

Semi-Annual Shareholder Report

June 30, 2023



Share Class Primary Service

Federated Hermes Managed Volatility Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

We are pleased to present the Semi-Annual Shareholder Report for your fund covering the period from January 1, 2023 through June 30, 2023. This report includes a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

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

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

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

Sincerely,

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

John B. Fisher, President

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Portfolio of Investments Summary Tables (unaudited)

At June 30, 2023, the Fund's portfolio composition¹ was as follows:

Portfolio Composition	Percentage of Total Net Assets
Domestic Fixed-Income Securities	44.2%
Domestic Equity Securities	39.3%
International Equity Securities	1.3%
Other ²	0.2%
Project and Trade Finance Core Fund	2.1%
Federated Hermes High Income Bond Fund II, Class P	1.3%
Emerging Markets Core Fund	1.1%
Bank Loan Core Fund ³	0.0%
Federated Hermes Short-Intermediate Government Fund, Institutional Shares ³	0.0%
Cash Equivalents ⁴	10.0%
Derivative Contracts ⁵	1.3%
Other Assets and Liabilities—Net ⁶	(0.8)%
TOTAL	100%

At June 30, 2023, the Fund's sector composition⁷ of the Fund's equity holdings was as follows:

Sector Composition of Equity Holdings	Percentage of Equity Securities
Financials	19.7%
Health Care	15.7%
Industrials	13.4%
Information Technology	9.1%
Consumer Staples	8.4%
Energy	7.8%
Consumer Discretionary	5.4%
Utilities	5.1%
Communication Services	5.0%
Real Estate	4.8%
Materials	4.8%
Consumer Cyclicals	0.8%
TOTAL	100%

1 See the Fund's Prospectus and Statement of Additional Information for a description of the types of securities in which the Fund invests. As of the date specified above, the Fund owned shares of one or more affiliated investment companies. For purposes of this table, affiliated investment companies (other than an affiliated money market mutual fund) in which the Fund invested greater than 10% of its net assets are not treated as a single portfolio security, but rather the Fund is treated as owning a pro rata portion of each security and each other asset and liability owned by the affiliated investment company. Accordingly, the percentages of total net assets shown in the table will differ from those presented on the Portfolio of Investments. Affiliated investment companies (other than an affiliated money market mutual fund) in which the Fund invested less than 10% of its net assets are listed individually in the table.

2 Other consists of purchased put options.

3 Represents less than 0.1%.

4 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements.

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

6 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

7 Sector classifications are based upon, and individual portfolio securities are assigned to, the classifications of the Global Industry Classification Standard (GICS) except that the Co-Advisers assign a classification to securities not classified by the GICS and to securities for which the Co-Advisers do not have access to the classification made by the GICS.

Portfolio of Investments

June 30, 2023 (unaudited)

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—40.6%	
	Communication Services—2.0%	
22,805	AT&T, Inc.	\$ 363,740
6	Cable One, Inc.	3,943
19,880	Comcast Corp., Class A	826,014
2,015	Electronic Arts, Inc.	261,346
1,169	Fox Corp	37,279
456	¹ Madison Square Garden Sports Corp.	85,751
393	Nexstar Media Group, Inc., Class A	65,454
2,734	¹ Playtika Holding Corp.	31,714
309	¹ Take-Two Interactive Software, Inc.	45,472
2,319	¹ T-Mobile USA, Inc.	322,109
18,211	¹ TripAdvisor, Inc.	300,299
16,271	Verizon Communications, Inc.	605,119
6,047	¹ Walt Disney Co.	539,876
2,210	² ZoomInfo Technologies, Inc.	56,112
	TOTAL	3,544,228
	Consumer Cyclical—0.3%	
240,000	¹ Adicon Holdings LTD	422,665
40,000	¹ Noile-Immune Biotech, Inc.	166,326
	TOTAL	588,991
	Consumer Discretionary—2.2%	
30	ADT, Inc.	181
2,421	¹ Aptiv PLC	247,160
24	¹ AutoZone, Inc.	59,841
245	Best Buy Co., Inc.	20,078
1,760	Block (H&R), Inc.	56,091
1,494	BorgWarner, Inc.	73,071
5,488	¹ Capri Holdings Ltd.	196,964
945	Carter's, Inc.	68,607
6,825	eBay, Inc.	305,009
526	¹ Etsy, Inc.	44,505
11,698	Ford Motor Co.	176,991
41	General Motors Co.	1,581
142	Lear Corp.	20,384
117	LKQ Corp.	6,817
20,000	¹ Lottomatica Group S.P.A.	190,218
548	Lowe's Cos., Inc.	123,684
2,192	McDonald's Corp.	654,115
2,283	MGM Resorts International	100,269
1,392	¹ Norwegian Cruise Line Holdings Ltd.	30,304
51	¹ NVR, Inc.	323,882
255	¹ O'Reilly Automotive, Inc.	243,601
8,962	¹ Rivian Automotive, Inc.	149,307
128	¹ Royal Caribbean Cruises, Ltd.	13,279
3,676	¹ Savers Value Village, Inc.	87,121
4,829	Tapestry, Inc.	206,681
452	Toll Brothers, Inc.	35,740

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Consumer Discretionary—continued	
95	Vail Resorts, Inc.	\$ 23,917
1,358	Whirlpool Corp.	202,057
1,182	Wyndham Hotels & Resorts, Inc.	81,050
1,018	Yum! Brands, Inc.	141,044
	TOTAL	3,883,549
	Consumer Staples—3.4%	
14,076	Altria Group, Inc.	637,643
3,058	Archer-Daniels-Midland Co.	231,063
457	Casey's General Stores, Inc.	111,453
942	Colgate-Palmolive Co.	72,572
233	Constellation Brands, Inc., Class A	57,348
4,749	General Mills, Inc.	364,248
1,321	Hershey Foods Corp.	329,854
2,564	Kimberly-Clark Corp.	353,986
3,627	Kroger Co.	170,469
439	Lamb Weston Holdings, Inc.	50,463
41	Molson Coors Beverage Co., Class B	2,699
3,662	Mondelez International, Inc.	267,106
2,059	PepsiCo, Inc.	381,368
2,312	Philip Morris International, Inc.	225,697
6,379	Procter & Gamble Co.	967,949
111	¹ The Boston Beer Co., Inc., Class A	34,237
8,645	The Coca-Cola Co.	520,602
1,143	¹ US Foods Holding Corp.	50,292
6,057	WalMart, Inc.	952,039
230,000	¹ ZJLD Group, Inc.	230,705
	TOTAL	6,011,793
	Energy—3.1%	
620	APA Corp.	21,185
5,960	Chevron Corp.	937,806
7,697	ConocoPhillips	797,486
16,034	Exxon Mobil Corp.	1,719,647
2,958	Hess Corp.	402,140
17,567	Marathon Oil Corp.	404,392
4,588	Marathon Petroleum Corp.	534,961
1,952	ONEOK, Inc.	120,477
214	Pioneer Natural Resources, Inc.	44,337
2,254	Range Resources Corp.	66,268
512	Schlumberger Ltd.	25,149
3,000	TXO Energy Partners, LP	64,950
3,375	Valero Energy Corp.	395,888
	TOTAL	5,534,686
	Financials—8.0%	
2,315	Affiliated Managers Group	346,995
7,546	Ally Financial, Inc.	203,817
1,724	American Express Co.	300,321
8,733	American International Group, Inc.	502,497
24,936	Bank of America Corp.	715,414
9,542	Bank of New York Mellon Corp.	424,810

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Financials—continued	
394	Bank OZK	\$ 15,823
5,679	¹ Berkshire Hathaway, Inc., Class B	1,936,539
267	BlackRock, Inc.	184,534
101	BOK Financial Corp.	8,159
7,819	¹ Brighthouse Financial, Inc.	370,230
516	Capital One Financial Corp.	56,435
799	Charles Schwab Corp.	45,287
6,962	Citigroup, Inc.	320,530
1,727	Citizens Financial Group, Inc.	45,040
743	Columbia Banking Systems, Inc.	15,068
471	Comerica, Inc.	19,952
409	Commerce Bancshares, Inc.	19,918
212	Cullen Frost Bankers, Inc.	22,796
1,984	Discover Financial Services	231,830
502	East West Bancorp, Inc.	26,501
3,132	Fidelity National Information Services, Inc.	171,320
2,428	Fifth Third Bancorp	63,638
35	First Citizens Bancshares, Inc., Class A	44,921
455	First Hawaiian, Inc.	8,195
1,911	First Horizon Corp.	21,537
897	¹ Fiserv, Inc.	113,157
1,278	FNB Corp. (PA)	14,620
200	Global Payments, Inc.	19,704
1,268	Goldman Sachs Group, Inc.	408,981
5,145	Huntington Bancshares, Inc.	55,463
863	Janus Henderson Group PLC	23,517
10,466	JPMorgan Chase & Co.	1,522,175
3,332	KeyCorp	30,788
786	Lazard Ltd., Class A	25,152
3,148	Lincoln National Corp.	81,092
592	M&T Bank Corp.	73,266
4,547	MetLife, Inc.	257,042
10,290	MGIC Investment Corp.	162,479
163	Moody's Corp.	56,678
3,527	Morgan Stanley	301,206
2,547	New York Community Bancorp, Inc.	28,628
2,599	¹ NU Holdings Ltd./Cayman Islands	20,506
5,186	OneMain Holdings, Inc.	226,576
2,534	¹ PayPal Holdings, Inc.	169,094
269	Pinnacle Financial Partners, Inc.	15,239
1,425	PNC Financial Services Group, Inc.	179,479
252	Popular, Inc.	15,251
311	Prosperity Bancshares, Inc.	17,565
3,563	Prudential Financial, Inc.	314,328
3,344	Regions Financial Corp.	59,590
258	S&P Global, Inc.	103,430
3,000	¹ Skyward Specialty Insurance Group, Inc.	76,200
21,786	SLM Corp.	355,548
2,184	State Street Corp.	159,825

