)
<b>TOTAL NET ASSETS</b>	<b>\$ 16,996,753</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 (\$11,936,954 ÷ 1,765,421 shares outstanding) \$0.001 par value, 500,000,000 shares authorized	\$6.76
Offering price per share (100/95.50 of \$6.76)	\$7.08
Redemption proceeds per share	\$6.76

### **Class C Shares:**

Net asset value per share (\$218,587 ÷ 32,564 shares outstanding) \$0.001 par value, 200,000,000 shares authorized	\$6.71
Offering price per share	\$6.71
Redemption proceeds per share (99.00/100 of \$6.71)	\$6.64

### **Institutional Shares:**

Net asset value per share (\$4,841,212 ÷ 714,870 shares outstanding) \$0.001 par value, 100,000,000 shares authorized	\$6.77
Offering price per share	\$6.77
Redemption proceeds per share	\$6.77

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

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Six Months Ended May 31, 2023 (unaudited)

## Investment Income:

Interest (net of foreign tax withheld of \$541)	\$788,978
Dividends received from an affiliated holding*	9,854
<b>TOTAL INCOME</b>	<b>798,832</b>

## Expenses:

Investment adviser fee (Note 5)	\$ 74,657
Administrative fee (Note 5)	7,630
Custodian fees	17,439
Transfer agent fees	16,854
Directors'/Trustees' fees (Note 5)	1,150
Auditing fees	20,879
Legal fees	4,835
Distribution services fee (Note 5)	882
Other service fees (Notes 2 and 5)	15,571
Portfolio accounting fees	78,434
Share registration costs	24,380
Printing and postage	10,601
Miscellaneous (Note 5)	5,548
<b>TOTAL EXPENSES</b>	<b>278,860</b>

## Waiver and Reimbursements (Note 5):

Waiver/reimbursement of investment adviser fee	\$ (74,657)
Reimbursement of other operating expenses	(105,103)
<b>TOTAL WAIVER AND REIMBURSEMENTS</b>	<b>(179,760)</b>
Net expenses	99,100
Net investment income	\$699,732

## Statement of Operations – continued

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

Net realized loss on investments (including net realized gain of \$168 on sales of investment in an affiliated holding*) and foreign currency transactions	\$(920,715)
Net realized loss on foreign exchange contracts	(341,044)
Net realized gain on futures contracts	20,467
Net realized gain on written options	2,951
Net realized gain on swap contracts	11,425
Net change in unrealized depreciation of investments and translation of assets and liabilities in foreign currency (including net change in unrealized appreciation of (\$3) of investment in an affiliated holding*)	812,572
Net change in unrealized depreciation of foreign exchange contracts	61,385
Net change in unrealized appreciation of futures contracts	2,709
Net change in unrealized appreciation of swap contracts	(3,622)
Net change in unrealized appreciation of written options	(233)
Net realized and unrealized gain (loss) on investments, foreign exchange contracts, futures contracts, swap contracts, written options and foreign currency transactions	(354,105)
Change in net assets resulting from operations	\$ 345,627

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

See Notes which are an integral part of the Financial Statements

# Statement of Changes in Net Assets

	Six Months Ended (unaudited) 5/31/2023	Year Ended 11/30/2022
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 699,732	\$ 1,656,392
Net realized loss	(1,226,916)	(4,003,192)
Net change in unrealized appreciation/depreciation	872,811	(2,973,110)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	345,627	(5,319,910)
<b>Distributions to Shareholders:</b>		
Class A Shares	(303,382)	(749,893)
Class C Shares	(5,176)	(12,767)
Institutional Shares	(129,718)	(361,198)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(438,276)	(1,123,858)
<b>Share Transactions:</b>		
Proceeds from sale of shares	502,611	3,947,141
Net asset value of shares issued to shareholders in payment of distributions declared	405,897	939,850
Cost of shares redeemed	(1,997,350)	(19,787,714)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(1,088,842)	(14,900,723)
Change in net assets	(1,181,491)	(21,344,491)
<b>Net Assets:</b>		
Beginning of period	18,178,244	39,522,735
End of period	\$16,996,753	\$ 18,178,244

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

May 31, 2023 (unaudited)

## 1. ORGANIZATION

Federated Hermes World Investment Series, Inc. (the "Corporation") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Corporation consists of three portfolios. The financial statements included herein are only those of Federated Hermes Emerging Market Debt Fund (the "Fund"), a non-diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers three classes of shares: Class A Shares, Class C Shares and Institutional 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 a high level of current income. The Fund has a secondary objective of capital appreciation.

