

Annual Financial Statements and Additional Information



December 31, 2024

Share Class

Primary

Service

Federated Hermes Managed Volatility Fund II

A Portfolio of Federated Hermes Insurance Series

Not FDIC Insured • May Lose Value • No Bank Guarantee

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Portfolio of Investments

December 31, 2024

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—39.9%	
	Communication Services—1.7%	
24,974	AT&T, Inc.	\$ 568,658
13,763	Comcast Corp., Class A	516,525
3,030	Electronic Arts, Inc.	443,289
10,000	¹ Integral Ad Science Holding Corp.	104,400
4,316	¹ Liberty Global Ltd.	55,072
13	Sirius XM Radio, Inc.	296
575	T-Mobile USA, Inc.	126,920
13,703	Verizon Communications, Inc.	547,983
5,366	Walt Disney Co.	597,504
20,003	¹ Warner Bros. Discovery, Inc.	211,432
	TOTAL	3,172,079
	Consumer Discretionary—2.4%	
10,600	ADT, Inc.	73,246
335	Advance Auto Parts, Inc.	15,842
7	Booking Holdings, Inc.	34,779
1,258	BorgWarner, Inc.	39,992
710	¹ Bright Horizons Family Solutions, Inc.	78,704
3,462	¹ Carnival Corp.	86,273
238	Carter's, Inc.	12,897
2,202	Columbia Sportswear Co.	184,814
472	¹ Crocs, Inc.	51,698
2,260	¹ DoorDash, Inc.	379,115
2,288	¹ Etsy, Inc.	121,012
5,232	Ford Motor Co.	51,797
218	Gap (The), Inc.	5,151
4,336	General Motors Co.	230,979
5,929	Hasbro, Inc.	331,490
894	Hilton Worldwide Holdings, Inc.	220,961
1,471	Home Depot, Inc.	572,204
732	Kohl's Corp.	10,277
16	Lear Corp.	1,515
1,453	Leggett and Platt, Inc.	13,949
103	LKQ Corp.	3,785
1,770	Lowe's Cos., Inc.	436,836
29,123	¹ Lucid Group, Inc.	87,952
110	Macy's, Inc.	1,862
5,287	¹ Mattel, Inc.	93,739
1,809	McDonald's Corp.	524,411
3,224	¹ MGM Resorts International	111,712
3,251	Newell Brands, Inc.	32,380
120	¹ O'Reilly Automotive, Inc.	142,296
691	PVH Corp.	73,073
2,346	¹ Rivian Automotive, Inc.	31,202
12,000	¹ Savers Value Village, Inc.	123,000
3	¹ TopBuild Corp.	934
5,223	V.F. Corp.	112,086
1,058	Williams-Sonoma, Inc.	195,920

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Consumer Discretionary—continued	
663	Wynn Resorts Ltd.	\$ 57,124
	TOTAL	4,545,007
	Consumer Staples—3.1%	
6,388	Altria Group, Inc.	334,029
8,435	Archer-Daniels-Midland Co.	426,136
3,474	Bunge Global S.A.	270,138
3	Coca-Cola Bottling Co.	3,780
3,162	Colgate-Palmolive Co.	287,457
5,752	Conagra Brands, Inc.	159,618
717	General Mills, Inc.	45,723
2,674	Ingredion, Inc.	367,835
2,298	Kimberly-Clark Corp.	301,130
5,365	¹ Maplebear, Inc.	222,218
1,996	Molson Coors Beverage Co., Class B	114,411
1,422	Mondelez International, Inc.	84,936
1,354	PepsiCo, Inc.	205,889
2,066	Philip Morris International, Inc.	248,643
3,915	¹ Pilgrim's Pride Corp.	177,702
4,673	Procter & Gamble Co.	783,429
1,337	Target Corp.	180,736
164	¹ The Boston Beer Co., Inc., Class A	49,197
15,468	WalMart, Inc.	1,397,534
50,000	¹ Zabka Group	232,928
	TOTAL	5,893,469
	Energy—2.4%	
2,675	Chevron Corp.	387,447
7,385	Civitas Resources, Inc.	338,750
7,327	ConocoPhillips	726,619
7,379	Devon Energy Corp.	241,515
4,005	DT Midstream, Inc.	398,217
11,278	Exxon Mobil Corp.	1,213,174
672	Hess Corp.	89,383
11,249	Kinder Morgan, Inc.	308,223
2,061	Marathon Petroleum Corp.	287,509
1,846	TechnipFMC PLC	53,423
1,316	Valero Energy Corp.	161,328
4,947	Williams Cos., Inc.	267,732
	TOTAL	4,473,320
	Financials—8.9%	
2,071	Affiliated Managers Group	382,969
528	American Express Co.	156,705
6,313	American International Group, Inc.	459,586
685	Ameriprise Financial, Inc.	364,715
719	Annaly Capital Management, Inc.	13,158
4,087	Assured Guaranty Ltd.	367,871
2,305	Axis Capital Holdings Ltd.	204,269
18,132	Bank of America Corp.	796,901
3,038	Bank of New York Mellon Corp.	233,410
4,484	¹ Berkshire Hathaway, Inc., Class B	2,032,507
72	BlackRock, Inc.	73,808
7,434	¹ Brighthouse Financial, Inc.	357,129
703	Charles Schwab Corp.	52,029

Shares,
Principal
Amount
or Contracts

Value

COMMON STOCKS—continued		
Financials—continued		
3,792	Citigroup, Inc.	\$ 266,919
9,260	Citizens Financial Group, Inc.	405,218
9,758	Corebridge Financial, Inc.	292,057
809	Discover Financial Services	140,143
3,068	¹ Euronet Worldwide, Inc.	315,513
5,810	Fidelity National Information Services, Inc.	469,274
18	First Citizens Bancshares, Inc., Class A	38,034
2,885	¹ Fiserv, Inc.	592,637
407	Global Payments, Inc.	45,608
34	Goldman Sachs Group, Inc.	19,469
3,042	Hartford Financial Services Group, Inc.	332,795
24,049	Huntington Bancshares, Inc.	391,277
8,283	JPMorgan Chase & Co.	1,985,518
1,008	Lincoln National Corp.	31,964
3,000	Marex Group PLC	93,510
6,185	MetLife, Inc.	506,428
5,498	Morgan Stanley	691,209
242	Northern Trust Corp.	24,805
4,066	Old Republic International Corp.	147,149
45,000	¹ Oportun Financial Corp.	174,600
8,000	¹ Oscar Health, Inc.	107,520
961	¹ PayPal Holdings, Inc.	82,021
1,063	PNC Financial Services Group, Inc.	205,000
2,227	Prudential Financial, Inc.	263,966
2,442	Regions Financial Corp.	57,436
671	S&P Global, Inc.	334,178
4,805	State Street Corp.	471,611
6,851	Synchrony Financial	445,315
1,008	Unum Group	73,614
2,897	Webster Financial Corp. Waterbury	159,972
15,194	Wells Fargo & Co.	1,067,227
35,878	Western Union Co.	380,307
2,157	¹ WEX, Inc.	378,165
522	Willis Towers Watson PLC	163,511
4,526	XP, Inc.	53,633
	TOTAL	16,702,660
Health Care—6.0%		
2,267	Abbott Laboratories	256,420
2,321	AbbVie, Inc.	412,442
50,000	¹ AbCellera Biologics, Inc.	146,500
1,451	Agilent Technologies, Inc.	194,927
1,500	¹ Amphastar Pharmaceuticals, Inc.	55,695
1,587	Becton Dickinson & Co.	360,043
4,000	¹ Bicara Therapeutics, Inc.	69,680
249	¹ Biogen, Inc.	38,077
7,355	¹ Boston Scientific Corp.	656,949
12,184	Bristol-Myers Squibb Co.	689,127
1,440	^{1,2} Bristol-Myers Squibb Co., Rights	1,008
1,868	Cardinal Health, Inc.	220,928
3,434	¹ Centene Corp.	208,032
3,000	¹ CG Oncology, Inc.	86,040
5,000	Concentra Group Holdings Parent, Inc.	98,900

Shares,
Principal
Amount
or Contracts

Value

COMMON STOCKS—continued		
Health Care—continued		
660	CVS Health Corp.	\$ 29,627
1,920	Danaher Corp.	440,736
6,048	Dentsply Sirona, Inc.	114,791
4,000	¹ Dynavax Technologies Corp.	51,080
395	Elevance Health, Inc.	145,715
2,420	¹ Envista Holdings Corp.	46,682
189	GE HealthCare Technologies, Inc.	14,776
7,623	Gilead Sciences, Inc.	704,137
1,286	HCA Healthcare, Inc.	385,993
5,109	¹ Hologic, Inc.	368,308
906	¹ Illumina, Inc.	121,069
1,193	¹ Incyte Genomics, Inc.	82,401
4,000	¹ Inmode Ltd.	66,800
260	¹ IQVIA Holdings, Inc.	51,093
8,089	Johnson & Johnson	1,169,831
16,000	¹ Kyverna Therapeutics, Inc.	59,840
3,000	¹ Legend Biotech Corp., ADR	97,620
820	McKesson Corp.	467,326
2,399	Medtronic PLC	191,632
6,000	¹ Mineralys Therapeutics, Inc.	73,860
1,400	¹ Mirum Pharmaceuticals, Inc.	57,890
406	¹ Moderna, Inc.	16,881
7,866	Pfizer, Inc.	208,685
460	¹ Regeneron Pharmaceuticals, Inc.	327,672
20,000	¹ Relay Therapeutics, Inc.	82,400
2,500	¹ Schrodinger, Inc.	48,225
50,000	¹ Sophia Genetics S.A.	156,000
63	STERIS PLC	12,950
358	¹ Tenet Healthcare Corp.	45,190
1,736	The Cigna Group	479,379
736	Thermo Fisher Scientific, Inc.	382,889
1,860	UnitedHealth Group, Inc.	940,900
725	¹ Vertex Pharmaceuticals, Inc.	291,957
55	Zimmer Biomet Holdings, Inc.	5,810
	TOTAL	11,234,913
Industrials—6.1%		
1,053	Allison Transmission Holdings, Inc.	113,787
17,500	¹ Astroscale Holdings, Inc.	86,372
1,042	¹ Avis Budget Group, Inc.	83,996
812	Broadridge Financial Solutions	183,585
676	¹ Builders Firstsource, Inc.	96,621
198	Carlisle Cos., Inc.	73,030
1,130	Caterpillar, Inc.	409,919
287	Cintas Corp.	52,435
3,721	CSX Corp.	120,077
259	Cummins, Inc.	90,287
1,013	Curtiss Wright Corp.	359,483
161	Donaldson Co., Inc.	10,843
587	Eaton Corp. PLC	194,808
826	Emcor Group, Inc.	374,921
7,500	¹ Exosens SAS	150,965
1,826	Expeditors International Washington, Inc.	202,266