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Financials—continued	
11,676	Synchrony Financial	\$ 396,050
517	Synovus Financial Corp.	15,639
3,517	The Hartford Financial Services Group, Inc.	253,294
1,933	The Travelers Cos., Inc.	335,685
4,747	Truist Financial Corp.	144,071
5,485	U.S. Bancorp	181,224
10,977	Virtu Financial, Inc.	187,597
621	Webster Financial Corp. Waterbury	23,443
13,530	Wells Fargo & Co.	577,460
387	Western Alliance Bancorp	14,114
18,035	Western Union Co.	211,551
830	¹ WEX, Inc.	151,118
261	White Mountains Insurance Group, Inc.	362,506
684	Willis Towers Watson PLC	161,082
217	Wintrust Financial Corp.	15,759
520	Zions Bancorporation, N.A.	13,967
	TOTAL	14,053,246
	Health Care—6.4%	
4,645	Abbott Laboratories	506,398
6,000	¹ ACELYRIN, Inc.	125,400
428	Agilent Technologies, Inc.	51,467
521	¹ Biogen, Inc.	148,407
210	¹ Bio-Rad Laboratories, Inc., Class A	79,615
7,249	¹ Boston Scientific Corp.	392,098
11,984	Bristol-Myers Squibb Co.	766,377
4,135	Cardinal Health, Inc.	391,047
1,092	¹ Centene Corp.	73,655
186	CIGNA Corp.	52,192
5,662	CVS Health Corp.	391,414
2,089	Danaher Corp.	501,360
289	Dentsply Sirona, Inc.	11,566
1,283	Elevance Health, Inc.	570,024
570	¹ GE HealthCare Technologies, Inc.	46,307
8,533	Gilead Sciences, Inc.	657,638
791	HCA Healthcare, Inc.	240,053
1,015	Humana, Inc.	453,837
1,322	¹ Illumina, Inc.	247,862
9,183	Johnson & Johnson	1,519,970
212	Laboratory Corp. of America Holdings	51,162
1,125	McKesson Corp.	480,724
2,017	Medtronic PLC	177,698
7,899	Merck & Co., Inc.	911,466
149	¹ Moderna, Inc.	18,103
16,487	Pfizer, Inc.	604,743
6,519	Premier, Inc.	180,316
216	¹ Regeneron Pharmaceuticals, Inc.	155,205
14,242	¹ Teladoc Health, Inc.	360,607
896	Thermo Fisher Scientific, Inc.	467,488
716	UnitedHealth Group, Inc.	344,138

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Health Care—continued	
578	¹ Vertex Pharmaceuticals, Inc.	\$ 203,404
62	Zimmer Biomet Holdings, Inc.	9,027
	TOTAL	11,190,768
	Industrials—5.4%	
2,530	3M Co.	253,228
402	Acuity Brands, Inc.	65,558
1,370	AECOM	116,025
2,784	Allison Transmission Holdings, Inc.	157,185
263	Automatic Data Processing, Inc.	57,805
2,412	¹ Azek Co., Inc.	73,059
2,000	¹ Boeing Co.	422,320
3,108	¹ Builders Firstsource, Inc.	422,688
1,281	C.H. Robinson Worldwide, Inc.	120,862
319	Caterpillar, Inc.	78,490
16,924	¹ Clarivate PLC	161,286
140	¹ Clean Harbors, Inc.	23,020
3,375	CSX Corp.	115,088
2,725	¹ Delta Air Lines, Inc.	129,547
183	Donaldson Co., Inc.	11,439
1,827	Dun & Bradstreet Holdings, Inc.	21,138
1,245	Eaton Corp. PLC	250,370
424	Emerson Electric Co.	38,325
15,000	¹ Eurogroup Laminations S.p.A.	107,516
3,407	Expeditors International Washington, Inc.	412,690
2,388	Ferguson PLC	375,656
2,153	General Dynamics Corp.	463,218
2,329	General Electric Co.	255,841
3,360	Honeywell International, Inc.	697,200
1,892	Hunt (J.B.) Transportation Services, Inc.	342,509
1,589	Ingersoll-Rand, Inc.	103,857
4,368	Johnson Controls International PLC	297,636
2,097	L3Harris Technologies, Inc.	410,530
1,828	Landstar System, Inc.	351,963
1,226	Leidos Holdings, Inc.	108,477
1,866	Manpower, Inc.	148,160
47	Masco Corp.	2,697
1,218	Norfolk Southern Corp.	276,194
650	OshKosh Truck Corp.	56,284
1,689	Otis Worldwide Corp.	150,338
1,009	Owens Corning, Inc.	131,675
692	Parker-Hannifin Corp.	269,908
4,297	Raytheon Technologies Corp.	420,934
266	Republic Services, Inc.	40,743
10,000	¹ Skymark Airlines, Inc.	87,405
1,013	Textron, Inc.	68,509
944	Trane Technologies PLC	180,549
566	¹ United Rentals, Inc.	252,079
9,548	¹ Univar, Inc.	342,200
1,865	Waste Management, Inc.	323,428

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Industrials—continued	
7,752	¹ Willscot Corp.	\$ 370,468
163	Xylem, Inc.	18,357
	TOTAL	9,584,454
	Information Technology—3.7%	
3,538	¹ Advanced Micro Devices, Inc.	403,014
646	Applied Materials, Inc.	93,373
4,742	¹ Cirrus Logic, Inc.	384,149
20,329	Cisco Systems, Inc.	1,051,822
1,986	Cognizant Technology Solutions Corp.	129,646
6,235	¹ Dropbox, Inc.	166,287
4,944	¹ DXC Technology Co.	132,104
810	¹ First Solar, Inc.	153,973
1,571	¹ GoDaddy, Inc.	118,029
25,372	Hewlett Packard Enterprise Co.	426,250
1,546	HP, Inc.	47,478
664	IBM Corp.	88,850
9,275	Intel Corp.	310,156
10,000	¹ IONOS SE	142,071
2,508	Juniper Networks, Inc.	78,576
6,759	Marvell Technology, Inc.	404,053
978	Microchip Technology, Inc.	87,619
5,277	Micron Technology, Inc.	333,031
9,301	¹ Nutanix, Inc.	260,893
132	¹ ON Semiconductor Corp.	12,485
2,355	Oracle Corp.	280,457
250	¹ Pure Storage, Inc.	9,205
3,616	¹ Qorvo, Inc.	368,940
2,473	¹ Salesforce, Inc.	522,446
1,320	¹ Verisign, Inc.	298,280
4,105	¹ Western Digital Corp.	155,703
	TOTAL	6,458,890
	Materials—2.0%	
129	Air Products & Chemicals, Inc.	38,639
578	Alcoa Corp.	19,612
1,007	Avery Dennison Corp.	173,003
6,238	Dow, Inc.	332,236
283	Eagle Materials, Inc.	52,757
1,663	Ecolab, Inc.	310,465
3,749	Freeport-McMoRan, Inc.	149,960
1,497	Huntsman Corp.	40,449
10,000	¹ Lithium Royalty Corp.	99,717
459	Louisiana-Pacific Corp.	34,416
1,791	LyondellBasell Industries N.V.	164,467
800	Mosaic Co./The	28,000
2,352	New Linde PLC	896,300
3,113	Newmont Corp.	132,801
1,027	Nucor Corp.	168,407
4,093	Olin Corp.	210,339
164	Reliance Steel & Aluminum Co.	44,541