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

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

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

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Directors (the "Directors") has designated the Adviser as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the 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. The detail of the total fund expense waiver and reimbursements of \$179,760 is disclosed in Note 5. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

### **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. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees. For the six months ended May 31, 2023, other service fees for the Fund were as follows:

	<b>Other Service Fees Incurred</b>
Class A Shares	\$15,277
Class C Shares	294
<b>TOTAL</b>	<b>\$15,571</b>

### **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 six months ended May 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 May 31, 2023, tax years 2019 through 2022 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.

### **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.

### **Swap Contracts**

Swap contracts involve two parties that agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, indices or other measures. The gross returns to be exchanged or "swapped" between parties are generally calculated with respect to a "notional amount" for a predetermined period of time. The Fund may enter into interest rate, total return, credit default, currency and other swap agreements. Risks may arise upon entering into swap agreements from the potential inability of the counterparties to meet the terms of their contract from unanticipated changes in the value of the swap agreement. In connection with these agreements, securities or cash may be identified as collateral or margin in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default.

The Fund uses credit default swaps to manage security and market risks. The "buyer" in a credit default swap is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or the "par value," of the reference obligation in exchange for the reference obligation. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of the value and recourse in the event of default or bankruptcy/solvency. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is typically determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specific valuation method, are used to calculate the settlement value. The maximum amount of the payment that may occur, as a result of a credit event payable by the protection seller, is equal to the notional amount of the underlying index or security. The Fund's maximum risk of loss from counterparty credit risk, either as the protection buyer

or as the protection seller, is the fair value of the contract. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

Upfront payments received or paid by the Fund will be reflected as an asset or liability on the Statement of Assets and Liabilities. Changes in the value of swap contracts are included in "Swaps, at value" on the Statement of Assets and Liabilities, and periodic payments are reported as "Net realized gain (loss) on swap contracts" in the Statement of Operations.

Certain swap contracts are subject to Master Netting Agreements (MNA) which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross.

Certain swap contracts may be centrally cleared ("centrally cleared swaps"), whereby all payments made or received by the Fund pursuant to the contract are with a central clearing party (CCP) rather than the counterparty. The CCP guarantees the performance of the parties to the contract. Upon entering into centrally cleared swaps, the Fund is required to deposit with the CCP, either in cash or securities, an amount of initial margin determined by the CCP, which is subject to adjustment. For centrally cleared swaps, the daily change in valuation is recorded as a receivable or payable for variation margin and settled in cash with the CCP daily. In the case of centrally cleared swaps, counterparty risk is minimal due to protections provided by the CCP.

At May 31, 2023, the Fund had no outstanding swap contracts.

The average notional amount of credit default swap contracts held by the Fund throughout the period was \$357,143. This is based on amounts held as of each month-end throughout the six-month period.

### **Foreign Exchange Contracts**

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

Foreign exchange contracts are subject to MNA. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross.

Foreign exchange contracts outstanding at period end, including net unrealized appreciation/depreciation or net settlement amount, are listed after the Fund's Portfolio of Investments.

The average value at settlement date payable and receivable of foreign exchange contracts purchased and sold by the Fund throughout the period was \$216,181 and \$112,491, respectively. This is based on amounts held as of each month-end throughout the six-month period.

### **Foreign Currency Translation**

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

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

### **Futures Contracts**

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

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

The average notional value of long futures contracts held by the Fund throughout the period was \$2,486,257. This is based on amounts held as of each month-end throughout the six-month period.

### **Option Contracts**

The Fund buys or sells put and call options to seek to increase return and to manage currency risk. The seller ("writer") of an option receives a payment or premium, from the buyer, which the writer keeps regardless of whether the buyer exercises the option. When the Fund writes a put or call option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of

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

Option contracts are subject to MNA. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross.

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

The average market value of purchased put and call options held by the Fund throughout the period was \$147 and \$292, respectively. This is based on amounts held as of each month-end throughout the six-month period.

The average market value of written put and call options held by the Fund throughout the period was \$1,091 and \$446, respectively. This is based on amounts held as of each month-end throughout the six-month period.