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Industrials—continued	
577	FedEx Corp.	\$ 162,327
741	Ferguson Enterprises, Inc.	128,615
2,983	GE Aerospace	497,535
744	¹ GE Vernova, Inc.	244,724
588	¹ Generac Holdings, Inc.	91,169
4,436	Graco, Inc.	373,911
3,016	Honeywell International, Inc.	681,284
2,246	Hunt (J.B.) Transportation Services, Inc.	383,302
2,972	Ingersoll-Rand, Inc.	268,847
819	KBR, Inc.	47,445
1,346	Landstar System, Inc.	231,324
2,185	Leidos Holdings, Inc.	314,771
1,106	Lockheed Martin Corp.	537,450
3,280	Masco Corp.	238,030
1,821	¹ Mastec, Inc.	247,911
8,000	¹ Montrose Environmental Group, Inc.	148,400
1,356	MSA Safety, Inc.	224,784
3,500	¹ NEXTracker, Inc.	127,855
301	Northrop Grumman Corp.	141,256
1,504	Owens Corning, Inc.	256,161
376	Parker-Hannifin Corp.	239,147
1,382	Pentair PLC	139,085
15,000	¹ Proficient Auto Logistics, Inc.	121,050
538	RB Global, Inc.	48,533
235	Republic Services, Inc.	47,277
6,951	RTX Corp.	804,370
1,698	Ryder System, Inc.	266,348
30,000	¹ Timee, Inc.	294,254
20,000	¹ Tokyo Metro Co., LTD	204,012
1,334	Trane Technologies PLC	492,713
124	United Parcel Service, Inc.	15,636
195	United Rentals North America, Inc.	137,366
2,389	Wabtec Corp.	452,931
1,936	¹ Willscot Holdings Corp.	64,759
437	Xylem, Inc.	50,701
	TOTAL	11,328,678
	Information Technology—4.0%	
785	Accenture PLC	276,155
2,751	¹ Advanced Micro Devices, Inc.	332,293
480	Applied Materials, Inc.	78,062
14,000	¹ Arteris, Inc.	142,660
28,000	¹ Cambium Networks Corp.	18,054
3,695	¹ Ciena Corp.	313,373
2,241	¹ Cirrus Logic, Inc.	223,159
5,288	Cisco Systems, Inc.	313,050
3,672	¹ DXC Technology Co.	73,367
8,000	¹ Gauzy Ltd.	79,280
13,827	Gen Digital, Inc.	378,583
275	¹ Guidewire Software, Inc.	46,360
17,540	Hewlett Packard Enterprise Co.	374,479
1,411	IBM Corp.	310,180
19,918	Intel Corp.	399,356

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Information Technology—continued	
10,590	Juniper Networks, Inc.	\$ 396,596
4,346	Marvell Technology, Inc.	480,016
3,381	Micron Technology, Inc.	284,545
336	Motorola Solutions, Inc.	155,309
1,479	NetApp, Inc.	171,682
4,590	¹ Nutanix, Inc.	280,816
2,673	¹ Pure Storage, Inc.	164,202
3,566	¹ Qorvo, Inc.	249,370
449	Qualcomm, Inc.	68,975
40,000	¹ Rigaku Holdings Corp.	233,157
95	Roper Technologies, Inc.	49,386
1,528	Salesforce, Inc.	510,856
691	¹ SentinelOne, Inc.	15,340
24,000	¹ Silvaco Group, Inc.	193,920
36,000	¹ Telos Corp.	123,120
595	Texas Instruments, Inc.	111,568
3,561	¹ Twilio, Inc.	384,873
3,618	¹ UiPath, Inc.	45,985
1,842	¹ Unity Software, Inc.	41,390
243	¹ Zebra Technologies Corp., Class A	93,852
	TOTAL	7,413,369
	Materials—1.7%	
980	Aptargroup, Inc.	153,958
974	Ashland, Inc.	69,602
558	Avery Dennison Corp.	104,419
3,701	¹ Cleveland-Cliffs, Inc.	34,789
3,931	CRH PLC	363,696
1,258	Crown Holdings, Inc.	104,024
1,592	Ecolab, Inc.	373,037
78	Freeport-McMoRan, Inc.	2,970
4,159	International Flavors & Fragrances, Inc.	351,644
8,000	¹ Ivanhoe Electric, Inc.	60,400
2,072	Linde PLC	867,484
15,000	¹ Lithium Royalty Corp.	61,463
1,014	Louisiana-Pacific Corp.	105,000
419	Newmont Corp.	15,595
1,194	Nucor Corp.	139,352
1,887	Olin Corp.	63,781
129	Packaging Corp. of America	29,042
127	PPG Industries, Inc.	15,170
1,551	Royal Gold, Inc.	204,499
	TOTAL	3,119,925
	Real Estate—1.8%	
1,210	Avalonbay Communities, Inc.	266,164
1,836	¹ CBRE Group, Inc.	241,048
527	Equinix, Inc.	496,903
1,598	Host Hotels & Resorts, Inc.	27,997
1,431	Iron Mountain, Inc.	150,412
286	Jones Lang LaSalle, Inc.	72,398
740	Lamar Advertising Co.	90,088
5,930	National Storage Affiliates Trust	224,806
1,504	Public Storage	450,358

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Real Estate—continued	
1,404	SBA Communications Corp.	\$ 286,135
2,772	Simon Property Group, Inc.	477,366
7,000	Ventas, Inc.	412,230
6,052	Weyerhaeuser Co.	170,364
	TOTAL	3,366,269
	Utilities—1.8%	
5,083	American Electric Power Co., Inc.	468,805
10,239	Clearway Energy, Inc.	250,344
5,903	Clearway Energy, Inc.	153,478
5,573	Duke Energy Corp.	600,435
317	Edison International	25,309
10,852	NextEra Energy, Inc.	777,980
3,558	NRG Energy, Inc.	321,003
5,466	Public Service Enterprises Group, Inc.	461,822
10,491	UGI Corp.	296,161
	TOTAL	3,355,337
	TOTAL COMMON STOCKS (IDENTIFIED COST \$59,773,160)	74,605,026
	U.S. TREASURIES—19.5%	
	Treasury Inflation-Indexed Note—1.6%	
\$ 13,322	U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2046	10,012
3,009,510	U.S. Treasury Inflation-Protected Notes, 1.625%, 10/15/2029	2,959,798
	TOTAL	2,969,810
	U.S. Treasury Bond—3.2%	
150,000	United States Treasury Bond, 1.375%, 11/15/2040	92,863
760,000	United States Treasury Bond, 1.625%, 11/15/2050	396,698
660,000	United States Treasury Bond, 2.375%, 2/15/2042	469,889
20,000	United States Treasury Bond, 2.750%, 11/15/2047	14,044
1,000	United States Treasury Bond, 3.000%, 11/15/2044	759
900,000	United States Treasury Bond, 3.000%, 2/15/2049	655,373
1,100,000	United States Treasury Bond, 3.125%, 5/15/2048	824,794
475,000	United States Treasury Bond, 4.250%, 2/15/2054	433,895
2,720,000	United States Treasury Bond, 4.250%, 8/15/2054	2,488,611
370,000	United States Treasury Bond, 4.500%, 2/15/2044	353,435
310,000	United States Treasury Bond, 4.625%, 5/15/2044	300,789
	TOTAL	6,031,150
	U.S. Treasury Note—14.7%	
330,000	United States Treasury Note, 0.625%, 7/31/2026	311,907
200,000	United States Treasury Note, 0.875%, 11/15/2030	163,711
675,000	United States Treasury Note, 1.250%, 12/31/2026	636,608
300,000	United States Treasury Note, 1.375%, 11/15/2031	245,216
400,000	United States Treasury Note, 1.500%, 1/31/2027	378,310
200,000	United States Treasury Note, 1.625%, 5/15/2031	168,766
325,000	United States Treasury Note, 1.750%, 3/15/2025	323,289
50,000	United States Treasury Note, 2.250%, 11/15/2027	47,285
3,800,000	United States Treasury Note, 2.625%, 5/31/2027	3,658,819
500,000	United States Treasury Note, 2.750%, 4/30/2027	483,459
5,700,000	United States Treasury Note, 2.750%, 7/31/2027	5,490,976
40,000	United States Treasury Note, 2.875%, 5/31/2025	39,767
110,000	United States Treasury Note, 3.125%, 8/31/2027	106,850
250,000	United States Treasury Note, 3.625%, 3/31/2028	244,864
150,000	United States Treasury Note, 3.875%, 11/30/2027	148,350