Shares, Principal Amount or Contracts		Value
	COMMON STOCKS—continued	
	Materials—continued	
2,965	Steel Dynamics, Inc.	\$ 322,977
175	United States Steel Corp.	4,377
7,613	WestRock Co.	221,310
	TOTAL	3,444,773
	Real Estate—2.0%	
4,014	Americold Realty Trust, Inc.	129,652
9,987	Apartment Income REIT Corp.	360,431
729	Avalonbay Communities, Inc.	137,978
2,499	¹ CBRE Group, Inc.	201,694
120	Equinix, Inc.	94,073
1,776	Extra Space Storage, Inc.	264,357
322	Federal Realty Investment Trust	31,160
4,542	First Industrial Realty Trust	239,091
6,140	Host Hotels & Resorts, Inc.	103,336
2,365	Iron Mountain, Inc.	134,379
727	Life Storage, Inc.	96,662
5,301	ProLogis, Inc.	650,062
1,412	Public Storage	412,134
476	SBA Communications Corp.	110,318
277	Simon Property Group, Inc.	31,988
13,617	Weyerhaeuser Co.	456,306
	TOTAL	3,453,621
	Utilities—2.1%	
13,828	AES Corp.	286,654
3,438	Atmos Energy Corp.	399,977
95	Brookfield Renewable Corp.	2,994
3,694	Consolidated Edison Co.	333,938
4,258	FirstEnergy Corp.	165,551
11,023	NextEra Energy, Inc.	817,907
13,982	PPL Corp.	369,964
6,983	Public Service Enterprises Group, Inc.	437,206
8,826	UGI Corp.	238,037
5,449	Vistra Corp.	143,036
7,066	Xcel Energy, Inc.	439,293
	TOTAL	3,634,557
	TOTAL COMMON STOCKS (IDENTIFIED COST \$59,418,291)	71,383,556
	U.S. TREASURIES—17.9%	
	Treasury Inflation-Indexed Note—0.0%	
\$ 12,801	U.S. Treasury Inflation-Protected Notes, 1.000%, 2/15/2046	11,083
	U.S. Treasury Bond—3.0%	
150,000	United States Treasury Bond, 1.375%, 11/15/2040	100,241
760,000	United States Treasury Bond, 1.625%, 11/15/2050	471,202
660,000	United States Treasury Bond, 2.375%, 2/15/2042	513,575
20,000	United States Treasury Bond, 2.750%, 11/15/2047	16,069
2,950,000	United States Treasury Bond, 2.875%, 5/15/2052	2,440,951
1,000	United States Treasury Bond, 3.000%, 11/15/2044	845
900,000	United States Treasury Bond, 3.000%, 2/15/2049	760,659

Shares, Principal Amount or Contracts		Value
	U.S. TREASURIES—continued	
	U.S. Treasury Bond—continued	
\$ 1,100,000	United States Treasury Bond, 3.125%, 5/15/2048	\$ 948,431
	TOTAL	5,251,973
	U.S. Treasury Note—14.9%	
2,000,000	United States Treasury Note, 0.250%, 9/30/2023	1,976,186
330,000	United States Treasury Note, 0.625%, 7/31/2026	293,921
900,000	United States Treasury Note, 0.625%, 8/15/2030	716,549
200,000	United States Treasury Note, 0.875%, 11/15/2030	161,740
675,000	United States Treasury Note, 1.250%, 12/31/2026	607,350
300,000	United States Treasury Note, 1.375%, 11/15/2031	247,141
400,000	United States Treasury Note, 1.500%, 1/31/2027	362,250
200,000	United States Treasury Note, 1.625%, 5/15/2031	169,880
900,000	United States Treasury Note, 1.750%, 12/31/2024	855,557
325,000	United States Treasury Note, 1.750%, 3/15/2025	307,404
500,000	United States Treasury Note, 2.125%, 11/30/2024	478,904
1,150,000	United States Treasury Note, 2.250%, 3/31/2024	1,123,109
50,000	United States Treasury Note, 2.250%, 11/15/2027	46,033
3,500,000	United States Treasury Note, 2.500%, 4/30/2024	3,416,165
500,000	United States Treasury Note, 2.500%, 5/31/2024	486,928
3,800,000	United States Treasury Note, 2.625%, 5/31/2027	3,569,333
500,000	United States Treasury Note, 2.750%, 4/30/2027	472,157
5,700,000	United States Treasury Note, 2.750%, 7/31/2027	5,372,165
40,000	United States Treasury Note, 2.875%, 5/31/2025	38,489
680,000	United States Treasury Note, 3.000%, 6/30/2024	663,955
110,000	United States Treasury Note, 3.125%, 8/31/2027	105,172
1,600,000	United States Treasury Note, 3.500%, 2/15/2033	1,557,362
250,000	United States Treasury Note, 3.625%, 3/31/2028	244,180
250,000	United States Treasury Note, 3.875%, 11/30/2027	246,412
2,600,000	United States Treasury Note, 4.000%, 2/28/2030	2,598,172
	TOTAL	26,116,514
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$33,808,961)	31,379,570
	CORPORATE BONDS—11.7%	
	Basic Industry - Chemicals—0.1%	
50,000	Albemarle Corp., Sr. Unsecd. Note, 5.450%, 12/1/2044	47,229
75,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	70,369
	TOTAL	117,598
	Basic Industry - Metals & Mining—0.0%	
60,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	54,141
30,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 3.375%, 9/23/2051	20,250
	TOTAL	74,391
	Capital Goods - Aerospace & Defense—0.5%	
125,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	114,318
45,000	Boeing Co., Sr. Unsecd. Note, 3.950%, 8/1/2059	33,277
75,000	Boeing Co., Sr. Unsecd. Note, 4.875%, 5/1/2025	73,959
85,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	77,970
25,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 3.625%, 5/15/2025	23,992
110,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 4.375%, 5/15/2030	101,092
100,000	Lockheed Martin Corp., Sr. Unsecd. Note, 4.750%, 2/15/2034	99,817
90,000	Northrop Grumman Corp., Sr. Unsecd. Note, 4.700%, 3/15/2033	88,377

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Capital Goods - Aerospace & Defense—continued	
\$ 95,000	Raytheon Technologies Corp., Sr. Unsecd. Note, 5.150%, 2/27/2033	\$ 96,340
100,000	Textron, Inc., Sr. Unsecd. Note, 3.650%, 3/15/2027	93,767
	TOTAL	802,909
	Capital Goods - Building Materials—0.1%	
35,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	30,939
20,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	19,215
90,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.550%, 10/1/2027	83,308
	TOTAL	133,462
	Capital Goods - Construction Machinery—0.1%	
100,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	94,055
170,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 3.450%, 3/7/2029	159,121
	TOTAL	253,176
	Capital Goods - Diversified Manufacturing—0.2%	
45,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	42,004
45,000	Honeywell International, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2050	33,490
50,000	Honeywell International, Inc., Sr. Unsecd. Note, 4.500%, 1/15/2034	48,939
65,000	Valmont Industries, Inc., Sr. Unsecd. Note, 5.000%, 10/1/2044	57,249
70,000	Vontier Corp., Sr. Unsecd. Note, Series WI, 1.800%, 4/1/2026	62,269
45,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	37,364
	TOTAL	281,315
	Capital Goods - Packaging—0.1%	
125,000	Packaging Corp., of America, Sr. Unsecd. Note, 3.650%, 9/15/2024	122,465
	Communications - Cable & Satellite—0.3%	
50,000	CCO Safari II LLC, 6.484%, 10/23/2045	47,039
25,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 3.850%, 4/1/2061	15,142
225,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	213,634
150,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	146,258
90,000	Time Warner Cable, Inc., Company Guarantee, 5.500%, 9/1/2041	74,946
	TOTAL	497,019
	Communications - Media & Entertainment—0.4%	
115,000	Alphabet, Inc., Sr. Unsecd. Note, 2.050%, 8/15/2050	72,042
100,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.500%, 8/15/2027	95,000
75,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.850%, 8/15/2032	69,700
75,000	Netflix, Inc., Sr. Unsecd. Note, 4.875%, 4/15/2028	74,245
50,000	Paramount Global, Sr. Unsecd. Note, 4.200%, 6/1/2029	44,593
65,000	S&P Global, Inc., Sr. Unsecd. Note, 2.900%, 3/1/2032	56,366
65,000	Walt Disney Co., Sr. Unsecd. Note, 3.600%, 1/13/2051	51,764
45,000	Walt Disney Co., Sr. Unsecd. Note, 3.800%, 5/13/2060	35,973
100,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 4.279%, 3/15/2032	88,734
100,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 5.050%, 3/15/2042	84,342
	TOTAL	672,759
	Communications - Telecom Wireless—0.2%	
50,000	American Tower Corp., Sr. Unsecd. Note, 2.700%, 4/15/2031	41,512
60,000	American Tower Corp., Sr. Unsecd. Note, 3.100%, 6/15/2050	39,229
100,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.250%, 1/15/2051	68,276
105,000	T-Mobile USA, Inc., Sec. Fac. Bond, 3.000%, 2/15/2041	76,828
90,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 5.200%, 1/15/2033	89,460
60,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	58,568

