

Annual Financial Statements and Additional Information



August 31, 2024

Share Class | Ticker

Institutional | FHHIX

R6 | FHHRX

Federated Hermes SDG Engagement High Yield Credit Fund

A Portfolio of Federated Hermes Adviser Series

CONTENTS

Portfolio of Investments	1
Financial Highlights	8
Statement of Assets and Liabilities	10
Statement of Operations	11
Statement of Changes in Net Assets.....	12
Notes to Financial Statements.....	13
Report of Independent Registered Public Accounting Firm.....	21
Evaluation and Approval of Advisory Contract.....	22

Portfolio of Investments

August 31, 2024

Foreign Currency Par Amount or Principal Amount		Value in U.S. Dollars
	CORPORATE BONDS—74.4%	
	Automotive—1.8%	
\$ 500,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.000%, 11/13/2030	\$ 461,196
EUR 300,000	Goodyear Europe B.V., Sr. Unsecd. Note, REGS, 2.750%, 8/15/2028	304,115
\$ 499,000	Nemak SAB de CV, Sr. Unsecd. Note, REGS, 3.625%, 6/28/2031	409,188
EUR 266,000	Volvo Car AB, Sr. Unsecd. Note, Series EMTN, 4.250%, 5/31/2028	297,027
	TOTAL	1,471,526
	Banking—12.7%	
600,000	¹ ABN Amro Bank NV, Jr. Sub. Deb., 4.750%, 9/22/2027	635,475
\$ 200,000	Akbank TAS, Sr. Unsecd. Note, REGS, 5.125%, 3/31/2025	199,665
625,000	¹ Ally Financial, Inc., Jr. Sub. Note, Series C, 4.700%, 5/15/2028	521,903
EUR 100,000	Alpha Bank AE, Sub., 5.500%, 6/11/2031	111,507
300,000	Alpha Bank SA, Sr. Pfd., 2.500%, 3/23/2028	320,693
435,000	Aust & NZ Banking Group, Sub., Series EMTN, 5.101%, 2/3/2033	500,912
\$ 400,000	Banco Btg Pactual/Cayman, Sr. Unsecd. Note, REGS, 2.750%, 1/11/2026	386,151
200,000	¹ Banco Mercantil De Norte, Jr. Sub. Deb., REGS, 7.500%, 6/27/2029	202,221
200,000	¹ Banco Mercantil De Norte, Jr. Sub. Note, REGS, 6.625%, 1/24/2032	184,740
EUR 300,000	Bank of Ireland Group PLC, Sub. Note, Series EMTN, 1.375%, 8/11/2031	317,525
GBP 300,000	Bank of Ireland Group PLC, Sub., Series EMTN, 7.594%, 12/6/2032	410,848
\$ 600,000	¹ Barclays PLC, Jr. Sub. Note, 4.375%, 3/15/2028	531,893
400,000	¹ BNP Paribas, Jr. Sub. Note, REGS, 4.625%, 2/25/2031	343,259
EUR 300,000	Cellnex Finance Co. SA, Series EMTN, 2.000%, 2/15/2033	288,760
600,000	¹ Commerzbank AG, Jr. Sub. Note, 4.250%, 10/9/2027	602,752
400,000	¹ Cooperatieve Rabobank UA, Jr. Sub. Note, 3.250%, 12/29/2026	414,525
400,000	¹ Deutsche Bank AG, Jr. Sub. Note, 4.500%, 11/30/2026	402,366
200,000	Deutsche Bank AG, Sr. Unsecd. Note, Series EMTN, 5.625%, 5/19/2031	225,479
\$ 400,000	¹ DNB Bank ASA, Jr. Sub. Note, Series -, 4.875%, 11/12/2024	398,500
350,000	¹ First Citizens Bancshares, Inc., Jr. Sub. Note, Series B, 9.524%, 1/4/2027	356,284
700,000	¹ ING Groep N.V., Jr. Sub. Note, Series NC10, 4.250%, 5/16/2031	562,078
EUR 480,000	¹ Intesa Sanpaolo SpA, Jr. Sub. Note, 4.125%, 2/27/2030	473,124
\$ 200,000	Itau Unibanco Holding SA, Sub. Deb., REGS, 4.500%, 11/21/2029	198,097
800,000	¹ NatWest Markets plc, Jr. Sub. Note, 4.600%, 6/28/2031	670,260
400,000	¹ UBS Group AG, Jr. Sub. Note, REGS, 4.375%, 2/10/2031	343,353
200,000	¹ UBS Group AG, Jr. Sub. Note, REGS, 4.875%, 2/12/2027	191,214
EUR 400,000	¹ UniCredit SpA, Jr. Sub. Note, Series EMTN, 3.875%, 6/3/2027	416,791
	TOTAL	10,210,375
	Basic Industries—11.2%	
\$ 525,000	Alcoa Nederland Holding B.V., Sr. Unsecd. Note, 144A, 4.125%, 3/31/2029	500,712
200,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.875%, 3/17/2031	175,352
850,000	Ashland Inc., Sr. Unsecd. Note, 144A, 3.375%, 9/1/2031	745,392
400,000	Cemex S.A.B. de C.V., REGS, 3.875%, 7/11/2031	364,228
200,000	¹ Cemex S.A.B. de C.V., Sr. Sub., REGS, 9.125%, 3/14/2028	217,551
195,000	CF Industries Holdings, Inc., Sr. Unsecd. Note, 4.950%, 6/1/2043	178,959
45,000	CF Industries Holdings, Inc., Sr. Unsecd. Note, 5.150%, 3/15/2034	44,896
320,000	Cleveland-Cliffs, Inc., Sr. Unsecd. Note, 144A, 4.625%, 3/1/2029	300,443
40,000	Cleveland-Cliffs, Inc., Sr. Unsecd. Note, 7.000%, 3/15/2027	39,925
200,000	GUSAP III, LP, Sr. Unsecd. Note, REGS, 4.250%, 1/21/2030	192,888