Shares, Principal Amount or Contracts		Value
	U.S. TREASURIES—continued	
	U.S. Treasury Note—continued	
\$ 340,000	United States Treasury Note, 3.875%, 8/15/2034	\$ 321,736
835,000	United States Treasury Note, 4.000%, 7/31/2029	822,105
300,000	United States Treasury Note, 4.125%, 7/31/2028	297,943
760,000	United States Treasury Note, 4.125%, 11/30/2029	751,632
270,000	United States Treasury Note, 4.125%, 3/31/2031	265,119
225,000	United States Treasury Note, 4.125%, 7/31/2031	220,601
3,800,000	United States Treasury Note, 4.125%, 10/31/2031	3,721,139
600,000	United States Treasury Note, 4.250%, 2/28/2029	597,300
2,100,000	United States Treasury Note, 4.250%, 11/15/2034	2,046,516
1,145,000	United States Treasury Note, 4.375%, 7/31/2026	1,147,231
750,000	United States Treasury Note, 4.500%, 5/31/2029	753,814
150,000	United States Treasury Note, 4.625%, 6/30/2025	150,340
750,000	United States Treasury Note, 4.625%, 2/28/2026	753,058
500,000	United States Treasury Note, 4.625%, 4/30/2029	504,932
750,000	United States Treasury Note, 4.875%, 4/30/2026	755,929
1,800,000	United States Treasury Note, 5.000%, 9/30/2025	1,809,246
	TOTAL	27,366,818
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$38,487,669)	36,367,778
	CORPORATE BONDS—13.1%	
	Basic Industry - Chemicals—0.1%	
100,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	98,394
	Basic Industry - Metals & Mining—0.2%	
100,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 5.400%, 11/14/2034	98,995
70,000	Glencore Funding LLC, 144A, 5.893%, 4/4/2054	67,982
60,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	57,572
50,000	Steel Dynamics, Inc., Sr. Unsecd. Note, 5.375%, 8/15/2034	49,598
	TOTAL	274,147
	Capital Goods - Aerospace & Defense—0.5%	
125,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	119,237
45,000	Boeing Co., Sr. Unsecd. Note, 3.950%, 8/1/2059	29,756
25,000	Boeing Co., Sr. Unsecd. Note, 6.528%, 5/1/2034	26,203
60,000	Boeing Co., Sr. Unsecd. Note, 6.858%, 5/1/2054	63,832
75,000	HEICO Corp., Sr. Unsecd. Note, 5.350%, 8/1/2033	74,864
135,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	129,682
135,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 4.375%, 5/15/2030	129,270
120,000	Lockheed Martin Corp., Sr. Unsecd. Note, 4.750%, 2/15/2034	116,497
105,000	Northrop Grumman Corp., Sr. Unsecd. Note, 4.700%, 3/15/2033	101,825
95,000	RTX Corp., Sr. Unsecd. Note, 5.150%, 2/27/2033	94,243
125,000	Textron, Inc., Sr. Unsecd. Note, 3.650%, 3/15/2027	121,912
	TOTAL	1,007,321
	Capital Goods - Building Materials—0.0%	
25,000	Carrier Global Corp., Sr. Unsecd. Note, 5.900%, 3/15/2034	25,899
50,000	Carrier Global Corp., Sr. Unsecd. Note, 6.200%, 3/15/2054	52,920
	TOTAL	78,819
	Capital Goods - Construction Machinery—0.1%	
70,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	68,407
145,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 2.800%, 7/18/2029	133,852
60,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 3.450%, 3/7/2029	57,157
	TOTAL	259,416
	Capital Goods - Diversified Manufacturing—0.2%	
45,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	44,422

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Capital Goods - Diversified Manufacturing—continued	
\$ 70,000	Honeywell International, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2050	\$ 43,953
60,000	Honeywell International, Inc., Sr. Unsecd. Note, 4.500%, 1/15/2034	57,270
20,000	Ingersoll-Rand, Inc., Sr. Unsecd. Note, 5.450%, 6/15/2034	20,155
20,000	Ingersoll-Rand, Inc., Sr. Unsecd. Note, 5.700%, 6/15/2054	19,652
115,000	Valmont Industries, Inc., Sr. Unsecd. Note, 5.000%, 10/1/2044	104,764
45,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	38,381
	TOTAL	328,597
	Capital Goods - Environmental—0.1%	
40,000	Republic Services, Inc., Sr. Unsecd. Note, 2.375%, 3/15/2033	32,421
40,000	Republic Services, Inc., Sr. Unsecd. Note, 4.875%, 4/1/2029	39,925
40,000	Waste Connections, Inc., Sr. Unsecd. Note, 2.600%, 2/1/2030	35,838
40,000	Waste Connections, Inc., Sr. Unsecd. Note, 4.200%, 1/15/2033	37,193
	TOTAL	145,377
	Communications - Cable & Satellite—0.4%	
25,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 3.850%, 4/1/2061	15,083
100,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 4.800%, 3/1/2050	75,221
275,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	267,736
150,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	149,280
130,000	Comcast Corp., Sr. Unsecd. Note, 5.650%, 6/1/2054	125,770
115,000	Time Warner Cable, Inc., Company Guarantee, 5.500%, 9/1/2041	97,708
	TOTAL	730,798
	Communications - Media & Entertainment—0.2%	
60,000	Interpublic Group of Cos., Inc., Sr. Unsecd. Note, 5.375%, 6/15/2033	59,501
100,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.500%, 8/15/2027	97,771
75,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.850%, 8/15/2032	69,724
100,000	Meta Platforms, Inc., Sr. Unsecd. Note, 5.550%, 8/15/2064	97,569
90,000	Walt Disney Co., Sr. Unsecd. Note, 3.600%, 1/13/2051	66,208
45,000	Walt Disney Co., Sr. Unsecd. Note, 3.800%, 5/13/2060	32,705
	TOTAL	423,478
	Communications - Telecom Wireless—0.3%	
50,000	American Tower Corp., Sr. Unsecd. Note, 2.700%, 4/15/2031	43,198
90,000	American Tower Corp., Sr. Unsecd. Note, 3.100%, 6/15/2050	57,789
150,000	Crown Castle, Inc., Sr. Unsecd. Note, 3.250%, 1/15/2051	97,830
130,000	T-Mobile USA, Inc., Series WI, 3.000%, 2/15/2041	92,777
50,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 5.150%, 4/15/2034	49,214
65,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 5.200%, 1/15/2033	64,368
95,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.250%, 5/30/2048	88,096
50,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.750%, 6/28/2054	48,270
	TOTAL	541,542
	Communications - Telecom Wirelines—0.4%	
175,000	AT&T, Inc., Sr. Unsecd. Note, 1.700%, 3/25/2026	168,798
253,000	AT&T, Inc., Sr. Unsecd. Note, 3.800%, 12/1/2057	174,770
80,000	Rogers Communications, Inc., Sr. Unsecd. Note, 4.500%, 3/15/2042	67,681
100,000	Rogers Communications, Inc., Sr. Unsecd. Note, 4.550%, 3/15/2052	80,033
80,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.400%, 3/22/2041	60,546
150,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.125%, 8/15/2046	119,007
	TOTAL	670,835
	Consumer Cyclical - Automotive—0.3%	
150,000	Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 2.375%, 12/14/2028	136,372
100,000	Ford Motor Co., Sr. Unsecd. Note, 6.100%, 8/19/2032	99,557
125,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	114,964
75,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 5.750%, 2/8/2031	76,023

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Automotive—continued	
\$ 100,000	Hyundai Capital America, Sr. Unsecd. Note, 144A, 5.300%, 1/8/2029	\$ 100,241
60,000	Hyundai Capital America, Sr. Unsecd. Note, 144A, 5.680%, 6/26/2028	60,903
	TOTAL	588,060
	Consumer Cyclical - Retailers—0.1%	
85,000	AutoNation, Inc., Sr. Unsecd. Note, 3.850%, 3/1/2032	76,227
40,000	AutoZone, Inc., Sr. Unsecd. Note, 3.625%, 4/15/2025	39,870
30,000	AutoZone, Inc., Sr. Unsecd. Note, 4.750%, 2/1/2033	28,797
55,000	Home Depot, Inc., Sr. Unsecd. Note, 2.950%, 6/15/2029	51,031
	TOTAL	195,925
	Consumer Cyclical - Services—0.1%	
115,000	Amazon.com, Inc., Sr. Unsecd. Note, 2.500%, 6/3/2050	68,671
125,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.875%, 8/22/2037	110,473
15,000	Expedia Group, Inc., Sr. Unsecd. Note, Series WI, 2.950%, 3/15/2031	13,215
60,000	Expedia Group, Inc., Sr. Unsecd. Note, Series WI, 3.250%, 2/15/2030	55,344
	TOTAL	247,703
	Consumer Non-Cyclical - Food/Beverage—0.3%	
85,000	Constellation Brands, Inc., Sr. Unsecd. Note, 3.750%, 5/1/2050	62,381
25,000	Flowers Foods, Inc., Sr. Unsecd. Note, 2.400%, 3/15/2031	21,159
125,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	122,041
95,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	77,013
70,000	PepsiCo, Inc., Sr. Unsecd. Note, 2.750%, 10/21/2051	43,697
115,000	Sysco Corp., Sr. Unsecd. Note, 4.450%, 3/15/2048	94,049
65,000	The Campbell's Co., Sr. Unsecd. Note, 5.200%, 3/21/2029	65,667
150,000	Tyson Foods, Inc., Sr. Unsecd. Note, 5.700%, 3/15/2034	152,100
	TOTAL	638,107
	Consumer Non-Cyclical - Health Care—0.3%	
52,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.794%, 5/20/2050	38,438
27,000	Becton Dickinson & Co., Sr. Unsecd. Note, 4.685%, 12/15/2044	23,394
85,000	CVS Health Corp., Sr. Unsecd. Note, 4.250%, 4/1/2050	62,136
60,000	CVS Health Corp., Sr. Unsecd. Note, 5.250%, 2/21/2033	57,545
50,000	CVS Health Corp., Sr. Unsecd. Note, 6.050%, 6/1/2054	46,938
115,000	Danaher Corp., Sr. Unsecd. Note, 2.600%, 10/1/2050	68,517
80,000	HCA, Inc., Sec. Fac. Bond, 3.500%, 7/15/2051	51,789
25,000	HCA, Inc., Sr. Unsecd. Note, 5.200%, 6/1/2028	25,069
100,000	HCA, Inc., Sr. Unsecd. Note, 6.000%, 4/1/2054	95,342
10,000	Stryker Corp., Sr. Unsecd. Note, 3.500%, 3/15/2026	9,872
	TOTAL	479,040
	Consumer Non-Cyclical - Pharmaceuticals—0.6%	
98,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	96,873
150,000	AbbVie, Inc., Sr. Unsecd. Note, 4.250%, 11/21/2049	122,085
104,000	Amgen, Inc., Sr. Unsecd. Note, 5.250%, 3/2/2033	103,275
110,000	Amgen, Inc., Sr. Unsecd. Note, 5.650%, 3/2/2053	105,985
90,000	AstraZeneca PLC, Sr. Unsecd. Note, 1.375%, 8/6/2030	74,995
100,000	Biogen, Inc., Sr. Unsecd. Note, 3.150%, 5/1/2050	63,113
75,000	Bristol-Myers Squibb Co., Sr. Sub. Secd. Note, 5.550%, 2/22/2054	72,809
70,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, 3.700%, 3/15/2052	51,007
40,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 4.250%, 10/26/2049	32,349
30,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 5.250%, 10/15/2033	30,122
70,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.450%, 5/19/2028	69,400
70,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.750%, 5/19/2033	68,045
60,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 5.300%, 5/19/2053	56,226
116,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 2.800%, 9/15/2050	68,627

