

# Annual Financial Statements and Additional Information



May 31, 2024

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Share Class | Ticker

Institutional | PIGDX

R6 | REIGX

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## Federated Hermes International Growth Fund

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A Portfolio of Federated Hermes Adviser Series

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

## CONTENTS

Portfolio of Investments .....	1
Financial Highlights .....	5
Statement of Assets and Liabilities .....	7
Statement of Operations .....	8
Statement of Changes in Net Assets.....	9
Notes to Financial Statements.....	10
Report of Independent Registered Public Accounting Firm.....	16
Evaluation and Approval of Advisory Contract.....	17

# Portfolio of Investments

May 31, 2024

Shares		Value in U.S. Dollars
	COMMON STOCKS—98.4%	
	<b>Argentina—3.0%</b>	
12,239	<sup>1</sup> Mercadolibre, Inc.	\$ 21,119,374
	<b>Australia—2.0%</b>	
561,478	Northern Star Resources Ltd.	5,331,240
134,008	Wisetech Global Ltd.	8,714,296
	TOTAL	14,045,536
	<b>Belgium—1.2%</b>	
22,480	<sup>1</sup> Argenx SE, ADR	8,340,530
	<b>Brazil—3.6%</b>	
1,278,787	3R Petroleum Oleo e Gas S.A.	6,867,736
1,548,362	<sup>1</sup> NU Holdings Ltd./Cayman Islands	18,394,540
	TOTAL	25,262,276
	<b>Canada—4.8%</b>	
259,205	Cameco Corp.	14,388,470
22,722	<sup>1</sup> Lululemon Athletica, Inc.	7,089,037
59,003	<sup>1</sup> Shopify, Inc.	3,490,027
164,541	Teck Resources Ltd.	8,564,359
	TOTAL	33,531,893
	<b>China—7.0%</b>	
358,954	360 Finance Inc., ADR	6,934,991
778,334	Full Truck Alliance Co. Ltd., ADR	6,880,473
648,400	KE Holdings, Inc.	3,672,290
1,140,180	Nari Technology Development Co., Ltd.	3,544,798
480,444	Tencent Holdings Ltd.	22,287,673
2,550,000	Zijin Mining Group Co. Ltd.	5,371,225
	TOTAL	48,691,450
	<b>Denmark—4.0%</b>	
207,196	Novo Nordisk A/S, ADR	28,029,475
	<b>Egypt—0.5%</b>	
1,940,656	Commercial International Bank Egypt	3,210,478
	<b>France—4.9%</b>	
117,462	Dassault Systemes SA	4,783,696
51,591	Gaztransport Et Technigaz	7,509,432
27,373	<sup>1</sup> L'Oreal SA	13,506,330
4,349	LVMH Moet Hennessy Louis Vuitton SA	3,494,815
21,197	Schneider Electric SA	5,306,098
	TOTAL	34,600,371
	<b>Georgia—0.5%</b>	
108,093	TBC Bank Group PLC	3,519,138
	<b>Germany—4.4%</b>	
118,120	Infineon Technologies AG	4,715,956
8,772	Rational AG	7,447,942
8,919	Rheinmetall AG	5,111,056
75,504	SAP SE, ADR	13,774,950
	TOTAL	31,049,904
	<b>India—4.1%</b>	
441,828	DLF Ltd.	4,339,475
83,944	Larsen & Toubro Ltd.	3,704,517
752,079	<sup>1</sup> PB Fintech Ltd.	11,643,943