Foreign Currency Par Amount or Principal Amount		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	Basic Industries—continued	
\$ 320,000	Huntsman International LLC, Sr. Unsecd. Note, 2.950%, 6/15/2031	\$ 272,902
595,000	KB HOME, Sr. Unsecd. Note, 4.000%, 6/15/2031	550,206
175,000	KB HOME, Sr. Unsecd. Note, 4.800%, 11/15/2029	171,030
EUR 500,000	Nexans SA, Sr. Unsecd. Note, 4.250%, 3/11/2030	562,654
\$ 366,000	Novelis Corporation, Sr. Unsecd. Note, 144A, 3.875%, 8/15/2031	328,535
110,000	Novelis Corporation, Sr. Unsecd. Note, 144A, 4.750%, 1/30/2030	105,161
EUR 300,000	Novelis Sheet Ingot GmbH, Sr. Unsecd. Note, REGS, 3.375%, 4/15/2029	317,733
\$ 200,000	Olympus Water US Holding Corp., Sec. Fac. Bond, 144A, 4.250%, 10/1/2028	188,044
EUR 400,000	Olympus Water US Holding Corp., Sr. Unsecd. Note, REGS, 5.375%, 10/1/2029	409,077
\$ 400,000	Orbia Advance Corp. SAB de CV, Sr. Unsecd. Note, REGS, 2.875%, 5/11/2031	340,137
EUR 400,000	Sappi Papier Holding GmbH, Sr. Unsecd. Note, REGS, 3.625%, 3/15/2028	432,211
300,000	¹ Solvay S.A., Jr. Sub. Note, 2.500%, 12/2/2025	322,550
\$ 700,000	SPCM SA, Sr. Unsecd. Note, 144A, 3.375%, 3/15/2030	610,341
200,000	Summit Digital Infrastructure, 144A, 2.875%, 8/12/2031	171,279
200,000	² Summit Digital Infrastructure, C Bond, REGS, 2.875%, 8/12/2031	171,279
650,000	Suzano Austria GmbH, Sr. Unsecd. Note, Series DM3N, 3.125%, 1/15/2032	554,345
711,000	Taylor Morrison Communities, Inc./Monarch Communities, Inc., Sr. Unsecd. Note, 144A, 5.125%, 8/1/2030	703,257
	TOTAL	8,971,087
	Capital Goods—7.2%	
200,000	ARD Finance SA, Sec. Fac. Bond, 144A, 6.500%, 6/30/2027	47,311
EUR 500,000	Ardagh Metal Packaging, Sr. Unsecd. Note, REGS, 3.000%, 9/1/2029	456,316
GBP 113,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sr. Unsecd. Note, REGS, 4.750%, 7/15/2027	81,528
\$ 1,025,000	Ball Corp., Sr. Unsecd. Note, 2.875%, 8/15/2030	906,753
300,000	Berry Global, Inc., 1.650%, 1/15/2027	279,559
12,000	Berry Global, Inc., Sec. Fac. Bond, 144A, 5.650%, 1/15/2034	12,218
EUR 300,000	Berry Global, Inc., Sec. Fac. Bond, REGS, 1.500%, 1/15/2027	318,024
156,000	Crown European Holdings SA, Sr. Unsecd. Note, 144A, 4.500%, 1/15/2030	175,891
200,000	Crown European Holdings SA, Sr. Unsecd. Note, REGS, 4.750%, 3/15/2029	227,283
\$ 250,000	Klabin Austria GmbH, Sr. Unsecd. Note, 144A, 3.200%, 1/12/2031	220,254
400,000	Klabin Austria GmbH, Sr. Unsecd. Note, REGS, 3.200%, 1/12/2031	352,407
EUR 400,000	Progroup Ag, Sec. Fac. Bond, REGS, 5.375%, 4/15/2031	431,734
600,000	Rexel S.A., Sr. Unsecd. Note, 2.125%, 12/15/2028	615,199
\$ 775,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 4.000%, 12/1/2027	748,007
100,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 5.000%, 4/15/2029	98,576
EUR 102,000	Sig Combibloc Purchaser, Sr. Unsecd. Note, 144A, 2.125%, 6/18/2025	111,057
400,000	Smurfit Kappa Treasury Unlimited Company, Sr. Unsecd. Note, 1.000%, 9/22/2033	360,462
300,000	Verallia, Sr. Unsecd. Note, 1.875%, 11/10/2031	291,077
	TOTAL	5,733,656
	Consumer Cyclical—1.1%	
\$ 325,000	American Axle & Manufacturing, Inc., Sr. Sub. Secd. Note, 5.000%, 10/1/2029	302,670
200,000	LKQ Corp., Sr. Unsecd. Note, 6.250%, 6/15/2033	210,188
EUR 100,000	LKQ DUTCH BOND BV, Sr. Unsecd. Note, 4.125%, 3/13/2031	111,864
250,000	LKQ European Holdings B.V., Sr. Unsecd. Note, REGS, 4.125%, 4/1/2028	276,756
	TOTAL	901,478
	Consumer Goods—1.8%	
500,000	Arcelik AS, Sr. Unsecd. Note, 3.000%, 5/27/2026	537,128
GBP 200,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.125%, 7/1/2027	258,976
\$ 100,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	85,492