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Pharmaceuticals—continued	
\$ 140,000	Zoetis, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2050	\$ 89,914
	TOTAL	1,104,825
	Consumer Non-Cyclical - Supermarkets—0.1%	
90,000	Kroger Co., Sr. Unsecd. Note, 5.000%, 9/15/2034	87,217
	Consumer Non-Cyclical - Tobacco—0.1%	
85,000	BAT Capital Corp., Sr. Unsecd. Note, Series WI, 4.540%, 8/15/2047	67,121
125,000	Philip Morris International, Inc., Sr. Unsecd. Note, 2.100%, 5/1/2030	108,112
25,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.750%, 11/17/2032	25,718
55,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	57,819
	TOTAL	258,770
	Energy - Independent—0.2%	
135,000	Apache Corp., Sr. Unsecd. Note, 5.100%, 9/1/2040	118,219
35,000	Canadian Natural Resources Ltd., 144A, 5.000%, 12/15/2029	34,626
50,000	Diamondback Energy, Inc., Sr. Unsecd. Note, 5.750%, 4/18/2054	46,964
95,000	Ovintiv, Inc., Sr. Unsecd. Note, 7.100%, 7/15/2053	101,201
	TOTAL	301,010
	Energy - Integrated—0.0%	
95,000	Chevron Corp., Sr. Unsecd. Note, 3.078%, 5/11/2050	62,887
	Energy - Midstream—0.7%	
60,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	59,257
65,000	Columbia Pipeline Holding Co. LLC, Sr. Unsecd. Note, 144A, 5.681%, 1/15/2034	64,236
45,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2029	41,225
145,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.900%, 11/15/2049	105,931
75,000	Enbridge, Inc., Sr. Unsecd. Note, 5.950%, 4/5/2054	74,198
25,000	Enbridge, Inc., Sr. Unsecd. Note, 6.700%, 11/15/2053	27,151
115,000	Energy Transfer LP, Sr. Unsecd. Note, Series 10Y, 4.950%, 6/15/2028	114,861
65,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	66,704
130,000	MPLX LP, Sr. Unsecd. Note, 4.950%, 9/1/2032	125,396
40,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	34,518
70,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	70,312
75,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	63,724
20,000	ONEOK, Inc., Sr. Unsecd. Note, 6.100%, 11/15/2032	20,708
50,000	ONEOK, Inc., Sr. Unsecd. Note, 6.625%, 9/1/2053	52,619
135,000	Plains All American Pipeline LP, Sr. Unsecd. Note, 5.150%, 6/1/2042	119,981
140,000	Targa Resources, Inc., Sr. Unsecd. Note, 4.200%, 2/1/2033	127,209
115,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	105,005
125,000	Williams Cos., Inc., Sr. Unsecd. Note, 4.900%, 1/15/2045	109,337
	TOTAL	1,382,372
	Energy - Oil Field Services—0.2%	
200,000	Eni SpA, Sr. Unsecd. Note, 144A, 5.500%, 5/15/2034	197,796
110,000	Halliburton Co., Sr. Unsecd. Note, 5.000%, 11/15/2045	98,334
	TOTAL	296,130
	Energy - Refining—0.1%	
90,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.750%, 9/15/2044	74,797
65,000	Phillips 66, Sr. Unsecd. Note, 4.875%, 11/15/2044	56,155
	TOTAL	130,952
	Financial Institution - Banking—2.7%	
135,000	American Express Co., Sr. Unsecd. Note, 4.990%, 5/1/2026	135,055
115,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	114,954
135,000	Bank of America Corp., Sr. Unsecd. Note, 2.299%, 7/21/2032	112,600
450,000	Bank of America Corp., Sr. Unsecd. Note, 3.419%, 12/20/2028	431,571
140,000	Bank of America Corp., Sr. Unsecd. Note, 5.468%, 1/23/2035	140,217

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 75,000	Bank of America Corp., Sub. Note, Series MTN, 4.000%, 1/22/2025	\$ 74,965
50,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.992%, 6/13/2028	49,098
95,000	Citigroup, Inc., Sr. Unsecd. Note, 3.057%, 1/25/2033	81,636
195,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	191,745
165,000	Citigroup, Inc., Sr. Unsecd. Note, 3.668%, 7/24/2028	159,871
135,000	Citizens Financial Group, Inc., Sr. Unsecd. Note, 5.718%, 7/23/2032	135,518
100,000	Comerica, Inc., Sr. Unsecd. Note, 5.982%, 1/30/2030	101,155
125,000	Fifth Third Bancorp, Sr. Unsecd. Note, 6.361%, 10/27/2028	129,275
65,000	FNB Corp. (PA), 5.722%, 12/11/2030	64,200
50,000	FNB Corp. (PA), Sr. Unsecd. Note, 5.150%, 8/25/2025	49,910
175,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.948%, 10/21/2027	166,108
275,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	227,052
140,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 4.443%, 8/4/2028	138,593
100,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.963%, 1/25/2033	86,464
400,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.509%, 1/23/2029	383,859
90,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 5.350%, 6/1/2034	89,970
100,000	KeyCorp, Sr. Unsecd. Note, 6.401%, 3/6/2035	104,135
75,000	M&T Bank Corp., Sr. Unsecd. Note, 5.053%, 1/27/2034	71,854
20,000	M&T Bank Corp., Sr. Unsecd. Note, 6.082%, 3/13/2032	20,509
60,000	M&T Bank Corp., Sr. Unsecd. Note, 7.413%, 10/30/2029	64,335
75,000	Morgan Stanley, Sr. Unsecd. Note, 5.466%, 1/18/2035	74,617
15,000	Morgan Stanley, Sr. Unsecd. Note, 5.831%, 4/19/2035	15,292
390,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.772%, 1/24/2029	376,238
40,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.794%, 2/13/2032	32,649
55,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.928%, 4/28/2032	45,009
80,000	Northern Trust Corp., Sub., 6.125%, 11/2/2032	84,423
135,000	PNC Financial Services Group, Inc., Sub., 4.626%, 6/6/2033	127,163
105,000	Regions Financial Corp., Sr. Unsecd. Note, 5.722%, 6/6/2030	106,553
50,000	Synovus Financial Corp., Sr. Unsecd. Note, 6.168%, 11/1/2030	50,397
45,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.122%, 1/26/2034	43,756
50,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.711%, 1/24/2035	50,406
40,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.867%, 6/8/2034	40,741
150,000	US Bancorp, 4.967%, 7/22/2033	143,735
30,000	US Bancorp, Sr. Unsecd. Note, 5.836%, 6/12/2034	30,594
120,000	Wells Fargo & Co., Sr. Unsecd. Note, 5.707%, 4/22/2028	121,989
100,000	Wells Fargo & Co., Sr. Unsecd. Note, 6.491%, 10/23/2034	106,340
300,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	290,784
	TOTAL	5,065,335
	Financial Institution - Broker/Asset Mgr/Exchange—0.2%	
40,000	BlackRock, Inc., Sr. Unsecd. Note, 4.750%, 5/25/2033	39,184
80,000	Jefferies Financial Group, Inc., Sr. Unsecd. Note, 6.200%, 4/14/2034	82,491
100,000	Jefferies Group LLC, Sr. Unsecd. Note, 2.750%, 10/15/2032	82,199
100,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	98,809
	TOTAL	302,683
	Financial Institution - Finance Companies—0.1%	
150,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 5.300%, 1/19/2034	147,166
110,000	Air Lease Corp., Sr. Unsecd. Note, 5.850%, 12/15/2027	112,791
	TOTAL	259,957
	Financial Institution - Insurance - Health—0.1%	
115,000	Elevance Health, Inc., Sr. Unsecd. Note, 4.750%, 2/15/2033	110,269
180,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.050%, 5/15/2041	130,033
	TOTAL	240,302