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Communications - Telecom Wireless—continued	
\$ 70,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.250%, 5/30/2048	\$ 65,802
	TOTAL	439,675
	Communications - Telecom Wirelines—0.3%	
150,000	AT&T, Inc., Sr. Unsecd. Note, 1.700%, 3/25/2026	136,778
203,000	AT&T, Inc., Sr. Unsecd. Note, 3.800%, 12/1/2057	147,140
45,000	AT&T, Inc., Sr. Unsecd. Note, 5.400%, 2/15/2034	45,100
45,000	Rogers Communications, Inc., Sr. Unsecd. Note, 144A, 4.500%, 3/15/2042	37,396
80,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.400%, 3/22/2041	61,793
100,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.125%, 8/15/2046	82,302
	TOTAL	510,509
	Consumer Cyclical - Automotive—0.2%	
150,000	Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 2.375%, 12/14/2028	129,955
100,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	100,720
100,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	86,284
20,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 5.850%, 4/6/2030	19,844
60,000	Hyundai Capital America, Sr. Unsecd. Note, 144A, 5.680%, 6/26/2028	59,552
	TOTAL	396,355
	Consumer Cyclical - Retailers—0.2%	
45,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, 1.750%, 10/1/2027	37,474
90,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	76,747
50,000	AutoNation, Inc., Sr. Unsecd. Note, 3.850%, 3/1/2032	42,453
40,000	AutoZone, Inc., Sr. Unsecd. Note, 3.625%, 4/15/2025	38,623
20,000	AutoZone, Inc., Sr. Unsecd. Note, 4.750%, 2/1/2033	19,168
85,000	CVS Health Corp., Sr. Unsecd. Note, 4.250%, 4/1/2050	70,480
60,000	CVS Health Corp., Sr. Unsecd. Note, 5.250%, 2/21/2033	59,793
40,000	Home Depot, Inc., Sr. Unsecd. Note, 2.950%, 6/15/2029	36,436
35,000	Tractor Supply Co., Sr. Unsecd. Note, 5.250%, 5/15/2033	34,744
	TOTAL	415,918
	Consumer Cyclical - Services—0.1%	
65,000	Amazon.com, Inc., Sr. Unsecd. Note, 2.500%, 6/3/2050	43,291
125,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.875%, 8/22/2037	114,244
	TOTAL	157,535
	Consumer Non-Cyclical - Food/Beverage—0.3%	
85,000	Constellation Brands, Inc., Sr. Unsecd. Note, 3.750%, 5/1/2050	66,941
25,000	Flowers Foods, Inc., Sr. Unsecd. Note, 2.400%, 3/15/2031	20,412
100,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	93,875
145,000	International Flavors & Fragrances, Inc., Sr. Unsecd. Note, 144A, 2.300%, 11/1/2030	115,020
70,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	59,538
70,000	PepsiCo, Inc., Sr. Unsecd. Note, 2.750%, 10/21/2051	50,298
90,000	Sysco Corp., Sr. Unsecd. Note, 4.450%, 3/15/2048	77,146
	TOTAL	483,230
	Consumer Non-Cyclical - Health Care—0.2%	
27,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.794%, 5/20/2050	21,375
27,000	Becton Dickinson & Co., Sr. Unsecd. Note, 4.685%, 12/15/2044	24,515
90,000	Danaher Corp., Sr. Unsecd. Note, 2.600%, 10/1/2050	60,807
65,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	57,246
80,000	HCA, Inc., Sec. Fac. Bond, 3.500%, 7/15/2051	55,428
25,000	HCA, Inc., Sr. Unsecd. Note, 5.200%, 6/1/2028	24,814
10,000	Stryker Corp., Sr. Unsecd. Note, 3.500%, 3/15/2026	9,598

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Health Care—continued	
\$ 100,000	Thermo Fisher Scientific, Inc., Sr. Unsecd. Note, 1.215%, 10/18/2024	\$ 94,604
	TOTAL	348,387
	Consumer Non-Cyclical - Pharmaceuticals—0.5%	
83,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	80,968
110,000	Amgen, Inc., Sr. Unsecd. Note, 5.250%, 3/2/2033	110,193
110,000	Amgen, Inc., Sr. Unsecd. Note, 5.650%, 3/2/2053	111,477
75,000	AstraZeneca PLC, Sr. Unsecd. Note, 1.375%, 8/6/2030	60,380
70,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	58,515
75,000	Biogen, Inc., Sr. Unsecd. Note, 3.150%, 5/1/2050	51,376
40,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 4.250%, 10/26/2049	35,486
60,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.450%, 5/19/2028	59,002
60,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.750%, 5/19/2033	59,797
45,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 5.300%, 5/19/2053	46,821
91,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 2.800%, 9/15/2050	58,671
115,000	Zoetis, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2050	80,504
	TOTAL	813,190
	Consumer Non-Cyclical - Tobacco—0.1%	
75,000	Altria Group, Inc., Sr. Unsecd. Note, 3.700%, 2/4/2051	50,311
50,000	BAT Capital Corp., Sr. Unsecd. Note, Series WI, 4.540%, 8/15/2047	36,846
125,000	Philip Morris International, Inc., Sr. Unsecd. Note, 2.100%, 5/1/2030	103,522
25,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.750%, 11/17/2032	25,616
55,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	54,655
	TOTAL	270,950
	Energy - Independent—0.1%	
55,000	Diamondback Energy, Inc., Sr. Unsecd. Note, 6.250%, 3/15/2033	56,919
80,000	Hess Corp., Sr. Unsecd. Note, 5.600%, 2/15/2041	76,646
85,000	Marathon Oil Corp., Sr. Unsecd. Note, 4.400%, 7/15/2027	81,116
	TOTAL	214,681
	Energy - Integrated—0.2%	
55,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026	52,377
40,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 4.893%, 9/11/2033	39,607
80,000	Chevron Corp., Sr. Unsecd. Note, 3.078%, 5/11/2050	59,642
185,000	ConocoPhillips Co., Sr. Unsecd. Note, 2.400%, 3/7/2025	176,421
	TOTAL	328,047
	Energy - Midstream—0.5%	
45,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.600%, 9/1/2032	38,295
40,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	38,392
35,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2029	30,510
115,000	Eastern Gas Transmission & Storage, Inc., Sr. Unsecd. Note, 3.900%, 11/15/2049	85,048
60,000	Energy Transfer LP, Sr. Unsecd. Note, 5.750%, 2/15/2033	60,475
95,000	Energy Transfer Partners LP, Sr. Unsecd. Note, Series 10Y, 4.950%, 6/15/2028	92,218
15,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	14,901
50,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	50,271
110,000	MPLX LP, Sr. Unsecd. Note, 4.950%, 9/1/2032	105,116
75,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	61,942
20,000	ONEOK, Inc., Sr. Unsecd. Note, 6.100%, 11/15/2032	20,354
110,000	Plains All American Pipeline LP, Sr. Unsecd. Note, 5.150%, 6/1/2042	91,475
100,000	Targa Resources, Inc., Sr. Unsecd. Note, 4.200%, 2/1/2033	88,593

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Energy - Midstream—continued	
\$ 100,000	Williams Partners LP, Sr. Unsecd. Note, 4.900%, 1/15/2045	\$ 87,393
	TOTAL	864,983
	Energy - Oil Field Services—0.1%	
85,000	Halliburton Co., Sr. Unsecd. Note, 5.000%, 11/15/2045	77,010
60,000	Ovintiv, Inc., Sr. Unsecd. Note, 7.100%, 7/15/2053	61,814
	TOTAL	138,824
	Energy - Refining—0.1%	
75,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.750%, 9/15/2044	62,829
50,000	Phillips 66, Sr. Unsecd. Note, 4.875%, 11/15/2044	45,910
75,000	Valero Energy Corp., Sr. Unsecd. Note, 2.800%, 12/1/2031	61,396
	TOTAL	170,135
	Financial Institution - Banking—2.5%	
100,000	American Express Co., Sr. Unsecd. Note, 4.990%, 5/1/2026	98,808
115,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	107,510
135,000	Bank of America Corp., Sr. Unsecd. Note, 2.299%, 7/21/2032	108,016
350,000	Bank of America Corp., Sr. Unsecd. Note, 3.419%, 12/20/2028	321,267
50,000	Bank of America Corp., Sr. Unsecd. Note, 5.288%, 4/25/2034	49,558
75,000	Bank of America Corp., Sub. Note, Series MTN, 4.000%, 1/22/2025	72,975
200,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.200%, 8/16/2023	199,192
50,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.992%, 6/13/2028	47,959
75,000	Capital One Financial Corp., Sr. Unsecd. Note, 3.273%, 3/1/2030	63,759
95,000	Citigroup, Inc., Sr. Unsecd. Note, 3.057%, 1/25/2033	79,357
195,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	185,554
90,000	Citigroup, Inc., Sr. Unsecd. Note, 3.668%, 7/24/2028	84,203
70,000	Citigroup, Inc., Sub., 6.174%, 5/25/2034	70,648
100,000	Fifth Third Bancorp, Sr. Unsecd. Note, 6.361%, 10/27/2028	99,643
50,000	FNB Corp. (PA), Sr. Unsecd. Note, 5.150%, 8/25/2025	47,900
150,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.948%, 10/21/2027	133,486
275,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	216,596
275,000	HSBC Holdings PLC, Sr. Unsecd. Note, 3.900%, 5/25/2026	262,205
100,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 4.443%, 8/4/2028	92,976
120,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.953%, 2/4/2032	95,653
100,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.963%, 1/25/2033	84,275
325,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.509%, 1/23/2029	300,714
50,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 5.350%, 6/1/2034	50,419
75,000	M&T Bank Corp., Sr. Unsecd. Note, 5.053%, 1/27/2034	68,545
45,000	Morgan Stanley, Sr. Unsecd. Note, 5.250%, 4/21/2034	44,456
325,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.772%, 1/24/2029	303,663
40,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.794%, 2/13/2032	31,050
55,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.928%, 4/28/2032	42,961
80,000	Northern Trust Corp., Sub. Note, 6.125%, 11/2/2032	82,977
110,000	PNC Financial Services Group, Sub Note, 4.626%, 6/6/2033	101,260
75,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 3.750%, 12/6/2023	74,286
45,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.122%, 1/26/2034	42,660
50,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.867%, 6/8/2034	50,043
125,000	US Bancorp, 4.967%, 7/22/2033	113,318
30,000	US Bancorp, Sr. Unsecd. Note, 5.836%, 6/12/2034	30,231
30,000	Wells Fargo & Co., Sr. Unsecd. Note, 5.389%, 4/24/2034	29,822