### **Restricted Securities**

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

## Additional Disclosure Related to Derivative Instruments

### Fair Value of Derivative Instruments

	Assets		Liabilities	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815				
Foreign exchange contracts	Unrealized appreciation on foreign exchange contracts	\$72,670	Unrealized depreciation on foreign exchange contracts	\$142,919
Interest rate contracts	Receivable for variation margin on future contracts	22,851*		—
Foreign exchange contracts	Purchased options, within investment in securities at value	48		—
Foreign exchange contracts		—	Written options outstanding, at value	1,805
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$95,569		\$144,724

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

## The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended May 31, 2023

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

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Swap Contracts	\$ —	\$ —	\$11,425	\$ 11,425
Purchased Options <sup>1</sup>	(2,337)	—	—	(2,337)
Written Options	2,951	—	—	2,951
Foreign Exchange Contracts	(341,044)	—	—	(341,044)
Futures Contracts	—	20,467	—	20,467
TOTAL	\$(340,430)	\$20,467	\$11,425	\$(308,538)

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

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Swap Contracts	\$ —	\$ —	\$(3,622)	\$(3,622)
Purchased Options <sup>2</sup>	(2,913)	—	—	(2,913)
Foreign Exchange Contracts	61,385	—	—	61,385
Futures Contracts	—	2,709	—	2,709
Written Options	(233)	—	—	(233)
TOTAL	\$58,239	\$2,709	\$(3,622)	\$57,326

- <sup>1</sup> The net realized loss on Purchased Options is found within the net realized loss on investments and foreign currency transactions on the Statement of Operations.
- <sup>2</sup> The net change in unrealized appreciation of Purchased Options is found within the net change in unrealized depreciation of investments and translation of assets and liabilities in foreign currency on the Statement of Operations.

As indicated above, certain derivative investments are transacted subject to MNA. These agreements permit the Fund to offset with a counterparty certain derivative payables and/or receivables with collateral held and create one single net payment in the event of default or termination of the agreement by either the Fund or the counterparty. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As of May 31, 2023, the impact of netting assets and liabilities and the collateral pledged or received based on MNA are detailed below:

## Gross Amounts Not Offset in the Statement of Assets and Liabilities

Transaction	Gross Asset Derivatives Presented in Statement of			Net Amount
	Assets and Liabilities	Financial Instrument	Collateral Received	
Foreign Exchange Contracts	\$72,670	\$(38,226)	\$—	\$34,444

Transaction	Gross Liability Derivatives Presented in Statement of			Net Amount
	Assets and Liabilities	Financial Instrument	Collateral Pledged	
Foreign Exchange Contracts	\$142,919	\$(38,226)	\$—	\$104,693

### 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:

Class A Shares:	Six Months Ended 5/31/2023		Year Ended 11/30/2022	
	Shares	Amount	Shares	Amount
Shares sold	37,176	\$ 257,294	170,020	\$ 1,343,210
Shares issued to shareholders in payment of distributions declared	39,986	271,706	77,492	567,301
Shares redeemed	(141,109)	(965,086)	(1,813,897)	(13,609,990)
NET CHANGE RESULTING FROM CLASS A SHARE TRANSACTIONS	(63,947)	\$(436,086)	(1,566,385)	\$(11,699,479)

Class C Shares:	Six Months Ended 5/31/2023		Year Ended 11/30/2022	
	Shares	Amount	Shares	Amount
Shares sold	683	\$ 4,641	1,345	\$ 9,791
Shares issued to shareholders in payment of distributions declared	736	4,961	1,656	12,159
Shares redeemed	(6,975)	(47,544)	(24,876)	(178,062)
NET CHANGE RESULTING FROM CLASS C SHARE TRANSACTIONS	(5,556)	\$(37,942)	(21,875)	\$(156,112)

	Six Months Ended 5/31/2023		Year Ended 11/30/2022	
	Shares	Amount	Shares	Amount
<b>Institutional Shares:</b>				
Shares sold	35,060	\$ 240,676	376,333	\$ 2,594,140
Shares issued to shareholders in payment of distributions declared	18,984	129,230	48,905	360,390
Shares redeemed	(143,517)	(984,720)	(863,464)	(5,999,662)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(89,473)	\$ (614,814)	(438,226)	\$ (3,045,132)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(158,976)	\$(1,088,842)	(2,026,486)	\$(14,900,723)

#### 4. FEDERAL TAX INFORMATION

At May 31, 2023, the cost of investments for federal tax purposes was \$23,596,569. The net unrealized depreciation of investments for federal tax purposes was \$6,615,753. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$187,974 and unrealized depreciation from investments for those securities having an excess of cost over value of \$6,803,727. The amounts are inclusive of derivative contracts.