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Insurance - Life—0.4%	
\$ 45,000	Corebridge Financial, Inc., Sr. Unsecd. Note, 5.750%, 1/15/2034	\$ 45,868
90,000	CoreBridge Global Funding, Sr. Secd. Note, 144A, 5.900%, 9/19/2028	92,657
35,000	Lincoln National Corp., Sr. Unsecd. Note, 3.400%, 1/15/2031	31,542
100,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 4.900%, 4/1/2077	81,201
200,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	255,912
50,000	Pacific Life Global Funding II, Sr. Secd. Note, 144A, 4.900%, 1/11/2029	50,103
70,000	Pacific Life Insurance Co., Sub. Note, 144A, 4.300%, 10/24/2067	55,090
125,000	Principal Financial Group, Inc., Sr. Unsecd. Note, 2.125%, 6/15/2030	107,827
100,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.600%, 5/15/2044	87,532
	TOTAL	807,732
	Financial Institution - Insurance - P&C—0.3%	
110,000	Aon North America, Inc., 5.750%, 3/1/2054	107,371
100,000	Beacon Funding Trust, Sr. Unsecd. Note, 6.266%, 8/15/2054	98,871
100,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 1.375%, 9/15/2030	83,099
30,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 3.350%, 5/3/2026	29,551
150,000	CNA Financial Corp., Sr. Unsecd. Note, 5.500%, 6/15/2033	151,430
60,000	Marsh & McLennan Cos., Inc., Sr. Unsecd. Note, 4.650%, 3/15/2030	59,276
60,000	The Travelers Cos., Inc., Sr. Unsecd. Note, 5.450%, 5/25/2053	58,452
	TOTAL	588,050
	Financial Institution - REIT - Apartment—0.3%	
135,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	130,996
90,000	Camden Property Trust, Sr. Unsecd. Note, 4.900%, 1/15/2034	87,405
135,000	Mid-America Apartment Communities LP, 4.000%, 11/15/2025	134,408
70,000	Mid-America Apartment Communities LP, Sr. Unsecd. Note, 5.300%, 2/15/2032	70,392
135,000	UDR, Inc., Sr. Unsecd. Note, Series GMTN, 3.500%, 1/15/2028	129,287
	TOTAL	552,488
	Financial Institution - REIT - Healthcare—0.2%	
100,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	81,870
125,000	Physicians Realty Trust, Sr. Unsecd. Note, 3.950%, 1/15/2028	121,352
75,000	Welltower, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2031	65,347
100,000	Welltower, Inc., Sr. Unsecd. Note, 4.250%, 4/1/2026	99,555
	TOTAL	368,124
	Financial Institution - REIT - Office—0.1%	
155,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 1.875%, 2/1/2033	119,492
100,000	Boston Properties LP, Sr. Unsecd. Note, 3.650%, 2/1/2026	98,616
40,000	Piedmont Operating Partnership, LP, Sr. Unsecd. Note, 2.750%, 4/1/2032	31,822
	TOTAL	249,930
	Financial Institution - REIT - Other—0.1%	
85,000	WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029	80,864
	Financial Institution - REIT - Retail—0.1%	
90,000	Kimco Realty Corp., Sr. Unsecd. Note, 6.400%, 3/1/2034	95,825
160,000	Regency Centers LP, Sr. Unsecd. Note, 4.125%, 3/15/2028	156,309
	TOTAL	252,134
	Technology—1.2%	
115,000	Alphabet, Inc., Sr. Unsecd. Note, 2.050%, 8/15/2050	63,791
215,000	Apple, Inc., Sr. Unsecd. Note, 2.375%, 2/8/2041	147,988
65,000	Apple, Inc., Sr. Unsecd. Note, 2.400%, 8/20/2050	38,418
80,000	Apple, Inc., Sr. Unsecd. Note, 4.000%, 5/10/2028	78,871
35,000	AppLovin Corp., Sr. Unsecd. Note, 5.500%, 12/1/2034	34,761
25,000	AppLovin Corp., Sr. Unsecd. Note, 5.950%, 12/1/2054	24,649
137,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	133,881
20,000	Broadcom, Inc., Sr. Unsecd. Note, 4.150%, 11/15/2030	19,145

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Technology—continued	
\$ 65,000	Broadcom, Inc., Sr. Unsecd. Note, 5.050%, 7/12/2029	\$ 65,268
5,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.187%, 11/15/2036	4,030
50,000	CDW LLC/CDW Finance, Sr. Unsecd. Note, 2.670%, 12/1/2026	47,992
45,000	CDW LLC/CDW Finance, Sr. Unsecd. Note, 5.550%, 8/22/2034	44,410
75,000	Cisco Systems, Inc., Sr. Unsecd. Note, 4.800%, 2/26/2027	75,558
120,000	Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029	112,692
110,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	105,250
100,000	Global Payments, Inc., Sr. Unsecd. Note, 4.950%, 8/15/2027	100,240
35,000	Hewlett Packard Enterprise Co., 5.600%, 10/15/2054	32,970
40,000	Hewlett Packard Enterprise Co., Sr. Unsecd. Note, 5.000%, 10/15/2034	38,468
45,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 4.950%, 10/15/2034	43,311
100,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	97,273
65,000	Microchip Technology, Inc., Sr. Unsecd. Note, 5.050%, 3/15/2029	64,894
65,000	Microsoft Corp., Sr. Unsecd. Note, 2.525%, 6/1/2050	40,036
200,000	Microsoft Corp., Sr. Unsecd. Note, 3.125%, 11/3/2025	197,986
175,000	Oracle Corp., Sr. Unsecd. Note, 3.600%, 4/1/2050	122,707
150,000	Roper Technologies, Inc., Sr. Unsecd. Note, 4.900%, 10/15/2034	144,345
50,000	Trimble, Inc., Sr. Unsecd. Note, 6.100%, 3/15/2033	51,938
45,000	Uber Technologies, Inc., Sr. Unsecd. Note, 4.300%, 1/15/2030	43,576
140,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	120,109
110,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	106,625
40,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	37,718
40,000	VMware, Inc., Sr. Unsecd. Note, 1.400%, 8/15/2026	37,919
35,000	VMware, Inc., Sr. Unsecd. Note, 2.200%, 8/15/2031	29,051
	TOTAL	2,305,870
	Transportation - Railroads—0.2%	
75,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 3.000%, 4/1/2025	74,709
75,000	³ Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 5.200% (180-DAY AVERAGE SOFR +0.000%), 4/15/2054	70,643
135,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 3.500%, 5/1/2050	95,844
65,000	Union Pacific Corp., Sr. Unsecd. Note, 2.375%, 5/20/2031	56,138
125,000	Union Pacific Corp., Sr. Unsecd. Note, 2.400%, 2/5/2030	111,016
	TOTAL	408,350
	Transportation - Services—0.3%	
45,000	Enterprise Rent-A-Car USA Finance Co., Sr. Unsecd. Note, 144A, 4.600%, 5/1/2028	44,736
50,000	Enterprise Rent-A-Car USA Finance Co., Sr. Unsecd. Note, 144A, 4.900%, 5/1/2033	48,563
80,000	FedEx Corp., Sr. Unsecd. Note, 3.250%, 5/15/2041	58,576
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 1.650%, 7/15/2026	76,034
30,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 2.650%, 7/15/2031	25,190
105,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 5.700%, 2/1/2028	106,839
75,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.850%, 3/1/2027	71,996
75,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 5.250%, 6/1/2028	75,840
	TOTAL	507,774
	Utility - Electric—1.1%	
165,000	Ameren Corp., Sr. Unsecd. Note, 1.750%, 3/15/2028	149,467
70,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 5.625%, 3/1/2033	70,753
100,000	Black Hills Corp., Sr. Unsecd. Note, 2.500%, 6/15/2030	87,325
75,000	Constellation Energy Generation LLC, Sr. Unsecd. Note, 5.800%, 3/1/2033	76,678
25,000	Constellation Energy Generation LLC, Sr. Unsecd. Note, 6.500%, 10/1/2053	26,514
125,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	121,082
125,000	Duke Energy Corp., Sr. Unsecd. Note, 3.750%, 9/1/2046	92,171
110,000	Duke Energy Corp., Sr. Unsecd. Note, 5.000%, 8/15/2052	96,113
75,000	Emera US Finance LP, Sr. Unsecd. Note, 3.550%, 6/15/2026	73,509