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 500,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	\$ 466,009
	TOTAL	4,353,954
	Financial Institution - Broker/Asset Mgr/Exchange—0.1%	
40,000	BlackRock, Inc., Sr. Unsecd. Note, 4.750%, 5/25/2033	39,337
100,000	Jefferies Group LLC, Sr. Unsecd. Note, 2.750%, 10/15/2032	76,954
100,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	97,518
	TOTAL	213,809
	Financial Institution - Finance Companies—0.1%	
50,000	Air Lease Corp., Sr. Unsecd. Note, 5.300%, 2/1/2028	49,106
85,000	Air Lease Corp., Sr. Unsecd. Note, 5.850%, 12/15/2027	84,967
45,000	ERAC USA Finance LLC, Sr. Unsecd. Note, 144A, 4.600%, 5/1/2028	43,753
	TOTAL	177,826
	Financial Institution - Insurance - Health—0.1%	
90,000	Elevance Health, Inc., Sr. Unsecd. Note, 4.750%, 2/15/2033	87,450
145,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.050%, 5/15/2041	112,207
	TOTAL	199,657
	Financial Institution - Insurance - Life—0.2%	
110,000	Lincoln National Corp., Sr. Unsecd. Note, 3.625%, 12/12/2026	102,382
100,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 4.900%, 4/1/2077	85,567
70,000	Pacific Life Insurance Co., Sub. Note, 144A, 4.300%, 10/24/2067	53,362
100,000	Principal Financial Group, Inc., Sr. Unsecd. Note, 2.125%, 6/15/2030	81,246
75,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.600%, 5/15/2044	66,106
	TOTAL	388,663
	Financial Institution - Insurance - P&C—0.3%	
30,000	Chubb INA Holdings, Inc., 3.350%, 5/3/2026	28,847
100,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 1.375%, 9/15/2030	79,605
125,000	CNA Financial Corp., Sr. Unsecd. Note, 5.500%, 6/15/2033	122,001
200,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	258,019
45,000	Travelers Cos., Inc., Sr. Unsecd. Note, 5.450%, 5/25/2053	47,138
	TOTAL	535,610
	Financial Institution - REIT - Apartment—0.2%	
135,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	126,090
135,000	Mid-America Apartment Communities LP, 4.000%, 11/15/2025	130,687
110,000	UDR, Inc., Sr. Unsecd. Note, Series GMTN, 3.500%, 1/15/2028	100,674
	TOTAL	357,451
	Financial Institution - REIT - Healthcare—0.2%	
100,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	76,861
125,000	Physicians Realty Trust, Sr. Unsecd. Note, 3.950%, 1/15/2028	114,223
75,000	Welltower, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2031	62,067
100,000	Welltower, Inc., Sr. Unsecd. Note, 4.250%, 4/1/2026	96,763
	TOTAL	349,914
	Financial Institution - REIT - Office—0.1%	
130,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 1.875%, 2/1/2033	95,152
100,000	Boston Properties LP, Sr. Unsecd. Note, 3.650%, 2/1/2026	92,849
40,000	Piedmont Operating Partnership, LP, Sr. Unsecd. Note, 2.750%, 4/1/2032	27,013
	TOTAL	215,014
	Financial Institution - REIT - Other—0.1%	
70,000	WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029	63,628

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Financial Institution - REIT - Other—continued	
\$ 50,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	\$ 49,325
	TOTAL	112,953
	Financial Institution - REIT - Retail—0.1%	
135,000	Regency Centers LP, Sr. Unsecd. Note, 4.125%, 3/15/2028	126,291
	Technology—0.8%	
165,000	Apple, Inc., Sr. Unsecd. Note, 2.375%, 2/8/2041	121,822
65,000	Apple, Inc., Sr. Unsecd. Note, 2.400%, 8/20/2050	43,582
65,000	Apple, Inc., Sr. Unsecd. Note, 4.000%, 5/10/2028	63,983
112,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	105,889
20,000	Broadcom, Inc., Sr. Unsecd. Note, 4.150%, 11/15/2030	18,411
5,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.187%, 11/15/2036	3,782
50,000	CDW LLC / CDW Finance, Sr. Unsecd. Note, 2.670%, 12/1/2026	44,951
100,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	95,290
30,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 4.700%, 7/15/2027	29,215
35,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 5.625%, 7/15/2052	33,031
95,000	Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029	86,758
80,000	Fiserv, Inc., Sr. Unsecd. Note, 3.800%, 10/1/2023	79,606
100,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	96,564
65,000	Microsoft Corp., Sr. Unsecd. Note, 2.525%, 6/1/2050	45,005
200,000	Microsoft Corp., Sr. Unsecd. Note, 3.125%, 11/3/2025	192,579
125,000	Oracle Corp., Sr. Unsecd. Note, 3.600%, 4/1/2050	89,393
85,000	Trimble, Inc., Sr. Unsecd. Note, 6.100%, 3/15/2033	86,155
110,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	105,100
25,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	23,830
40,000	VMware, Inc., Sr. Unsecd. Note, 1.400%, 8/15/2026	35,341
35,000	VMware, Inc., Sr. Unsecd. Note, 2.200%, 8/15/2031	27,517
	TOTAL	1,427,804
	Technology Services—0.1%	
110,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	98,237
85,000	Global Payments, Inc., Sr. Unsecd. Note, 4.950%, 8/15/2027	82,888
90,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	74,964
	TOTAL	256,089
	Transportation - Railroads—0.2%	
75,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 3.000%, 4/1/2025	72,227
75,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 5.200%, 4/15/2054	76,575
110,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 3.500%, 5/1/2050	84,367
65,000	Union Pacific Corp., Sr. Unsecd. Note, 2.375%, 5/20/2031	55,025
100,000	Union Pacific Corp., Sr. Unsecd. Note, 2.400%, 2/5/2030	87,004
	TOTAL	375,198
	Transportation - Services—0.3%	
70,000	Enterprise Rent-A-Car USA Finance Co., Sr. Unsecd. Note, 144A, 4.900%, 5/1/2033	68,458
65,000	FedEx Corp., Sr. Unsecd. Note, 3.250%, 5/15/2041	48,600
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, 1.650%, 7/15/2026	69,625
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, 2.650%, 7/15/2031	62,369
30,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 5.550%, 5/1/2028	29,556
70,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 5.700%, 2/1/2028	69,140
50,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.850%, 3/1/2027	45,717
75,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 5.250%, 6/1/2028	74,110
	TOTAL	467,575

Shares, Principal Amount or Contracts		Value
	CORPORATE BONDS—continued	
	Utility - Electric—1.1%	
\$ 165,000	Ameren Corp., Sr. Unsecd. Note, 1.750%, 3/15/2028	\$ 141,433
50,000	American Electric Power Co., Inc., Jr. Sub. Note, 2.031%, 3/15/2024	48,639
60,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 5.625%, 3/1/2033	61,040
100,000	Black Hills Corp., Sr. Unsecd. Note, 2.500%, 6/15/2030	82,634
75,000	Constellation Energy Generation LLC, Sr. Unsecd. Note, 5.800%, 3/1/2033	76,815
65,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	62,804
100,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	92,472
125,000	Duke Energy Corp., Sr. Unsecd. Note, 3.750%, 9/1/2046	94,692
75,000	Emera US Finance LP, Sr. Unsecd. Note, 3.550%, 6/15/2026	70,962
50,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	40,634
100,000	Enel Finance International SA, Company Guarantee, 144A, 6.000%, 10/7/2039	98,329
190,000	Evergy Metro, Inc., Sr. Unsecd. Note, 4.200%, 3/15/2048	157,046
25,000	Exelon Corp., Sr. Unsecd. Note, 4.100%, 3/15/2052	20,198
100,000	Exelon Corp., Sr. Unsecd. Note, 4.700%, 4/15/2050	88,513
100,000	FirstEnergy Transmission LLC, Sr. Unsecd. Note, 144A, 4.550%, 4/1/2049	83,556
93,000	Fortis, Inc./Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	85,735
50,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	47,000
200,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.250%, 6/1/2030	166,568
65,000	NiSource Finance Corp., Sr. Unsecd. Note, 4.375%, 5/15/2047	55,416
10,000	NiSource, Inc., Sr. Unsecd. Note, 5.250%, 3/30/2028	10,002
100,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	94,452
125,000	Puget Energy, Inc., Sec. Fac. Bond, 2.379%, 6/15/2028	107,914
100,000	Southern Co., Jr. Sub. Note, Series B, 4.000%, 1/15/2051	92,732
20,000	WEC Energy Group, Inc., Sr. Unsecd. Note, 5.150%, 10/1/2027	19,984
	TOTAL	1,899,570
	Utility - Natural Gas—0.3%	
100,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 5.500%, 9/15/2040	94,766
40,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	32,031
70,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	69,040
130,000	Sempra Energy, Sr. Unsecd. Note, 3.700%, 4/1/2029	118,879
120,000	Southern Natural Gas, Sr. Unsecd. Note, 144A, 4.800%, 3/15/2047	101,461
90,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	83,946
	TOTAL	500,123
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$22,531,888)	20,465,014
	COMMERCIAL MORTGAGE-BACKED SECURITIES—0.5%	
	Agency Commercial Mortgage-Backed Securities—0.3%	
228,020	FHLMC REMIC, Series K105, Class A1, 1.536%, 9/25/2029	200,490
290,000	FREMF Mortgage Trust 2015-K49 REMIC, Class B, 3.848%, 10/25/2048	275,920
	TOTAL	476,410
	Commercial Mortgage—0.2%	
110,000	Bank 2022-BNK40, Class A4, 3.506%, 3/15/2064	95,283
85,000	Bank 2017-BN8, Class A4, 3.488%, 11/15/2050	77,120
200,000	Benchmark Mortgage Trust 2020-B19, Class A5, 1.850%, 9/15/2053	154,757
50,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	46,118
100,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	90,534
	TOTAL	463,812
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$1,072,871)	940,222