Shares		Value in U.S. Dollars
	COMMON STOCKS—continued	
	<b>India—continued</b>	
511,391	Varun Beverages Ltd.	\$ 8,776,103
	TOTAL	28,464,038
	<b>Indonesia—0.6%</b>	
7,918,500	PT Bank Central Asia	4,504,776
	<b>Ireland—2.6%</b>	
32,469	<sup>1</sup> ICON PLC	10,546,581
76,716	Kingspan Group PLC	7,409,948
	TOTAL	17,956,529
	<b>Israel—3.3%</b>	
93,789	Camtek Ltd.	9,604,931
57,168	<sup>1</sup> CyberArk Software Ltd.	13,105,764
	TOTAL	22,710,695
	<b>Italy—2.7%</b>	
252,516	Davide Campari-Milano NV	2,522,951
16,222	Ferrari NV	6,670,377
57,273	Prysmian SpA	3,775,071
180,772	Tenaris S.A., ADR	5,960,053
	TOTAL	18,928,452
	<b>Japan—19.1%</b>	
230,100	Ajinomoto Co., Inc.	8,222,508
430,600	Daiichi Sankyo Co. Ltd.	15,283,798
513,800	Denso Corp.	8,329,721
40,200	Disco Corp.	15,814,583
75,841	Hoya Corp.	9,231,047
234,700	Internet Initiative Japan, Inc.	3,309,237
27,917	Keyence Corp.	12,595,802
44,912	Lasertec Corp.	11,457,352
968,319	Mitsubishi UFJ Financial Group, Inc., ADR	10,302,914
493,100	Renesas Electronics Corp.	9,264,607
2,360,500	Resona Holdings, Inc.	16,302,744
17,672	SMC Corp.	8,889,156
274,100	Terumo Corp.	4,672,955
	TOTAL	133,676,424
	<b>Netherlands—4.0%</b>	
23,933	ASML Holding N.V., ADR	22,984,057
50,045	Heineken NV	4,995,912
	TOTAL	27,979,969
	<b>Norway—1.4%</b>	
116,741	Kongsberg Gruppen ASA	10,035,766
	<b>Saudi Arabia—0.5%</b>	
3,698,294	Americana Restaurants International PLC	3,225,226
	<b>South Africa—1.5%</b>	
685,110	Gold Fields Ltd.	10,760,905
	<b>South Korea—2.7%</b>	
293,972	<sup>1</sup> Coupang LLC	6,684,923
22,791	Hanwha Aerospace Co. Ltd.	3,379,832
237,090	KakaoBank Corp.	3,803,554
136,169	Korea Aerospace Industry	5,092,671
	TOTAL	18,960,980
	<b>Spain—1.8%</b>	
186,298	Industria de Diseno Textil SA	8,874,889

Shares		Value in U.S. Dollars
	COMMON STOCKS—continued	
	<b>Spain—continued</b>	
41,342	Laboratorios Farmaceuticos Rovi SA	\$ 3,939,034
	TOTAL	12,813,923
	<b>Sweden—1.5%</b>	
10,781	<sup>1</sup> Spotify Technology SA	3,199,585
168,191	<sup>1</sup> Xvivo Perfusion AB	7,052,364
	TOTAL	10,251,949
	<b>Switzerland—3.8%</b>	
104,316	Alcon, Inc.	9,297,685
49,424	Nestle S.A.	5,233,028
94,482	<sup>1</sup> On Holding AG	4,019,264
26,703	Sika AG	8,092,759
	TOTAL	26,642,736
	<b>Taiwan—4.1%</b>	
36,000	ASPEED Technology, Inc.	4,064,101
56,000	eMemory Technology, Inc.	3,789,843
148,000	MediaTek, Inc.	5,623,648
600,000	Taiwan Semiconductor Manufacturing Co. Ltd	15,143,702
	TOTAL	28,621,294
	<b>Turkey—1.0%</b>	
297,761	Coca-Cola Icecek Uretim AS	7,049,398
	<b>United Kingdom—7.8%</b>	
132,146	Ashtead Group PLC	9,730,487
261,029	AstraZeneca PLC, ADR	20,365,483
779,275	Burford Capital Ltd.	11,252,731
472,818	Compass Group PLC	13,281,268
	TOTAL	54,629,969
	TOTAL COMMON STOCKS (IDENTIFIED COST \$462,041,194)	688,613,454
	INVESTMENT COMPANY—2.0%	
13,619,652	Federated Hermes Government Obligations Fund, Premier Shares, 5.23% <sup>2</sup> (IDENTIFIED COST \$13,619,652)	13,619,652
	TOTAL INVESTMENT IN SECURITIES—100.4% (IDENTIFIED COST \$475,660,846) <sup>3</sup>	702,233,106
	OTHER ASSETS AND LIABILITIES - NET—(0.4%) <sup>4</sup>	(2,477,310)
	TOTAL NET ASSETS—100%	\$699,755,796

Transactions with affiliated investment companies, which are funds managed by the Adviser or an affiliate of the Adviser, during the period ended May 31, 2024, were as follows:

	Federated Hermes Government Obligations Fund, Premier Shares*	Federated Hermes Institutional Prime Value Obligations Fund, Institutional Shares	Total of Affiliated Transactions
Value as of 5/31/2023	\$ 3,181,038	\$ 23,078,359	\$ 26,259,397
Purchases at Cost	\$ 82,124,433	\$ 197,294,591	\$ 279,419,024
Proceeds from Sales	\$(71,685,819)	\$(220,375,119)	\$(292,060,938)
Change in Unrealized Appreciation/Depreciation	\$ —	\$ (801)	\$ (801)
Net Realized Gain/(Loss)	\$ —	\$ 2,970	\$ 2,970
Value as of 5/31/2024	\$ 13,619,652	\$ —	\$ 13,619,652
Shares Held as of 5/31/2024	13,619,652	—	13,619,652
Dividend Income	\$ 159,655	\$ 579,673	\$ 739,328

\* All or a portion of the balance/activity for the fund relates to cash collateral received on securities lending transactions.

- 1 *Non-income-producing security.*
- 2 *7-day net yield.*
- 3 *The cost of investments for federal tax purposes amounts to \$482,714,332.*
- 4 *Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.*

Note: The categories of investments are shown as a percentage of total net assets at May 31, 2024.

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, 2024, 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>Equity Securities:</b>				
Common Stocks				
International	\$274,408,411	\$414,205,043	\$—	\$688,613,454
<b>Investment Company</b>	13,619,652	—	—	13,619,652
<b>TOTAL SECURITIES</b>	<b>\$288,028,063</b>	<b>\$414,205,043</b>	<b>\$—</b>	<b>\$702,233,106</b>

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

ADR—American Depositary Receipt

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Institutional Shares (formerly, Class I Shares)

(For a Share Outstanding Throughout Each Period)<sup>1</sup>

	Year Ended May 31,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$13.19</b>	<b>\$14.26</b>	<b>\$18.70</b>	<b>\$13.02</b>	<b>\$11.87</b>
<b>Income From Investment Operations:</b>					
Net investment income <sup>2</sup>	0.07	0.13	0.08	0.09	0.03
Net realized and unrealized gain (loss)	1.70	(0.94)	(3.80)	6.39	1.73
<b>TOTAL FROM INVESTMENT OPERATIONS</b>	<b>1.77</b>	<b>(0.81)</b>	<b>(3.72)</b>	<b>6.48</b>	<b>1.76</b>
<b>Less Distributions:</b>					
Distributions from net investment income	(0.17)	(0.15)	(0.05)	(0.01)	(0.08)
Distributions from net realized gain	—	(0.11)	(0.67)	(0.79)	(0.53)
<b>TOTAL DISTRIBUTIONS</b>	<b>(0.17)</b>	<b>(0.26)</b>	<b>(0.72)</b>	<b>(0.80)</b>	<b>(0.61)</b>
<b>Net Asset Value, End of Period</b>	<b>\$14.79</b>	<b>\$13.19</b>	<b>\$14.26</b>	<b>\$18.70</b>	<b>\$13.02</b>
<b>Total Return<sup>3</sup></b>	<b>13.56%</b>	<b>(5.64)%</b>	<b>(20.70)%</b>	<b>50.28%</b>	<b>14.78%</b>
<b>Ratios to Average Net Assets:</b>					
Net expenses <sup>4</sup>	0.84% <sup>5</sup>	0.84%	0.84%	0.84%	0.85%
Net investment income	0.53%	1.00%	0.47%	0.51%	0.21%
Expense waiver/reimbursement <sup>6</sup>	0.08%	0.07%	0.09%	0.36%	5.10%
<b>Supplemental Data:</b>					
Net assets, end of period (000 omitted)	\$699,137	\$714,886	\$749,120	\$835,694	\$5,094
Portfolio turnover <sup>7</sup>	37%	46%	47%	89%	70%

- 1 PNC International Growth Fund (the "Predecessor Fund") was reorganized into the Fund as of the close of business on November 15, 2019. The Fund is the successor to the Predecessor Fund. The performance information and financial information presented incorporates the operations of the Predecessor Fund, which, as a result of the reorganization, are the Fund's operations.
- 2 Per share numbers have been calculated using the average shares method.
- 3 Based on net asset value.
- 4 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 5 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense is 0.84% for the year ended May 31, 2024, after taking into account this expense reduction.
- 6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.
- 7 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