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Utility - Electric—continued	
\$ 50,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	\$ 41,481
100,000	Enel Finance International NV, Co. Guarantee, 144A, 6.000%, 10/7/2039	100,226
190,000	Evergy Metro, Inc., Sr. Unsecd. Note, 4.200%, 3/15/2048	151,426
25,000	Exelon Corp., Sr. Unsecd. Note, 4.100%, 3/15/2052	19,030
125,000	Exelon Corp., Sr. Unsecd. Note, 4.700%, 4/15/2050	105,820
120,000	FirstEnergy Transmission LLC, Sr. Unsecd. Note, 144A, 4.550%, 4/1/2049	101,054
93,000	Fortis, Inc./Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	90,140
70,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	69,233
235,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.250%, 6/1/2030	203,302
80,000	NiSource Finance Corp., Sr. Unsecd. Note, 4.375%, 5/15/2047	65,800
10,000	NiSource, Inc., Sr. Unsecd. Note, 5.250%, 3/30/2028	10,089
100,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	97,748
125,000	Puget Energy, Inc., Sec. Fac. Bond, 2.379%, 6/15/2028	114,223
100,000	Southern Co., Jr. Sub. Note, Series B, 4.000%, 1/15/2051	98,166
20,000	WEC Energy Group, Inc., Sr. Unsecd. Note, 5.150%, 10/1/2027	20,215
	TOTAL	2,081,565
	Utility - Natural Gas—0.1%	
155,000	Sempra Energy, Sr. Unsecd. Note, 3.700%, 4/1/2029	147,280
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$26,076,151)	24,550,160
	COLLATERALIZED MORTGAGE OBLIGATIONS—0.5%	
	Commercial Mortgage—0.3%	
110,000	Bank 2022-BNK40, Class A4, 3.393%, 3/15/2064	97,282
85,000	Bank, Class A4, 3.488%, 11/15/2050	79,840
200,000	Benchmark Mortgage Trust 2020-B19, Class A5, 1.850%, 9/15/2053	165,552
50,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	49,207
100,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	94,833
	TOTAL	486,714
	Federal Farm Credit System—0.1%	
290,000	FREMF Mortgage Trust 2015-K49 REMIC, Class B, 3.721%, 10/25/2048	287,401
	Federal Home Loan Mortgage Corporation—0.1%	
215,236	FHLMC REMIC, Series K105, Class A1, 1.536%, 9/25/2029	198,066
	TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (IDENTIFIED COST \$1,063,259)	972,181
	FOREIGN GOVERNMENTS/AGENCY—0.1%	
	Sovereign—0.1%	
200,000	Mexico, Government of, 3.750%, 1/11/2028 (IDENTIFIED COST \$198,847)	189,875
	MORTGAGE-BACKED SECURITIES—0.0%	
	Government National Mortgage Association—0.0%	
1,992	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	2,042
1,320	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	1,359
3,987	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	4,086
5,050	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	5,182
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$12,315)	12,669
	ADJUSTABLE RATE MORTGAGE—0.0%	
	Federal National Mortgage Association—0.0%	
1,437	³ Federal National Mortgage Association ARM, 7.594%, 9/1/2037 (IDENTIFIED COST \$1,441)	1,474
	PURCHASED PUT OPTIONS—0.1%	
400	¹ SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$23,443,200, Exercise Price \$580, Expiration Date 1/10/2025	112,600

Shares, Principal Amount or Contracts		Value
	PURCHASED PUT OPTIONS—continued	
800	¹ SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$46,886,400, Exercise Price \$580, Expiration Date 1/3/2025	\$ 73,600
	TOTAL PURCHASED PUT OPTIONS (IDENTIFIED COST \$157,647)	186,200
	INVESTMENT COMPANIES—21.6%	
63,123	Bank Loan Core Fund	548,535
299,898	Emerging Markets Core Fund	2,603,116
572,346	Federated Hermes High Income Bond Fund II, Class P	3,250,926
1,169	Federated Hermes Short-Intermediate Government Fund, Institutional Shares	11,237
3,401,701	Mortgage Core Fund	27,825,913
680,547	Project and Trade Finance Core Fund	6,022,842
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$41,144,052)	40,262,569
	REPURCHASE AGREEMENT—4.9%	
\$9,152,000	Interest in \$923,000,000 joint repurchase agreement 4.46%, dated 12/31/2024 under which Bank of America, N.A. will repurchase securities provided as collateral for \$923,228,699 on 1/2/2025. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 10/1/2047 and the market value of those underlying securities was \$941,693,273. (IDENTIFIED COST \$9,152,000)	9,152,000
	TOTAL INVESTMENT IN SECURITIES—99.7% (IDENTIFIED COST \$176,066,541) ⁴	186,299,932
	OTHER ASSETS AND LIABILITIES - NET—0.3% ⁵	620,978
	TOTAL NET ASSETS—100%	\$186,920,910

At December 31, 2024, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation (Depreciation)
Long Futures:				
S&P 500 E-Mini Long Futures	340	\$100,907,750	March 2025	\$(3,494,626)
United States Treasury Notes 2-Year Long Futures	80	\$ 16,448,750	March 2025	\$ 10,205
United States Treasury Notes 5-Year Long Futures	55	\$ 5,846,758	March 2025	\$ (24,166)
United States Treasury Notes 10-Year Ultra Long Futures	10	\$ 1,113,125	March 2025	\$ (9,840)
Short Futures:				
United States Treasury Notes 10-Year Short Futures	291	\$ 31,646,250	March 2025	\$ 534,411
United States Treasury Notes Ultra Bond Short Futures	7	\$ 832,344	March 2025	\$ 26,646
NET UNREALIZED DEPRECIATION ON FUTURES CONTRACTS				\$(2,957,370)

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

Affiliated fund holdings are investment companies which are managed by Federated Investment Management Company and Federated Equity Management Company of Pennsylvania (collectively, the "Co-Advisers") or an affiliate of the Co-Advisers. Transactions with affiliated fund holdings during the period ended December 31, 2024, were as follows:

Affiliates	Value as of 12/31/2023	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation/ Depreciation	Net Realized Gain/ (Loss)	Value as of 12/31/2024	Shares Held as of 12/31/2024	Dividend Income
Bank Loan Core Fund	\$ 15,220	\$ 536,162	\$ —	\$ (2,847)	\$ —	\$ 548,535	63,123	\$ 36,159
Emerging Markets Core Fund	\$ 2,150,161	\$1,047,661	\$ (750,000)	\$ 106,320	\$ 48,974	\$ 2,603,116	299,898	\$ 235,947
Federated Hermes High Income Bond Fund II, Class P	\$ 2,458,157	\$ 767,009	\$ —	\$ 25,760	\$ —	\$ 3,250,926	572,346	\$ 157,009
Federated Hermes Short-Intermediate Government Fund, Institutional Shares	\$ 11,048	\$ 440	\$ —	\$ (251)	\$ —	\$ 11,237	1,169	\$ 469
Mortgage Core Fund	\$26,890,940	\$5,544,921	\$(3,800,000)	\$(302,054)	\$(507,894)	\$27,825,913	3,401,701	\$1,319,804
Project and Trade Finance Core Fund	\$ 3,897,234	\$2,096,294	\$ —	\$ 29,314	\$ —	\$ 6,022,842	680,547	\$ 415,239
TOTAL OF AFFILIATED TRANSACTIONS	\$35,422,760	\$9,992,487	\$(4,550,000)	\$(143,758)	\$(458,920)	\$40,262,569	5,018,784	\$2,164,627

- 1 Non-income-producing security.
- 2 Market quotations and price evaluations are not available. Fair value determined using significant unobservable inputs in accordance with procedures established by and under the general supervision of the Fund's Adviser acting through its Valuation Committee ("Valuation Committee").
- 3 Floating/adjustable note with current rate and current maturity or next reset date shown. Adjustable rate mortgage security coupons are based on the weighted average note rates of the underlying mortgages less the guarantee and servicing fees. These securities do not indicate an index and spread in their description above.
- 4 The cost of investments for federal tax purposes amounts to \$178,264,022.
- 5 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at December 31, 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 December 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
Equity Securities:				
Common Stocks				
Domestic	\$ 68,841,857	\$ —	\$ 1,008	\$ 68,842,865
International	4,560,473	1,201,688	—	5,762,161
Debt Securities:				
U.S. Treasuries	—	36,367,778	—	36,367,778
Corporate Bonds	—	24,550,160	—	24,550,160
Collateralized Mortgage Obligations	—	972,181	—	972,181
Foreign Governments/Agency	—	189,875	—	189,875
Mortgage-Backed Securities	—	12,669	—	12,669
Adjustable Rate Mortgage	—	1,474	—	1,474
Purchased Put Options	186,200	—	—	186,200
Investment Companies	34,239,727	—	—	34,239,727
Other Investments ¹	—	—	—	6,022,842
Repurchase Agreement	—	9,152,000	—	9,152,000
TOTAL SECURITIES	\$107,828,257	\$72,447,825	\$1,008	\$186,299,932
Other Financial Instruments:²				
Assets	\$ 571,262	\$ —	\$ —	\$ 571,262
Liabilities	(3,528,632)	—	—	(3,528,632)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ (2,957,370)	\$ —	\$ —	\$ (2,957,370)

1 As permitted by U.S. generally accepted accounting principles (GAAP), an Investment Company valued at \$6,022,842 is measured at fair value using the net asset value (NAV) per share practical expedient and has not been categorized in the fair value hierarchy chart above. The price of shares redeemed of Project and Trade Finance Core Fund (PTCORE), a portfolio of Federated Hermes Core Trust III, may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request. The investment objective of PTCORE is to provide total return. Copies of the PTCORE financial statements are available on the EDGAR database on the SEC's website or upon request from the Fund.