Foreign Currency Par Amount or Principal Amount		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	Consumer Goods—continued	
\$ 30,000	Post Holdings, Inc., Sec. Fac. Bond, 144A, 6.250%, 2/15/2032	\$ 30,803
233,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 4.500%, 9/15/2031	216,958
338,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 4.625%, 4/15/2030	321,460
	TOTAL	1,450,817
	Consumer Non-Cyclical—1.9%	
EUR 250,000	BCP V Modular Services Finance PLC, Sr. Unsecd. Note, REGS, 6.750%, 11/30/2029	239,026
\$ 560,000	Hanesbrands, Inc., Sr. Unsecd. Note, 144A, 4.875%, 5/15/2026	556,657
842,000	Levi Strauss & Co., Sr. Unsecd. Note, 144A, 3.500%, 3/1/2031	760,375
	TOTAL	1,556,058
	Energy—3.3%	
300,000	Aker BP ASA, Sr. Unsecd. Note, REGS, 3.750%, 1/15/2030	284,072
GBP 200,000	¹ BP Capital Markets PLC, Sub., 4.250%, 3/22/2027	253,908
\$ 200,000	EnLink Midstream Partners LP, Sr. Unsecd. Note, 4.150%, 6/1/2025	197,943
125,000	EnLink Midstream Partners LP, Sr. Unsecd. Note, 5.050%, 4/1/2045	110,207
275,000	EnLink Midstream Partners LP, Sr. Unsecd. Note, 5.450%, 6/1/2047	255,992
32,000	EnLink Midstream Partners LP, Sr. Unsecd. Note, 5.600%, 4/1/2044	30,300
439,000	EQT Corp., Sr. Unsecd. Note, 144A, 3.625%, 5/15/2031	398,990
550,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.200%, 8/15/2026	532,288
600,000	Range Resources Corp., Sr. Unsecd. Note, 144A, 4.750%, 2/15/2030	576,267
	TOTAL	2,639,967
	Financial Services—0.3%	
250,000	¹ Societe Generale SA, 144A, 8.500%, 3/25/2034	250,367
	Health Care—5.9%	
519,000	Centene Corp., 2.500%, 3/1/2031	440,934
425,000	Centene Corp., Sr. Unsecd. Note, 2.625%, 8/1/2031	360,866
EUR 200,000	¹ Eurofins Scientific SE, Jr. Sub. Note, 3.250%, 11/13/2025	214,460
100,000	Eurofins Scientific SE, Sr. Unsecd. Note, 0.875%, 5/19/2031	89,550
\$ 700,000	Fresenius Medical Care US Finance III, Inc., Sr. Unsecd. Note, REGS, 2.375%, 2/16/2031	577,680
EUR 380,000	Grifols Escrow Issuer SA, Sr. Unsecd. Note, REGS, 3.875%, 10/15/2028	394,061
\$ 150,000	HCA, Inc., Sec. Fac. Bond, 3.500%, 7/15/2051	105,298
360,000	HCA, Inc., Sr. Unsecd. Note, 2.375%, 7/15/2031	306,614
EUR 800,000	Iqvia, Inc., Sr. Unsecd. Note, REGS, 2.250%, 3/15/2029	821,423
\$ 66,000	Medline Borrower LP/Medline Co-Issuer Inc., 144A, 6.250%, 4/1/2029	68,117
699,000	Mozart Debt Merger Sub, Inc., Sec. Fac. Bond, 144A, 3.875%, 4/1/2029	660,816
688,000	Tenet Healthcare Corp., 4.375%, 1/15/2030	658,392
	TOTAL	4,698,211
	Insurance—1.5%	
GBP 325,000	¹ Phoenix Group Holdings PLC, Jr. Sub. Deb., 5.750%, 4/26/2028	391,759
EUR 400,000	UnipolSai Assicurazioni SpA, Sub., Series EMTN, 3.875%, 3/1/2028	439,565
\$ 400,000	Zurich Finance Ireland, Sub. Note, Series EMTN, 3.000%, 4/19/2051	344,296
	TOTAL	1,175,620
	Media—3.0%	
EUR 550,000	Netflix, Inc., Sr. Unsecd. Note, REGS, 3.625%, 6/15/2030	616,360
\$ 630,000	Sunrise FinCo I B.V., Sr. Note, 144A, 4.875%, 7/15/2031	586,877
600,000	Telenet Finance Luxembourg, Sec. Fac. Bond, 144A, 5.500%, 3/1/2028	582,345
GBP 100,000	Virgin Media Secured Finance PLC, Sec. Fac. Bond, REGS, 4.250%, 1/15/2030	116,024
EUR 100,000	VZ Vendor Financing B.V., Sr. Unsecd. Note, REGS, 2.875%, 1/15/2029	100,741