Shares, Principal Amount or Contracts		Value
	FOREIGN GOVERNMENTS/AGENCIES—0.2%	
	Sovereign—0.2%	
\$ 200,000	Mexico, Government of, 3.750%, 1/11/2028	\$ 190,174
100,000	Poland, Government of, 4.000%, 1/22/2024	99,077
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$298,935)	289,251
	COLLATERALIZED MORTGAGE OBLIGATION—0.1%	
	Commercial Mortgage—0.1%	
200,000	Fontainebleau Miami Beach Trust, Class B, 3.447%, 12/10/2036 (IDENTIFIED COST \$204,802)	189,658
	MORTGAGE-BACKED SECURITIES—0.0%	
	Government National Mortgage Association—0.0%	
3,090	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	3,172
1,889	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	1,940
5,383	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	5,514
6,510	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	6,687
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$16,829)	17,313
	ADJUSTABLE RATE MORTGAGE—0.0%	
	Federal National Mortgage Association—0.0%	
1,551	² Federal National Mortgage Association ARM, 4.094%, 9/1/2037 (IDENTIFIED COST \$1,555)	1,588
	PURCHASED PUT OPTIONS—0.2%	
1,000	¹ SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$44,328,000, Exercise Price \$410. Expiration Date 8/18/2023	132,500
1,000	¹ SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$44,328,000, Exercise Price \$435. Expiration Date 7/7/2023	168,000
1,000	¹ SPDR S&P 500 ETF Trust (PUT-Option), Notional Amount \$44,328,000, Exercise Price \$435. Expiration Date 7/21/2023	35,500
	TOTAL PURCHASED PUT OPTIONS (IDENTIFIED COST \$443,024)	336,000
	INVESTMENT COMPANIES—18.7%	
1,642	Bank Loan Core Fund	14,239
253,237	Emerging Markets Core Fund	2,000,569
434,303	Federated Hermes High Income Bond Fund II, Class P	2,293,121
1,098	Federated Hermes Short-Intermediate Government Fund, Institutional Shares	10,657
2,972,433	Mortgage Core Fund	24,849,545
424,714	Project and Trade Finance Core Fund	3,716,244
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$34,619,962)	32,884,375
	REPURCHASE AGREEMENT—9.4%	
\$16,531,000	Interest in \$1,976,000,000 joint repurchase agreement 5.06%, dated 6/30/2023 under which Bank of America, N.A. will repurchase securities provided as collateral for \$1,976,833,213 on 7/3/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 7/20/2052 and the market value of those underlying securities was \$2,016,369,878. (IDENTIFIED COST \$16,531,000)	16,531,000
	TOTAL INVESTMENT IN SECURITIES—99.3% (IDENTIFIED COST \$168,948,118) ³	174,417,547
	OTHER ASSETS AND LIABILITIES - NET—0.7% ⁴	1,205,431
	TOTAL NET ASSETS—100%	\$175,622,978

At June 30, 2023, 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	400	\$89,765,000	September 2023	\$2,602,398
United States Treasury Notes 2-Year Long Futures	50	\$10,167,188	September 2023	\$ (117,691)
United States Treasury Notes 5-Year Long Futures	90	\$ 9,638,438	September 2023	\$ (121,601)
United States Treasury Notes 10-Year Ultra Long Futures	20	\$ 2,368,750	September 2023	\$ (15,670)
Short Futures:				
United States Treasury Notes 10-Year Short Futures	300	\$33,679,688	September 2023	\$ 425,888
United States Treasury Ultra Bond Short Futures	10	\$ 1,362,188	September 2023	\$ (19,007)
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$2,754,317

Net Unrealized Appreciation 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 June 30, 2023, were as follows:

Affiliates	Value as of 12/31/2022	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation/Depreciation	Net Realized Gain/(Loss)	Value as of 6/30/2023	Shares Held as of 6/30/2023	Dividend Income
Bank Loan Core Fund	\$ 13,706	\$ 520	\$ —	\$ 13	\$ —	\$ 14,239	1,642	\$ 632
Emerging Markets Core Fund	\$ 2,389,776	\$ 524,992	\$ (910,000)	\$158,958	\$(163,157)	\$ 2,000,569	253,237	\$ 91,155
Federated Hermes High Income Bond Fund II, Class P	\$ 2,753,671	\$ 166,458	\$ (600,000)	\$(65,791)	\$ 38,783	\$ 2,293,121	434,303	\$166,458
Federated Hermes Short-Intermediate Government Fund, Institutional Shares	\$ 10,633	\$ 146	\$ —	\$ (122)	\$ —	\$ 10,657	1,098	\$ 209
Mortgage Core Fund	\$21,642,062	\$6,021,686	\$(2,750,000)	\$256,029	\$(320,232)	\$24,849,545	2,972,433	\$515,618
Project and Trade Finance Core Fund	\$ 3,567,737	\$ 111,219	\$ —	\$ 37,288	\$ —	\$ 3,716,244	424,714	\$136,136
TOTAL OF AFFILIATED TRANSACTIONS	\$30,377,585	\$6,825,021	\$(4,260,000)	\$386,375	\$(444,606)	\$32,884,375	4,087,427	\$910,208

1 Non-income-producing security.

2 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.

3 The cost of investments for federal tax purposes amounts to \$168,891,797.

4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at June 30, 2023.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of June 30, 2023, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Equity Securities:				
Common Stocks				
Domestic	\$ 68,786,298	\$ —	\$—	\$ 68,786,298
International	2,597,258	—	—	2,597,258
Debt Securities:				
U.S. Treasuries	—	31,379,570	—	31,379,570
Corporate Bonds	—	20,465,014	—	20,465,014
Commercial Mortgage-Backed Securities	—	940,222	—	940,222
Foreign Governments/Agencies	—	289,251	—	289,251
Collateralized Mortgage Obligation	—	189,658	—	189,658
Mortgage-Backed Securities	—	17,313	—	17,313
Adjustable Rate Mortgage	—	1,588	—	1,588
Purchased Put Options	336,000	—	—	336,000
Investment Companies¹	29,168,131	—	—	32,884,375
Repurchase Agreement	—	16,531,000	—	16,531,000
TOTAL SECURITIES	\$100,887,687	\$69,813,616	\$—	\$174,417,547
Other Financial Instruments:²				
Assets	\$ 3,028,286	\$ —	\$—	\$ 3,028,286
Liabilities	(273,969)	—	—	(273,969)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ 2,754,317	\$ —	\$—	\$ 2,754,317

1 As permitted by U.S. generally accepted accounting principles (GAAP), an Investment Company valued at \$3,716,244 is measured at fair value using the net asset value (NAV) per share practical expedient and has not been categorized in the chart above but is included in the Total column. The amount included herein is intended to permit reconciliation of the fair value classifications to the amounts presented on the Statement of Assets and Liabilities. The price of shares redeemed of Project and Trade Finance Core Fund may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request.