# Financial Highlights – Class R6 Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended May 31,		Period Ended
	2024	2023	5/31/2022 <sup>1</sup>
<b>Net Asset Value, Beginning of Period</b>	<b>\$13.20</b>	<b>\$14.26</b>	<b>\$20.05</b>
<b>Income From Investment Operations:</b>			
Net investment income <sup>2</sup>	0.07	0.12	0.12
Net realized and unrealized gain (loss)	1.70	(0.92)	(5.19)
TOTAL FROM INVESTMENT OPERATIONS	1.77	(0.80)	(5.07)
<b>Less Distributions:</b>			
Distributions from net investment income	(0.17)	(0.15)	(0.05)
Distributions from net realized gain	—	(0.11)	(0.67)
TOTAL DISTRIBUTIONS	(0.17)	(0.26)	(0.72)
<b>Net Asset Value, End of Period</b>	<b>\$14.80</b>	<b>\$13.20</b>	<b>\$14.26</b>
<b>Total Return<sup>3</sup></b>	<b>13.55%</b>	<b>(5.57)%</b>	<b>(26.04)%</b>

## Ratios to Average Net Assets:

Net expenses <sup>4</sup>	0.83% <sup>5</sup>	0.83%	0.83% <sup>6</sup>
Net investment income	0.53%	0.95%	0.92% <sup>6</sup>
Expense waiver/reimbursement <sup>7</sup>	0.08%	0.06%	0.12% <sup>6</sup>

## Supplemental Data:

Net assets, end of period (000 omitted)	\$619	\$619	\$279
Portfolio turnover <sup>8</sup>	37%	46%	47% <sup>9</sup>

1 Reflects operations for the period from August 26, 2021 (commencement of operations) to May 31, 2022.

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

3 Based on net asset value. Total returns for periods of less than one year are not annualized.

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

5 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense is 0.83% for the year ended May 31, 2024, after taking into account this expense reduction.

6 Computed on an annualized basis.

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

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

9 Portfolio turnover is calculated at the Fund level. Percentage indicated was calculated for the fiscal year ended May 31, 2022.

See Notes which are an integral part of the Financial Statements



# Statement of Assets and Liabilities

May 31, 2024

## Assets:

Investment in securities, at value including \$13,619,652 of investment in an affiliated holding* (identified cost \$475,660,846, including \$13,619,652 of identified cost in an affiliated holding)	\$702,233,106
Cash denominated in foreign currencies (identified cost \$208,969)	208,878
Income receivable	1,609,928
Receivable for investments sold	1,041,396
Due from custodian	35,925
Receivable for shares sold	17,186
<b>TOTAL ASSETS</b>	<b>705,146,419</b>

## Liabilities:

Payable for investments purchased	\$ 3,439,680
Payable for capital gains taxes withheld	1,517,398
Payable for custodian fees	184,163
Payable for shares redeemed	27,070
Payable for investment adviser fee (Note 5)	12,893
Payable for administrative fee (Note 5)	1,495
Accrued expenses (Note 5)	207,924
<b>TOTAL LIABILITIES</b>	<b>5,390,623</b>

Net assets for 47,313,029 shares outstanding	\$699,755,796
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## Net Assets Consist of:

Paid-in capital	\$521,753,419
Total distributable earnings (loss)	178,002,377
<b>TOTAL NET ASSETS</b>	<b>\$699,755,796</b>

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

### Institutional Shares:

Net asset value per share (\$699,137,083 ÷ 47,271,223 shares outstanding) no par value, unlimited shares authorized	\$14.79
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### Class R6 Shares:

Net asset value per share (\$618,713 ÷ 41,806 shares outstanding) no par value, unlimited shares authorized	\$14.80
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\* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

# Statement of Operations

Year Ended May 31, 2024

## Investment Income:

Dividends (including \$633,711 received from an affiliated holding* and net of foreign taxes withheld of \$673,200)	\$ 9,576,462
Net income on securities loaned (includes \$105,617 earned from an affiliated holding* related to cash collateral balances) (Note 2)	11,668
<b>TOTAL INCOME</b>	<b>9,588,130</b>

## Expenses:

Investment adviser fee (Note 5)	\$ 5,263,933
Administrative fee (Note 5)	547,001
Custodian fees	239,087
Transfer agent fees (Note 2)	75,618
Directors'/Trustees' fees (Note 5)	4,032
Auditing fees	36,383
Legal fees	10,788
Portfolio accounting fees	145,180
Share registration costs	38,437
Printing and postage	21,501
Miscellaneous (Note 5)	68,869
<b>TOTAL EXPENSES</b>	<b>6,450,829</b>