2 Other financial instruments are futures contracts.

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

ADR —American Depositary Receipt
ARM —Adjustable Rate Mortgage
ETF —Exchange-Traded Fund
FHLMC—Federal Home Loan Mortgage Corporation
FREM—Freddie Mac Multifamily K-Deals
GMTN —Global Medium Term Note
MTN —Medium Term Note
REIT —Real Estate Investment Trust
REMIC —Real Estate Mortgage Investment Conduit
SOFR —Secured Overnight Financing Rate
SPDR —Standard & Poor's Depositary Receipt

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Net Asset Value, Beginning of Period	\$9.02	\$8.46	\$12.90	\$11.09	\$11.30
Income From Investment Operations:					
Net investment income (loss) ¹	0.25	0.20	0.16	0.19	0.19
Net realized and unrealized gain (loss)	1.13	0.52	(1.72)	1.83	(0.13)
TOTAL FROM INVESTMENT OPERATIONS	1.38	0.72	(1.56)	2.02	0.06
Less Distributions:					
Distributions from net investment income	(0.21)	(0.16)	(0.21)	(0.21)	(0.27)
Distributions from net realized gain	—	—	(2.67)	—	—
TOTAL DISTRIBUTIONS	(0.21)	(0.16)	(2.88)	(0.21)	(0.27)
Net Asset Value, End of Period	\$10.19	\$9.02	\$8.46	\$12.90	\$11.09
Total Return²	15.56%	8.68%	(13.75)%	18.51%	0.93%

Ratios to Average Net Assets:

Net expenses ³	0.98%	0.95%	0.95%	0.93%	0.92%
Net investment income	2.55%	2.39%	1.72%	1.58%	1.82%
Expense waiver/reimbursement ⁴	0.12%	0.13%	0.11%	0.02%	0.01%

Supplemental Data:

Net assets, end of period (000 omitted)	\$185,398	\$174,228	\$173,194	\$217,682	\$586,281
Portfolio turnover ⁵	69%	47%	51%	60%	61%

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

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

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

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

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

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Net Asset Value, Beginning of Period	\$9.20	\$8.63	\$12.90	\$11.09	\$11.27
Income From Investment Operations:					
Net investment income (loss) ¹	0.23	0.19	0.14	0.16	0.16
Net realized and unrealized gain (loss)	1.17	0.52	(1.74)	1.84	(0.12)
TOTAL FROM INVESTMENT OPERATIONS	1.40	0.71	(1.60)	2.00	0.04
Less Distributions:					
Distributions from net investment income	(0.19)	(0.14)	—	(0.19)	(0.22)
Distributions from net realized gain	—	—	(2.67)	—	—
TOTAL DISTRIBUTIONS	(0.19)	(0.14)	(2.67)	(0.19)	(0.22)
Net Asset Value, End of Period	\$10.41	\$9.20	\$8.63	\$12.90	\$11.09
Total Return²	15.41%	8.33%	(14.00)%	18.25%	0.71%
Ratios to Average Net Assets:					
Net expenses ³	1.23%	1.20%	1.20%	1.16%	1.17%
Net investment income	2.30%	2.14%	1.47%	1.38%	1.57%
Expense waiver/reimbursement ⁴	0.12%	0.13%	0.11%	0.02%	0.01%
Supplemental Data:					
Net assets, end of period (000 omitted)	\$1,523	\$1,581	\$1,576	\$1,949	\$39,680
Portfolio turnover ⁵	69%	47%	51%	60%	61%

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

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

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

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

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

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

December 31, 2024

Assets:

Investment in securities, at value including \$40,262,569 of investments in affiliated holdings* (identified cost \$176,066,541, including \$41,144,052 of identified cost in affiliated holdings)	\$186,299,932
Cash	7,232
Due from broker (Note 2)	2,000
Income receivable	690,379
Income receivable from affiliated holdings	257,365
Receivable for investments sold	31,840
Receivable for shares sold	425,610
TOTAL ASSETS	187,714,358

Liabilities:

Payable for investments purchased	271,870
Payable for shares redeemed	51,754
Payable for variation margin on futures contracts	333,194
Payable for investment adviser fee (Note 5)	3,131
Payable for administrative fee (Note 5)	737
Payable for auditing fees	31,909
Payable for custodian fees	18,665
Payable for portfolio accounting fees	56,695
Payable for distribution services fee (Note 5)	331
Accrued expenses (Note 5)	25,162
TOTAL LIABILITIES	793,448

Net assets for 18,331,517 shares outstanding	\$186,920,910
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Net Assets Consist of:

Paid-in capital	\$170,411,064
Total distributable earnings (loss)	16,509,846
TOTAL NET ASSETS	\$186,920,910

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

Primary Shares:

\$185,397,681 ÷ 18,185,189 shares outstanding, no par value, unlimited shares authorized	\$10.19
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Service Shares:

\$1,523,229 ÷ 146,328 shares outstanding, no par value, unlimited shares authorized	\$10.41
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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 December 31, 2024

Investment Income:

Dividends (including \$2,164,627 received from affiliated holdings* and net of foreign taxes withheld of \$278)	\$ 3,682,394
Interest	2,819,871
TOTAL INCOME	6,502,265

Expenses:

Investment adviser fee (Note 5)	1,382,509
Administrative fee (Note 5)	278,848
Custodian fees	47,317
Transfer agent fees	17,851
Directors'/Trustees' fees (Note 5)	1,758
Auditing fees	39,887
Legal fees	9,658
Portfolio accounting fees	132,078
Distribution services fee (Note 5)	3,856
Printing and postage	39,660
Miscellaneous (Note 5)	67,880
TOTAL EXPENSES	2,021,302

Waiver and Reimbursement:

Waiver/reimbursement of investment adviser fee (Note 5)	(217,035)
Net expenses	1,804,267
Net investment income	4,697,998

Realized and Unrealized Gain (Loss) on Investments, Foreign Currency Transactions, Foreign Exchange Contracts and Futures Contracts:

Net realized gain on investments (including net realized loss of \$(458,920) on sales of investments in affiliated holdings*)	8,126,429
Net realized loss on foreign currency transactions	(389)
Net realized gain on foreign exchange contracts	448
Net realized gain on futures contracts	17,859,993
Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$(143,758) on investments in affiliated holdings*)	262,825
Net change in unrealized appreciation of futures contracts	(4,315,806)
Net realized and unrealized gain (loss) on investments, foreign currency transactions, foreign exchange contracts and futures contracts	21,933,500
Change in net assets resulting from operations	\$26,631,498

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

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

Year Ended December 31	2024	2023
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 4,697,998	\$ 4,090,425
Net realized gain (loss)	25,986,481	3,543,413
Net change in unrealized appreciation/depreciation	(4,052,981)	6,615,097
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	26,631,498	14,248,935
Distributions to Shareholders:		
Primary Shares	(4,066,627)	(3,205,320)
Service Shares	(32,143)	(24,674)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(4,098,770)	(3,229,994)
Share Transactions:		
Proceeds from sale of shares	4,596,248	3,643,010
Net asset value of shares issued to shareholders in payment of distributions declared	4,098,768	3,229,994
Cost of shares redeemed	(20,116,208)	(16,852,254)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(11,421,192)	(9,979,250)
Change in net assets	11,111,536	1,039,691
Net Assets:		
Beginning of period	175,809,374	174,769,683
End of period	\$186,920,910	\$175,809,374

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

December 31, 2024

1. ORGANIZATION

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

Effective April 30, 2023, Federated Global Investment Management Corp. resigned as Co-Adviser of the Fund. Federated Investment Management Company (FIMCO) and Federated Equity Management Company of Pennsylvania remain as Co-Advisers to the Fund. Effective the same date, a service agreement between FIMCO and Federated Hermes (UK) LLP (Federated UK) pursuant to which Federated UK provided certain non-discretionary credit research and analysis services to FIMCO was terminated. Fees, if any, paid to Federated UK for these services were paid by FIMCO and not by the Fund.

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.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Co-Advisers.
- 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 Co-Advisers.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Co-Advisers, 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 Co-Advisers' valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Co-Advisers' 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 Co-Advisers as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Co-Advisers are subject to the Trustees oversight and certain reporting and other requirements intended to provide the Trustees the information needed to oversee the Co-Advisers' fair value determinations.

The Co-Advisers acting through their Valuation Committee, are 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 Co-Advisers and certain of the Co-Advisers' 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 Co-Advisers 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 Co-Advisers. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Co-Advisers' 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 Co-Advisers.

The Co-Advisers have 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 Co-Advisers have 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 Co-Advisers. The Trustees periodically review fair valuations made in response to significant events.

Repurchase Agreements

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

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

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Co-Advisers and their affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Positive or negative inflation adjustments on Treasury Inflation-Protected Securities are included in interest income. Distributions of net investment income and capital gains, if any, are declared and paid at least annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver/reimbursement of \$217,035 is disclosed in Note 5.

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

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended December 31, 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 December 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 Commonwealth of Massachusetts.

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.

Futures Contracts

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

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

The average notional value of long and short futures contracts held by the Fund throughout the period was \$102,857,520 and \$21,199,888, respectively. This is based on amounts held as of each month-end throughout the fiscal 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 fiscal year end, resulting from changes in the exchange rate.

Option Contracts

The Fund buys or sells put and call options to seek to increase return and to manage market 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.

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

At December 31, 2024, the Fund had no outstanding written option contracts.

The average market value of purchased put and call options held by the Fund throughout the period was \$225,046 and \$10,985, respectively. This is based on amounts held as of each month-end throughout the fiscal period.

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the 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 Co-Advisers.

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				
Interest rate contracts		\$ —	Payable for variation margin on futures contracts	\$ (537,256)*
Equity contracts		—	Payable for variation margin on futures contracts	3,494,626*
Equity contracts	Purchased options, within Investment in securities, at value	186,200		—
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$186,200		\$ 2,957,370

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

The Effect of Derivative Instruments on the Statement of Operations for the Year Ended December 31, 2024

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

	Futures Contracts	Foreign Exchange Contracts	Purchased Options Contracts ¹	Total
Interest rate contracts	\$ 903,699	\$ —	\$ —	\$ 903,699
Equity contracts	16,956,294	—	(2,638,813)	14,317,481
Foreign exchange contracts	—	448	—	448
TOTAL	\$17,859,993	\$448	\$(2,638,813)	\$15,221,628

¹ The net realized loss on Purchased Options Contracts is found within the Net realized gain on investments on the Statement of Operations.

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

	Futures Contracts	Purchased Options Contracts ¹	Total
Interest rate contracts	\$ 1,111,669	\$ —	\$ 1,111,669
Equity contracts	(5,427,475)	17,450	(5,410,025)
TOTAL	\$(4,315,806)	\$17,450	\$(4,298,356)

¹ The net change in unrealized depreciation of Purchased Options Contracts is found within the Net change in unrealized appreciation of investments on the Statement of Operations.