2 Other financial instruments are futures contracts.

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

- ARM —Adjustable Rate Mortgage
- ETF —Exchange-Traded Fund
- FHLMC—Federal Home Loan Mortgage Corporation
- FREMF—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
- SPDR —Standard & Poor's Depository Receipt

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2023	Year Ended December 31,				
		2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$8.46	\$12.90	\$11.09	\$11.30	\$9.60	\$10.80
Income From Investment Operations:						
Net investment income (loss) ¹	0.10	0.16	0.19	0.19	0.24	0.23
Net realized and unrealized gain (loss)	0.25	(1.72)	1.83	(0.13)	1.68	(1.13)
TOTAL FROM INVESTMENT OPERATIONS	0.35	(1.56)	2.02	0.06	1.92	(0.90)
Less Distributions:						
Distributions from net investment income	(0.16)	(0.21)	(0.21)	(0.27)	(0.22)	(0.30)
Distributions from net realized gain	—	(2.67)	—	—	—	—
TOTAL DISTRIBUTIONS	(0.16)	(2.88)	(0.21)	(0.27)	(0.22)	(0.30)
Net Asset Value, End of Period	\$8.65	\$8.46	\$12.90	\$11.09	\$11.30	\$9.60
Total Return²	4.22%	(13.75)%	18.51%	0.93%	20.23%	(8.49)%
Ratios to Average Net Assets:						
Net expenses ³	0.95% ⁴	0.95%	0.93%	0.92%	0.91%	0.89%
Net investment income	2.32% ⁴	1.72%	1.58%	1.82%	2.28%	2.26%
Expense waiver/reimbursement ⁵	0.11% ⁴	0.11%	0.02%	0.01%	0.02%	0.03%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$174,044	\$173,194	\$217,682	\$586,281	\$651,498	\$632,957
Portfolio turnover ⁶	28%	51%	60%	61%	47%	96%

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. Total returns for periods of less than one year are not annualized.

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

4 Computed on an annualized basis.

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

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

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2023	Year Ended December 31,				Period Ended 12/31/2018 ¹
		2022	2021	2020	2019	
Net Asset Value, Beginning of Period	\$8.63	\$12.90	\$11.09	\$11.27	\$9.59	\$10.08
Income From Investment Operations:						
Net investment income (loss) ²	0.09	0.14	0.16	0.16	0.21	0.13
Net realized and unrealized gain (loss)	0.25	(1.74)	1.84	(0.12)	1.68	(0.62)
TOTAL FROM INVESTMENT OPERATIONS	0.34	(1.60)	2.00	0.04	1.89	(0.49)
Less Distributions:						
Distributions from net investment income	(0.14)	—	(0.19)	(0.22)	(0.21)	—
Distributions from net realized gain	—	(2.67)	—	—	—	—
TOTAL DISTRIBUTIONS	(0.14)	(2.67)	(0.19)	(0.22)	(0.21)	—
Net Asset Value, End of Period	\$8.83	\$8.63	\$12.90	\$11.09	\$11.27	\$9.59
Total Return³	3.97%	(14.00)%	18.25%	0.71%	19.92%	(4.86)%

Ratios to Average Net Assets:

Net expenses ⁴	1.20% ⁵	1.20%	1.16%	1.17%	1.16%	1.15% ⁵
Net investment income	2.07% ⁵	1.47%	1.38%	1.57%	2.03%	1.91% ⁵
Expense waiver/reimbursement ⁶	0.11% ⁵	0.11%	0.02%	0.01%	0.02%	0.02% ⁵

Supplemental Data:

Net assets, end of period (000 omitted)	\$1,579	\$1,576	\$1,949	\$39,680	\$44,161	\$44,037
Portfolio turnover ⁷	28%	51%	60%	61%	47%	96% ⁸

- 1 Reflects operations for the period from April 26, 2018 (commencement of operations) to December 31, 2018.
- 2 Per share numbers have been calculated using the average shares method.
- 3 Based on net asset value. Total returns do not reflect any additional fees or expenses that may be imposed by separate accounts of insurance companies or in connection with any variable annuity or variable life insurance contract. Total returns for periods of less than one year are not annualized.
- 4 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 5 Computed on an annualized basis.
- 6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.
- 7 Securities that mature are considered sales for purposes of this calculation.
- 8 Portfolio turnover is calculated at the Fund level. Percentage indicated was calculated for the year ended December 31, 2018.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

June 30, 2023 (unaudited)

Assets:

Investment in securities, at value including \$32,884,375 of investments in affiliated holdings* (identified cost \$168,948,118, including \$34,619,962 of identified cost in affiliated holdings)	\$174,417,547
Due from broker (Note 2)	2,000
Income receivable	511,204
Income receivable from affiliated holdings	135,125
Receivable for investments sold	172,832
Receivable for shares sold	1,920
Receivable for variation margin on futures contracts	999,705
TOTAL ASSETS	176,240,333

Liabilities:

Payable for investments purchased	346,329
Payable for shares redeemed	65,374
Bank overdraft denominated in foreign currencies (identified cost \$122,342)	122,284
Payable to bank	1,197
Payable for investment adviser fee (Note 5)	3,048
Payable for administrative fee (Note 5)	714
Payable for custodian fees	10,080
Payable for legal fees	1,423
Payable for portfolio accounting fees	39,862
Payable for distribution services fee (Note 5)	322
Accrued expenses (Note 5)	26,722
TOTAL LIABILITIES	617,355

Net assets for 20,309,164 shares outstanding	\$175,622,978
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Net Assets Consist of:

Paid-in capital	\$188,851,017
Total distributable earnings (loss)	(13,228,039)
TOTAL NET ASSETS	\$175,622,978

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

Primary Shares:

\$174,044,137 ÷ 20,130,459 shares outstanding, no par value, unlimited shares authorized	\$8.65
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Service Shares:

\$1,578,841 ÷ 178,705 shares outstanding, no par value, unlimited shares authorized	\$8.83
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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

Six Months Ended June 30, 2023 (unaudited)

Investment Income:

Dividends (including \$910,208 received from affiliated holdings* and net of foreign taxes withheld of \$362)	\$ 1,672,727
Interest	1,155,025
TOTAL INCOME	2,827,752

Expenses:

Investment adviser fee (Note 5)	647,615
Administrative fee (Note 5)	133,470
Custodian fees	17,101
Transfer agent fees	8,695
Directors'/Trustees' fees (Note 5)	1,076
Auditing fees	18,000
Legal fees	6,027
Portfolio accounting fees	60,028
Distribution services fee (Note 5)	1,958
Printing and postage	15,432
Miscellaneous (Note 5)	14,334
TOTAL EXPENSES	923,736

Waiver and Reimbursement:

Waiver/reimbursement of investment adviser fee (Note 5)	(96,906)
Net expenses	826,830
Net investment income	2,000,922

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

Net realized loss on investments (including net realized loss of \$(444,606) on sales of investments in affiliated holdings*)	(2,514,903)
Net realized gain on futures contracts	4,047,843
Net change in unrealized appreciation of investments (including net change in unrealized depreciation of \$386,375 on investments in affiliated holdings*)	1,238,778
Net change in unrealized appreciation of futures contracts	2,271,138
Net realized and unrealized gain (loss) on investments and futures contracts	5,042,856
Change in net assets resulting from operations	\$ 7,043,778

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

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 6/30/2023	Year Ended 12/31/2022
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 2,000,922	\$ 3,233,732
Net realized gain (loss)	1,532,940	(9,154,345)
Net change in unrealized appreciation/depreciation	3,509,916	(23,779,774)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	7,043,778	(29,700,387)
Distributions to Shareholders:		
Primary Shares	(3,205,320)	(47,808,168)
Service Shares	(24,674)	(400,234)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(3,229,994)	(48,208,402)
Share Transactions:		
Proceeds from sale of shares	1,669,249	5,130,009
Net asset value of shares issued to shareholders in payment of distributions declared	3,229,992	48,208,376
Cost of shares redeemed	(7,859,730)	(20,291,100)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(2,960,489)	33,047,285
Change in net assets	853,295	(44,861,504)
Net Assets:		
Beginning of period	174,769,683	219,631,187
End of period	\$175,622,978	\$174,769,683

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

June 30, 2023 (unaudited)

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 a Co-Adviser of the Fund. Effective the same date, a service agreement between Federated Investment Management Company (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 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, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. The detail of the total fund expense waiver/reimbursement of \$96,906 is disclosed in Note 5.

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended June 30, 2023, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of June 30, 2023, tax years 2019 through 2022 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

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 \$67,986,829 and \$37,354,694, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Foreign Currency Translation

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

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

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 June 30, 2023, the Fund had no outstanding written option contracts.

The average market value of purchased put options held by the Fund throughout the period was \$288,982. This is based on amounts held as of each month-end throughout the six-month period.