## Waiver, Reimbursement and Reduction:

Waiver/reimbursement of investment adviser fee (Note 5)	(564,257)
Reduction of custodian fees (Note 6)	(653)
<b>TOTAL WAIVER, REIMBURSEMENT AND REDUCTION</b>	<b>(564,910)</b>
Net expenses	5,885,919
Net investment income	3,702,211

## Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Transactions:

Net realized loss on investments (including net realized gain of \$2,970 on sales of investments in an affiliated holding*) and foreign currency transactions	(16,214,886)
Net change in unrealized appreciation of investments and translation of assets and liabilities in foreign currency (including net change in unrealized appreciation of \$(801) of investments in an affiliated holding* and increase in payable for capital gains taxes withheld of \$1,294,639)	101,170,720
Net realized and unrealized gain (loss) on investments and foreign currency transactions	84,955,834
Change in net assets resulting from operations	\$ 88,658,045

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

See Notes which are an integral part of the Financial Statements

## Statement of Changes in Net Assets

Year Ended May 31	2024	2023
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 3,702,211	\$ 7,031,692
Net realized loss	(16,214,886)	(28,477,495)
Net change in unrealized appreciation/depreciation	101,170,720	(18,981,413)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	88,658,045	(40,427,216)
<b>Distributions to Shareholders:</b>		
Institutional Shares	(8,667,258)	(13,704,213)
Class R6 Shares	(8,124)	(15,874)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(8,675,382)	(13,720,087)
<b>Share Transactions:</b>		
Proceeds from sale of shares	30,131,644	64,721,374
Net asset value of shares issued to shareholders in payment of distributions declared	8,408,641	13,471,219
Cost of shares redeemed	(134,271,648)	(57,939,349)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(95,731,363)	20,253,244
Change in net assets	(15,748,700)	(33,894,059)
<b>Net Assets:</b>		
Beginning of period	715,504,496	749,398,555
End of period	\$ 699,755,796	\$715,504,496

See Notes which are an integral part of the Financial Statements

# Notes to Financial Statements

May 31, 2024

## 1. ORGANIZATION

Federated Hermes Adviser Series (the “Trust”) was established as a Delaware statutory trust on July 12, 2017 and is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Trust consists of 11 portfolios. The financial statements included herein are only those of Federated Hermes International Growth Fund (the “Fund”), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Institutional Shares and Class R6 Shares. The Fund’s Class A Shares and Class C Shares are effective with the Securities and Exchange Commission (SEC), but are not yet offered for sale. 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 provide long-term 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:

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

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

### Fair Valuation and Significant Events Procedures

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

The Adviser, acting through its Valuation Committee, is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of the Adviser and certain of the Adviser’s affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is also authorized to use pricing services to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services’ policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser’s fair valuation and significant events procedures as part of the Fund’s compliance program and will review any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a “bid” evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between

the prices bid and ask for the investment (a “mid” evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Adviser.

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

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

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

### Repurchase Agreements

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

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

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the 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 annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. The detail of the total fund expense waiver, reimbursement and reduction of \$564,910 is disclosed in Note 5 and Note 6.

### Transfer Agent Fees

For the year ended May 31, 2024, transfer agent fees for the Fund were as follows:

	Transfer Agent Fees Incurred
Institutional Shares	\$75,576
Class R6 Shares	42
TOTAL	\$75,618

### Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund’s Institutional Shares to unaffiliated 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 year ended May 31, 2024, the Fund did not incur any service fees.

## **Federal Taxes**

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended May 31, 2024, 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, 2024, tax years 2021 through 2024 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the State of Delaware.

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.

## **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.

## **Restricted Securities**

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

## **Securities Lending**

The Fund participates in a securities lending program providing for the lending of equity securities to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. Earnings from collateral invested in affiliated holdings as presented parenthetically on the Statement of Operations do not reflect fees and rebates and are allocated between the borrower of the security, the securities lending agent, as a fee for its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

As of May 31, 2024, the Fund has no outstanding securities on loan.