As of November 30, 2022, the Fund had a capital loss carryforward of \$13,858,186 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
\$(8,037,951)	\$(5,820,235)	\$(13,858,186)

#### 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 0.85% 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 six months ended May 31, 2023, the Adviser waived \$74,442 of its fee and voluntarily reimbursed \$105,103 of other operating expenses.

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 six months ended May 31, 2023, the Adviser reimbursed \$215.

Some or all of the Fund's assets are managed by Federated Hermes (UK) LLP (the "Sub-Adviser"). Under the terms of a sub-advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser receives a fee equal to 0.49% of the portion managed by the Sub-Adviser of the daily net assets of the Fund. The fee is paid by the Adviser out of its resources and is not an incremental Fund expense.

For the six months ended May 31, 2023, the Sub-Adviser earned a fee of \$17,215.

### 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 six months ended May 31, 2023, the annualized fee paid to FAS was 0.087% 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 0.75% of average daily net assets annually, to compensate FSC. Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee.

For the six months ended May 31, 2023, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Class C Shares	\$882

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended May 31, 2023, FSC retained \$34 of fees paid by the Fund.

### Other Service Fees

For the six months ended May 31, 2023, FSSC received \$1,305 of the other service fees disclosed in Note 2.

## 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 six months ended May 31, 2023, FSC retained \$706 in sales charges from the sale of Class A Shares.

## 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. Total annual fund operating expenses (as shown in the financial highlights, excluding dividends and other expenses related to short sales, 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 and Institutional Shares (after the voluntary waivers and/or reimbursements) will not exceed 1.18%, 1.93% and 0.93% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) February 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.

## 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 the Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and the Statement of Operations, respectively.

## 6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended May 31, 2023, were as follows:

Purchases	\$7,296,203
Sales	\$7,899,060

## 7. CONCENTRATION OF RISK

Compared to diversified mutual funds, the Fund may invest a higher percentage of its assets among fewer issuers of portfolio securities. This increases the Fund's risk by magnifying the impact (positively or negatively) that any one issuer has on the Fund's share price and performance.

The Fund invests in securities of non-U.S. issuers. Political or economic developments may have an effect on the liquidity and volatility of portfolio securities and currency holdings.

## **8. 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, which was renewed on June 21, 2023. 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 May 31, 2023, the Fund had no outstanding loans. During the six months ended May 31, 2023, the Fund did not utilize the LOC.

## **9. 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 May 31, 2023, there were no outstanding loans. During the six months ended May 31, 2023, the program was not utilized.

## **10. 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.

## **11. 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.

## 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 December 1, 2022 to May 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 12/1/2022	Ending Account Value 5/31/2023	Expenses Paid During Period <sup>1</sup>
<b>Actual:</b>			
Class A Shares	\$1,000	\$1,019.00	\$5.99
Class C Shares	\$1,000	\$1,015.30	\$9.75
Institutional Shares	\$1,000	\$1,020.20	\$4.73
<b>Hypothetical (assuming a 5% return before expenses):</b>			
Class A Shares	\$1,000	\$1,019.00	\$5.99
Class C Shares	\$1,000	\$1,015.26	\$9.75
Institutional Shares	\$1,000	\$1,020.24	\$4.73

- 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	1.19%
Class C Shares	1.94%
Institutional Shares	0.94%

# Evaluation and Approval of Advisory Contract – May 2023

## **FEDERATED HERMES EMERGING MARKET DEBT FUND (THE “FUND”)**

At its meetings in May 2023 (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”) and the investment sub-advisory contract between the Adviser and Federated Hermes (UK) LLP (the “Sub-Adviser” and together with the Adviser, the “Advisers”) with respect to the Fund (together, the “Contracts”) for an additional one-year term. The Board’s determination to approve the continuation of the Contracts reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangements. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