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 12/31/2024		Year Ended 12/31/2023	
	Shares	Amount	Shares	Amount
Primary Shares:				
Shares sold	454,927	\$ 4,347,303	427,564	\$ 3,625,602
Shares issued to shareholders in payment of distributions declared	436,802	4,066,627	388,995	3,205,320
Shares redeemed	(2,027,519)	(19,592,705)	(1,957,443)	(16,716,743)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(1,135,790)	\$(11,178,775)	(1,140,884)	\$ (9,885,821)

	Year Ended 12/31/2024		Year Ended 12/31/2023	
	Shares	Amount	Shares	Amount
Service Shares:				
Shares sold	24,331	\$ 248,945	2,011	\$ 17,408
Shares issued to shareholders in payment of distributions declared	3,373	32,141	2,930	24,674
Shares redeemed	(53,222)	(523,503)	(15,657)	(135,511)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(25,518)	\$ (242,417)	(10,716)	\$ (93,429)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(1,161,308)	\$(11,421,192)	(1,151,600)	\$ (9,979,250)

4. FEDERAL TAX INFORMATION

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

	2024	2023
Ordinary income	\$4,098,770	\$3,229,994

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

Undistributed ordinary income	\$ 7,749,381
Net unrealized appreciation	\$ 8,035,910
Undistributed long-term capital gains	\$ 724,558
TOTAL	\$16,509,849

At December 31, 2024, the cost of investments for federal tax purposes was \$178,264,022. The net unrealized appreciation of investments for federal tax purposes was \$8,035,910. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$15,714,460 and unrealized depreciation from investments for those securities having an excess of cost over value of \$7,678,550. The amounts presented are inclusive of derivative contracts. The difference between book-basis and tax-basis net unrealized appreciation is attributable to differing treatments for discount accretion/premium amortization on debt securities, the deferral of losses on wash sales, passive foreign investment company adjustments and mark-to-market of futures contracts.

The Fund used capital loss carryforwards of \$17,761,130 to offset capital gains realized during the year ended December 31, 2024.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The co-advisory agreement between the Fund and the Co-Advisers 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 Co-Advisers may voluntarily choose to waive any portion of their fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended December 31, 2024, the Co-Advisers voluntarily waived \$200,579 of their fee.

The Co-Advisers have agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the year ended December 31, 2024, the Co-Advisers reimbursed \$16,456.

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

In addition to the fees described above, the Fund agrees to pay FAS an annual Administrative Service Charge of \$125,000 for administrative and compliance services related to commodities Futures Trading Commission Rule 4.5. For the year ended December 31, 2024, the annualized fee paid to FAS was 0.151% of average daily net assets of the Fund.

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

Expense Limitation

The Co-Advisers and certain of their affiliates (which may include, FAS and FSC) 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, proxy-related expenses and extraordinary expenses, if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.95% and 1.20% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2025; or (b) the date of the Fund's next effective Prospectus. While the Co-Advisers and their 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.

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 Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.25% of average daily net assets, annually, to compensate FSC. For the year ended December 31, 2024, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$3,856

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended December 31, 2024, FSC did not retain any fees paid by the Fund.

Directors'/Trustees' and Miscellaneous Fees

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

6. INVESTMENT TRANSACTIONS

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

Purchases	\$90,871,502
Sales	\$95,978,943

7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 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 December 31, 2024, the Fund had no outstanding loans. During the year ended December 31, 2024, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of December 31, 2024, there were no outstanding loans. During the year ended December 31, 2024, the program was not utilized.

9. OPERATING SEGMENTS

In this reporting period, the Fund adopted FASB Accounting Standards Update 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures. Adoption of the new standard impacted financial statement disclosures only and did not affect the Fund's financial position or the results of its operations. An operating segment is defined as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available. A management committee of the Adviser acts as the CODM. The Fund represents a single operating segment, as the CODM monitors the operating results of the Fund as a whole and the strategic asset allocation is determined based on the investment objective of the Fund and executed by the Fund's portfolio management team. The financial information in the form of the Fund's portfolio composition, total returns, expense ratios and changes in net assets (i.e., changes in net assets resulting from operations, subscriptions and redemptions) which is reviewed by the CODM to assess the Fund's performance in comparison to the Fund's benchmarks and to make resource allocation decisions for the Fund's single segment is consistent with the information presented in these financial statements. Segment assets are reflected on the accompanying Statement of Assets and Liabilities as "total assets" and significant segment expenses are listed on the accompanying Statement of Operations.

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. FEDERAL TAX INFORMATION (UNAUDITED)

For the fiscal year ended December 31, 2024, 36.9% of total ordinary income distributions made 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 your distributions on Form 1099-DIV. Of the ordinary income distributions made by the Fund during the year ended December 31, 2024, 36% qualify for the dividend received deduction available to corporate shareholders. 64% of total ordinary income distributions are eligible to be treated as business interest income for purposes of 163(j) and the regulations thereunder.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF FEDERATED HERMES INSURANCE SERIES AND THE SHAREHOLDERS OF FEDERATED HERMES MANAGED VOLATILITY FUND II:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Federated Hermes Managed Volatility Fund II (the Fund), a portfolio of Federated Hermes Insurance Series, including the portfolio of investments, as of December 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 in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 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 in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

KPMG LLP

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

Boston, Massachusetts
February 14, 2025

Shareholder Meeting Results (unaudited)

At a Special Meeting held on October 25, 2024, shareholders of the Federated Hermes Insurance Series (the “Trust”) elected Trustees of the Trust. Shareholders of the Trust elected new individuals to serve as Trustees effective January 1, 2025, who will serve on the Board with current Trustees Messrs. J. Christopher Donahue, Thomas R. Donahue, John G. Carson, G. Thomas Hough, Thomas M. O’Neill, John S. Walsh and Ms. Madelyn A. Reilly. Under the Trust’s Director Service Policy, Trustees Judge Maureen Lally-Green and Mr. P. Jerome Richey retired from the Board on December 31, 2024. The number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes with respect to the election of each nominee for office, is included below.

Trustee:	Voting For	Withheld Authority	Abstained	Broker Non-Voting
J. Christopher Donahue	139,361,429.008	3,866,280.559	0	N/A
Thomas R. Donahue	139,344,114.425	3,883,595.142	0	N/A
John G. Carson	138,967,757.649	4,259,951.918	0	N/A
G. Thomas Hough	139,026,471.524	4,201,238.043	0	N/A
Karen L. Larrimer	139,433,137.343	3,794,572.224	0	N/A
Max F. Miller	139,235,231.029	3,992,478.538	0	N/A
Frank J. Nasta	139,362,952.280	3,864,757.287	0	N/A
Thomas M. O’Neill	139,014,405.845	4,213,303.722	0	N/A
Madelyn A. Reilly	139,382,797.166	3,844,912.401	0	N/A
John S. Walsh	139,312,383.263	3,915,326.304	0	N/A

Evaluation and Approval of Advisory Contract – May 2024

FEDERATED HERMES MANAGED VOLATILITY FUND II (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 Investment Management Company and Federated Equity Management Company of Pennsylvania (the “Adviser”), under which they will serve as co-advisers to the Fund (the “Co-Advisers”) (the “Contract”) for an additional one-year term. The Board noted the resignation of Federated Global Investment Management Corp., the Fund’s former co-adviser, effective April 30, 2023. 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 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 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 Co-Advisers and their 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 Co-Advisers’ 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 index; (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 Co-Advisers’ 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 it 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. Also, in weighing these factors, the Board considered the aggregate advisory fee paid by the Fund for the services of all Co-Advisers in addition to considering the

allocation of that aggregate fee among the Co-Advisers and the rationale for that allocation. 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 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 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 Co-Advisers 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. In particular, the Board considered the services provided by the Co-Advisers in the aggregate, to the extent that the Co-Advisers collaborate in the implementation of the Fund’s strategy, as well as separately, to the extent to which specific services provided by a Co-Adviser are distinguishable and subject to meaningful assessment. The Board considered the Co-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 evaluated Federated Hermes’ ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Co-Advisers, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Co-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 Co-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 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 Co-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 Co-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 Co-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. In this connection, the Board considered that the longevity and experience of the Fund's portfolio management team and their extensive bottom-up approach to investing may limit the utility of comparisons to other equity mutual funds.

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.

For the periods ended December 31, 2023, the Fund's performance fell below the Performance Peer Group median for the one-year period, and was above the Performance Peer Group median for the three-year and five-year periods. The Board discussed the Fund's performance with the Co-Advisers, including the reasons for and any plans to seek to improve the Fund's performance, and recognized the efforts being taken by the Co-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 Co-Advisers' overall capabilities to manage the Fund.

Fund Expenses

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the 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 contractual advisory fee rate and other expenses relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was 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 any of the Co-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; (vi) different SEC mandated risk management programs with respect to fund liquidity and use of derivatives; (vii) different administrative responsibilities; (ix) 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.

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 Co-Advisers from their relationships with the Fund was not unreasonable in relation to the services provided.

The Board considered that the Contract provides for payment of a single advisory fee by the Fund for all services provided by the Co-Advisers. The Board further considered that the Contract permits the Co-Advisers to allocate the advisory fee in a manner commensurate with the services they provide to the Fund. Throughout the year, as well as in connection with its May Meetings, the Board considered the fee allocation and the Co-Advisers' analysis as to whether the allocation of fees among the Co-Advisers continued to be a reasonable proxy for and measurement of the level of resources and services provided by each Co-Adviser toward the management of the Fund. The Board noted the reallocation of the advisory fee among the remaining Co-Advisers in connection with the resignation of Federated Global Investment Management Corp., the Fund's former co-adviser, effective April 30, 2023.

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 Funds has been active in managing expenses of the Federated Hermes 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.

Notes

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

This 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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