## **Other**

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

### 3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Year Ended 5/31/2024		Year Ended 5/31/2023	
<b>Institutional Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	2,243,334	\$ 30,102,431	4,955,233	\$ 64,185,039
Shares issued to shareholders in payment of distributions declared	638,140	8,404,302	1,058,243	13,460,856
Shares redeemed	(9,813,263)	(134,167,974)	(4,356,936)	(57,723,294)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	(6,931,789)	\$ (95,661,241)	1,656,540	\$ 19,922,601

	Year Ended 5/31/2024		Year Ended 5/31/2023	
<b>Class R6 Shares:</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Shares sold	2,374	\$ 29,213	43,574	\$ 536,335
Shares issued to shareholders in payment of distributions declared	329	4,339	815	10,363
Shares redeemed	(7,800)	(103,674)	(17,027)	(216,055)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	(5,097)	\$ (70,122)	27,362	\$ 330,643
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(6,936,886)	\$ (95,731,363)	1,683,902	\$ 20,253,244

### 4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended May 31, 2024 and 2023, was as follows:

	<b>2024</b>	<b>2023</b>
Ordinary income	\$8,675,382	\$8,051,751
Long-term capital gains	\$ —	\$5,668,336

As of May 31, 2024, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 4,929,581
Net unrealized appreciation	\$219,518,774
Capital loss carryforwards	\$ (44,870,443)
Other timing differences	\$ (1,575,535)
TOTAL	\$178,002,377

At May 31, 2024, the cost of investments for federal tax purposes was \$482,714,332. The net unrealized appreciation of investments for federal tax purposes was \$219,518,774. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$228,731,382 and unrealized depreciation from investments for those securities having an excess of cost over value of \$9,212,608. The difference between book-basis and tax-basis net unrealized appreciation is attributable to the deferral of losses on wash sales and passive foreign investment company income.

As of May 31, 2024, the Fund had a capital loss carryforward of \$44,870,443 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:

<b>Short-Term</b>	<b>Long-Term</b>	<b>Total</b>
\$40,957,688	\$3,912,755	\$44,870,443

### 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 0.75% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended May 31, 2024, the Adviser voluntarily waived \$549,052 of its fee.

The Adviser has agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended May 31, 2024, the Adviser reimbursed \$15,205.

## Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

Administrative Fee	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended May 31, 2024, the annualized fee paid to FAS was 0.078% of average daily net assets of the Fund.

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

## Expense Limitation

The Adviser and certain of its affiliates (which may include, 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 interest expense, tax reclaim recovery fees, proxy-related expenses and extraordinary expenses, if any) paid by the Fund's Institutional Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.84% and 0.83% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) August 1, 2025; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

## Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Directors of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses are paid by an affiliate of the Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

## Affiliated Shares of Beneficial Interest

As of May 31, 2024, a majority of the shares of beneficial interest outstanding are owned by an affiliate of the Adviser.

## 6. EXPENSE REDUCTION

Through arrangements with the Fund's custodian, net credits realized as a result of uninvested cash balances were used to offset custody expenses. For the year ended May 31, 2024, the Fund's expenses were offset by \$653 under these arrangements.

## 7. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended May 31, 2024, were as follows:

Purchases	\$256,102,097
Sales	\$344,624,776

## 8. CONCENTRATION OF RISK

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.

The Fund may invest a portion of its assets in securities of companies that are deemed by the Fund's management to be classified in similar business sectors. Economic developments may have an effect on the liquidity and volatility of the portfolio securities.

A substantial portion of the Fund's portfolio may be comprised of entities in the Information Technology sector. As a result, the Fund may be more susceptible to any economic, business, political or other developments which generally affect these entities.

## 9. 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 21, 2023, which was renewed on June 18, 2024. 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, 2024, the Fund had no outstanding loans. During the year ended May 31, 2024, the Fund did not utilize the LOC.

#### **10. INTERFUND LENDING**

Pursuant to an Exemptive Order issued by the SEC, 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, 2024, there were no outstanding loans. During the year ended May 31, 2024, the program was not utilized.

#### **11. 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.

#### **12. FEDERAL TAX INFORMATION (UNAUDITED)**

For the year ended May 31, 2024, 78.5% of total ordinary income distributions paid by the Fund are qualifying dividends which may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Act of 2003. Complete information is reported in conjunction with the reporting of distributions on Form 1099-DIV.

If the Fund meets the requirements of Section 853 of the Code, the Fund will pass through to its shareholders credits for foreign taxes paid. For the fiscal year ended May 31, 2024, the Fund derived \$9,377,357 of gross income from foreign sources and paid foreign taxes of \$1,097,201.