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the 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	
	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Receivable for variation margin on futures contracts	\$ 151,919*
Equity contracts	Receivable for variation margin on futures contracts	2,602,398*
Equity contracts	Purchased options, within Investment in securities at value	336,000
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$ 3,090,317

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

The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended June 30, 2023

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

	Futures Contracts	Purchased Options Contracts ¹	Total
Interest rate contracts	\$ 708,237	\$ —	\$ 708,237
Equity contracts	3,339,606	(3,542,928)	(203,322)
TOTAL	\$4,047,843	\$(3,542,928)	\$ 504,915

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

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

	Futures Contracts	Purchased Options Contracts ²	Total
Interest rate contracts	\$ (369,406)	\$ —	\$ (369,406)
Equity contracts	2,640,544	(83,601)	2,556,943
TOTAL	\$2,271,138	\$(83,601)	\$2,187,537

² 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:

	Six Months Ended 6/30/2023		Year Ended 12/31/2022	
	Shares	Amount	Shares	Amount
Primary Shares:				
Shares sold	195,726	\$ 1,660,702	530,991	\$ 4,916,770
Shares issued to shareholders in payment of distributions declared	388,995	3,205,319	5,219,233	47,808,168
Shares redeemed	(916,125)	(7,792,358)	(2,158,898)	(19,972,108)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(331,404)	\$(2,926,337)	3,591,326	\$ 32,752,830

	Six Months Ended 6/30/2023		Year Ended 12/31/2022	
	Shares	Amount	Shares	Amount
Service Shares:				
Shares sold	978	\$ 8,547	21,072	\$ 213,239
Shares issued to shareholders in payment of distributions declared	2,930	24,673	42,757	400,208
Shares redeemed	(7,765)	(67,372)	(32,386)	(318,992)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(3,857)	\$(34,152)	31,443	\$ 294,455
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(335,261)	\$(2,960,489)	3,622,769	\$ 33,047,285

4. FEDERAL TAX INFORMATION

At June 30, 2023, the cost of investments for federal tax purposes was \$168,891,797. The net unrealized appreciation of investments for federal tax purposes was \$8,280,067. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$18,122,204 and unrealized depreciation from investments for those securities having an excess of cost over value of \$9,842,137. The amounts presented are inclusive of derivative contracts.

As of December 31, 2022, the Fund had a capital loss carryforward of \$21,493,206 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

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

Short-Term	Long-Term	Total
\$4,527,589	\$16,965,617	\$21,493,206

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 six months ended June 30, 2023, the Co-Advisers voluntarily waived \$89,286 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 six months ended June 30, 2023, the Co-Advisers reimbursed \$7,620.

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 six months ended June 30, 2023, the annualized fee paid to FAS was 0.155% of average daily net assets of the Fund.

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

Expense Limitation

The Adviser and certain of its affiliates (which may include, FAS and FSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Effective May 1, 2023, total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, proxy-related expenses and extraordinary expenses paid by the Fund, if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.95% and 1.20% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2024; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the 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 six months ended June 30, 2023, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$1,958

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended June 30, 2023, 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 six months ended June 30, 2023, were as follows:

Purchases	\$37,612,779
Sales	\$31,687,280

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 21, 2023. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of June 30, 2023, the Fund had no outstanding loans. During the six months ended June 30, 2023, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of June 30, 2023, there were no outstanding loans. During the six months ended June 30, 2023, the program was not utilized.

9. INDEMNIFICATIONS

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to

the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

10. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in, and may continue to result in, closed borders, enhanced health screenings, disruptions to healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus has resulted in substantial economic volatility. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could continue to negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic, including significant fiscal and monetary policy changes, that may affect the instruments in which the Fund invests or the issuers of such investments. Any such impact could adversely affect the Fund's performance.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds used as variable investment options. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2023 to June 30, 2023.

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

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

	Beginning Account Value 1/1/2023	Ending Account Value 6/30/2023	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$1,042.20	\$4.81
Service Shares	\$1,000	\$1,039.70	\$6.07
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,020.08	\$4.76
Service Shares	\$1,000	\$1,018.84	\$6.01

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half-year period). The expenses shown in the table do not include the charges and expenses imposed by the insurance company under the variable insurance product contract. Please refer to the variable insurance product prospectus for a complete listing of these expenses. The annualized net expense ratios are as follows:

Primary Shares	0.95%
Service Shares	1.20%

Evaluation and Approval of Advisory Contract – May 2023

FEDERATED HERMES MANAGED VOLATILITY FUND II (THE “FUND”)

At its meetings in May 2023 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Global Investment Management Corp., 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”), for an additional one-year term (the “Contract”). 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. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board considered information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the 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: the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; Federated Hermes’ business and operations; the Co-Advisers’ investment philosophy, personnel and processes; the Fund’s investment objectives and strategies; the Fund’s short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund’s particular investment program and a group of its peer funds and/or its benchmark, as appropriate); the Fund’s fees and expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Co-Advisers’ profitability with respect to managing the Fund; distribution and sales activity for the Fund; and the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any).

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees charged to other registered funds in evaluating the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser’s fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by the adviser to the fund and its shareholders, including the performance of the fund, its benchmark and comparable funds; (2) the adviser’s cost of providing the services and the profitability to the adviser of providing advisory services to the fund; (3) the extent to which the adviser may realize “economies of scale” as the fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with the fund and its shareholders or the family of funds; (4) any “fall-out” benefits that accrue to the adviser because of its relationship with the fund, including research services received from brokers that execute fund trades and any fees paid to affiliates of the adviser for services rendered to the fund; (5) comparative fee and expense structures, including a comparison of management fees paid to the adviser with those paid by similar funds managed by the same adviser or other advisers as well as management fees charged to institutional and other advisory clients of the same adviser for what might be viewed as like services; and (6) the extent of care, conscientiousness and independence with which the fund’s board members perform their duties and their expertise, including whether they are fully informed about all facts

the board deems relevant to its consideration of the adviser's services and fees. The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements regarding the basis for a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was guided by these factors in its evaluation of the 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 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 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 that the significant acquisition of Hermes Fund Managers Limited by Federated Hermes has deepened Federated Hermes' investment management expertise and capabilities and expanded its access to analytical resources related to environmental, social and governance ("ESG") factors and issuer engagement on ESG matters. The Board considered Federated Hermes' oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income

earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes' communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Federated Hermes Funds. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds' officers.

The Board received and evaluated information regarding Federated Hermes' regulatory and compliance environment. The Board considered Federated Hermes' compliance program and compliance history and reports from the CCO about Federated Hermes' compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes' support of the Federated Hermes Funds' compliance control structure and the compliance-related resources devoted by Federated Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to 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, including in connection with the implementation of new rules on derivatives risk management and fair valuation.

The Board also considered the implementation of Federated Hermes' business continuity plans. In addition, the Board noted Federated Hermes' commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes due to the market, regulatory and control environments in which the Fund and its service providers operate.

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing 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.

For the periods ended December 31, 2022, the Fund's performance fell below the Performance Peer Group median for the three-year and five-year periods, and was above the Performance Peer Group median for the one-year period. The Board discussed the Fund's performance with the Co-Advisers 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 category of peer funds selected by Morningstar (the "Expense Peer Group"). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

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

The Board 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 and fund liquidity; (vi) different administrative responsibilities; (vii) different degrees of risk associated with management; and (viii) a variety of different costs. The Board also considered information regarding the differences in the nature of the services required for Federated Hermes to manage its proprietary registered fund business versus managing a discrete pool of assets as a sub-adviser to another institution's registered fund, noting the CCO's view that Federated Hermes generally performs significant additional services and assumes substantially greater risks in managing the Fund and other Federated Hermes Funds than in its role as sub-adviser to an unaffiliated third-party registered fund. The Board noted that the CCO did not consider the fees for providing advisory services to other types of clients to be determinative in judging the appropriateness of the Federated Hermes Funds' advisory fees.

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

Profitability

The Board received and considered profitability information furnished by Federated Hermes. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO's view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs on a fund-by-fund basis continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. In addition, the Board considered the CCO's view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the 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 its relationships with the Fund were 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 also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. The Board recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. The Board considered the CCO's conclusion that, based on such profitability information, Federated Hermes' profit margins did not appear to be excessive. The Board also considered the CCO's view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

Economies of Scale

The Board received and considered information about the notion of possible realization of "economies of scale" as a fund grows larger, the difficulties of determining economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as: portfolio management, investment research and trading operations; shareholder services; compliance; business continuity, cybersecurity and information security programs; internal audit and risk management functions; and technology and use of data. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund's assets decline. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered that Federated Hermes has been active in managing expenses of the Federated Hermes 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 for future reporting to the Board or further consideration by management as the Board continues its ongoing oversight of the Federated Hermes Funds.

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

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Managed Volatility Fund II (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

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

At its meetings in May 2023, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2022 through March 31, 2023 (the “Period”). The Report addressed the operation of the Program and assessed the adequacy and effectiveness of its implementation, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund. There were no material changes to the Program during the Period. The Report summarized the operation of the Program and the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, any alternative funding sources that were available to the Federated Hermes Funds during the Period, such as the Federated Hermes Funds’ interfund lending facility, redemptions in-kind, reverse repurchase agreement transactions, redemptions delayed beyond the normal T+1 settlement but within seven days of the redemption request, and committed lines of credit;
- the periodic classifications of the Fund’s investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund’s reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund’s investments, and the results of the Administrator’s evaluation of the services performed by the vendor in support of this process, including the Administrator’s view that the methodologies utilized by the vendor continue to be appropriate;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the operation of the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period, and the operation of the procedures for monitoring this limit;
- the fact that there were no liquidity events during the Period that materially affected the Fund’s liquidity risk;
- the impact on liquidity and management of liquidity risk, if any, caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures.

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

Voting Proxies on Fund Portfolio Securities

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

Quarterly Portfolio Schedule

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

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

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

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

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



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