### **Information Received and Review Process**

At the request of the Independent Directors, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation of the Fund’s management fee (the “CCO Fee Evaluation Report”). The Board considered 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 Contracts. 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 Contracts 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 Advisers and their 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 Contracts, 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 Contracts 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 Federated Hermes; Federated Hermes' business and operations; the Advisers' investment philosophy, personnel and processes; the Fund's investment objectives and strategies; the Fund's short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund's particular investment program and a group of its peer funds and/or its benchmark, as appropriate); the Fund's fees and expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Adviser's profitability with respect to managing 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 evaluating the Contracts. 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 managed by the same adviser or other advisers as well as management fees charged to institutional and other advisory clients of the same 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 evaluation of the Contracts 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, the Board considered 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 Contracts. In particular, the Board recognized that many shareholders likely have invested in the Fund based 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 there are a range of investment options available to the Fund’s shareholders and such shareholders in the marketplace, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contracts, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board’s determination to approve the continuation of the Contracts 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 Contracts. 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 Contracts 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 Advisers and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contracts and the range of services provided to the Fund by Federated Hermes. The Board considered the Advisers' personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and Federated Hermes' ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Advisers, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Advisers' ability to deliver competitive investment performance for the Fund when compared to the Fund's Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Advisers are executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted that the significant acquisition of Hermes Fund Managers Limited by Federated Hermes has deepened Federated Hermes' investment management expertise and capabilities and expanded its 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 Federated Hermes Funds. 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 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, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the implementation of new rules on derivatives risk management and fair valuation.

The Board also considered the implementation of Federated Hermes' business continuity plans. 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.

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 Advisers to the Fund.

### **Fund Investment Performance**

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Advisers' analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports included, 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 considered that, in its evaluation of investment performance at meetings throughout the year, it focused particular attention on information indicating less favorable performance of certain

Federated Hermes Funds for specific time periods and discussed with Federated Hermes the reasons for such performance as well as any specific actions Federated Hermes had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions.

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 Advisers in managing the Fund. The Board considered the CCO’s view that, in evaluating such comparisons, 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.

The Board considered that the Fund’s performance fell below the median of the Performance Peer Group for the one-year, three-year and five-year periods ended December 31, 2022. The Board discussed the Fund’s performance with the Advisers and recognized the efforts being taken by the Advisers in the context of other factors considered relevant by the Board.

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

### **Fund Expenses**

The Board considered the advisory fee, sub-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 to funds by other advisers, the use of comparisons between the Fund and its Expense Peer Group assisted the Board in its evaluation of the Fund’s fees and expenses. The Board focused on comparisons with other registered funds with comparable investment programs 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 noted that, for the year ended December 31, 2022, the Fund's investment advisory fee was waived in its entirety. The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund with the Adviser 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 above the median of the Expense Peer Group, but the Board noted that the investment advisory fee was waived in its entirety, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

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

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

## **Profitability**

The Board received and considered profitability information furnished by Federated Hermes. 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 Contracts 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 to the Board that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable. The Board considered the CCO's view that the estimated profitability to the Adviser from its relationship with the Fund was not unreasonable in relation to the services provided.

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 recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. 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 determining 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: portfolio management, investment research and trading operations; shareholder services; compliance; business continuity, cybersecurity and information

security programs; internal audit and risk management functions; and technology and use of data. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments 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 that Federated Hermes has been active in managing expenses of the Federated Hermes Funds in recent years, which has resulted in benefits being realized by shareholders.

The Board also received and considered information on adviser-paid fees (commonly referred to as "revenue sharing" payments) that was 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 is relevant to considering whether Federated Hermes had an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, but should not be considered when evaluating the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on economies of scale, 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 service contracts including 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 the benefits, if any, 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 Contracts 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 Contracts. The Board based its determination to approve the Contracts 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.

## 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 World Investment Series, Inc. (the “Corporation”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Emerging Market Debt Fund (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Directors of the Corporation (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

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

At its meetings in May 2023, 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, 2022 through March 31, 2023 (the “Period”). The Report addressed the operation of the Program and assessed the adequacy and effectiveness of its implementation, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund. 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, any alternative funding sources that were available to the Federated Hermes Funds during the Period, 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;
- 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 the Administrator's evaluation of the services performed by the vendor in support of this process, including the Administrator's view that the methodologies utilized by the vendor continue to be appropriate;
- 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 operation of 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 operation of 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, if any, 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.

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 [FederatedHermes.com/us/FundInformation](https://www.federatedhermes.com/us/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 [FederatedHermes.com/us](https://www.federatedhermes.com/us).

*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.

**IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY**

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400, Option #4.

# Notes

## 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.



Federated Hermes Emerging Market Debt Fund  
Federated Hermes Funds  
4000 Ericsson Drive  
Warrendale, PA 15086-7561

Contact us at [FederatedHermes.com/us](https://www.federatedhermes.com/us)  
or call 1-800-341-7400.

Federated Securities Corp., Distributor

CUSIP 31428U771  
CUSIP 31428U755  
CUSIP 31428U615

G01949-02 (7/23)

© 2023 Federated Hermes, Inc.