# Report of Independent Registered Public Accounting Firm

## **FEDERATED HERMES ADVISER SERIES AND THE SHAREHOLDERS OF FEDERATED HERMES INTERNATIONAL GROWTH FUND:**

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

We have audited the accompanying statement of assets and liabilities of Federated Hermes International Growth Fund (the Fund), a portfolio of Federated Hermes Adviser Series, including the portfolio of investments, as of May 31, 2024, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years or periods in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of May 31, 2024, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years of periods in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of May 31, 2024, by correspondence with the transfer agent of the underlying fund, custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

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

Boston, Massachusetts  
July 23, 2024

## Evaluation and Approval of Advisory Contract – May 2024

### **FEDERATED HERMES INTERNATIONAL GROWTH FUND (THE “FUND”)**

At its meetings in May 2024 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Global Investment Management Corp. (the “Adviser”) (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

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

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation 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 Contract.

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

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: (1) copies of the Contracts; (2) the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; (3) Federated Hermes’ business and operations; (4) the Adviser’s investment philosophy, personnel and processes; (5) the Fund’s investment objectives and strategies; (6) the Fund’s short-term and long-term performance - in absolute terms (both on a gross basis and net of expenses) and relative to an appropriate group of peer funds and its benchmark; (7) the Fund’s fees and expenses, including the advisory fee and the overall expense structure of the Fund - in absolute terms and relative to an appropriate group of peer funds, with due regard for contractual or voluntary expense limitations (if any); (8) the financial condition of Federated Hermes; (9) the Adviser’s profitability with respect to managing the Fund; (10) distribution and sales activity for the Fund; and (11) 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 Contract. Using these judicial decisions as a guide, the Board considered several factors they deemed relevant to an adviser’s fiduciary duty with respect to its receipt of compensation from a fund, including: (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 fees and expenses, 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 considered 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 Contract to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the oversight of the other funds advised by Federated Hermes (each, a “Federated Hermes Fund” and, collectively, the “Federated Hermes Funds”).

In addition, 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 Contract. 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 in the marketplace, and such shareholders, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contract, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board's determination to approve the continuation of the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. The Independent Trustees were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Trustees met separately in executive session with their independent legal counsel and without management present to review the relevant materials and consider their responsibilities under applicable laws. In addition, senior management representatives of Federated Hermes also met with the Independent Trustees and their independent legal counsel to discuss the materials and presentations furnished to the Board at the May Meetings. The Board considered the approval of the Contract for the Fund as part of its consideration of agreements for funds across the family of Federated Hermes Funds, but its approvals were made on a fund-by-fund basis.

#### **Nature, Extent and Quality of Services**

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contract and the full range of services provided to the Fund by Federated Hermes. The Board considered the Adviser's personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and evaluated 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 Adviser's ability to deliver competitive investment performance for the Fund when compared to the Fund's Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Adviser is executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted the benefits of the previous significant acquisition of Hermes Fund Managers Limited by Federated Hermes, which 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 where appropriate. 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 internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard.

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 on-going services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

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

#### **Fund Investment Performance**

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Adviser's analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports 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 Adviser 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 also considered comparative performance data from Lipper, Inc. that was included in reports provided to the Board throughout the year. The Board noted that differences may exist between the Performance Peer Group and Lipper peers and that the results of these performance comparisons may vary.

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, 2023. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

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

#### **Fund Expenses**

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, 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 overall 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 more heavily than non-registered fund products or services because such comparisons are believed to be more relevant.



The Board considered that other registered funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's fee rates relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was below the median of the Expense Peer Group, and the Board was satisfied that the overall expense structure of the Fund remained competitive.

The Board also received and considered information about the 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 the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-registered fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) the time spent by portfolio managers and their teams (among other personnel across various departments, including legal, compliance and risk management) in reviewing securities pricing; (vi) different SEC mandated risk management programs with respect to fund liquidity and use of derivatives; (vii) different administrative responsibilities; (viii) different degrees of risk associated with management; and (ix) 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.

In the case of the Fund, the Board noted that Federated Hermes does not manage any other types of clients that are comparable to the Fund.

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 Contract are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported 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 isolating and quantifying 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, systems capabilities and use of data. The Board noted that Federated Hermes’ investments in these areas are extensive and are designed to provide enhanced or expanded 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 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 Contract by the CCO. The CCO also recognized that the Board’s evaluation of the Federated Hermes Funds’ advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items, and management has committed to reviewing certain items, for future reporting to the Board as the Board continues its ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative.

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



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