Foreign Currency Par Amount or Principal Amount		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	Media—continued	
EUR 391,000	Ziggo Bond Co. BV, Sr. Unsecd. Note, REGS, 3.375%, 2/28/2030	\$ 384,095
	TOTAL	2,386,442
	Packaging—1.3%	
\$ 467,000	Crown Americas LLC, Sr. Unsecd. Note, 4.250%, 9/30/2026	458,955
650,000	Graphic Packaging International, LLC, Sr. Unsecd. Note, 144A, 3.750%, 2/1/2030	601,657
	TOTAL	1,060,612
	Real Estate—2.0%	
EUR 500,000	CANPACK SA and Eastern PA Land Investment Holding LLC, REGS, 2.375%, 11/1/2027	523,710
\$ 200,000	CANPACK SA and Eastern PA Land Investment Holding LLC, Sr. Unsecd. Note, 144A, 3.875%, 11/15/2029	183,134
795,000	Iron Mountain, Inc., Sr. Unsecd. Note, 144A, 4.500%, 2/15/2031	746,976
170,000	Iron Mountain, Inc., Sr. Unsecd. Note, 144A, 5.250%, 7/15/2030	165,813
	TOTAL	1,619,633
	Retail—1.5%	
500,000	Falabella S.A., Sr. Unsecd. Note, REGS, 3.375%, 1/15/2032	427,741
GBP 600,000	Marks & Spencer PLC, Sr. Unsecd. Note, 3.250%, 7/10/2027	769,769
	TOTAL	1,197,510
	Technology & Electronics—2.8%	
\$ 100,000	Dell, Inc., Sr. Unsecd. Note, 5.400%, 9/10/2040	99,165
300,000	Nokia Oyj, Sr. Unsecd. Note, 4.375%, 6/12/2027	298,234
EUR 325,000	Nokia Oyj, Sr. Unsecd. Note, Series EMTN, 4.375%, 8/21/2031	369,732
\$ 150,000	NXP BV / NXP Funding LLC / NXP USA Inc., Sr. Unsecd. Note, 2.500%, 5/11/2031	129,779
69,000	NXP BV / NXP Funding LLC / NXP USA Inc., Sr. Unsecd. Note, 3.400%, 5/1/2030	64,630
500,000	Seagate HDD Cayman, Sr. Unsecd. Note, 144A, 4.125%, 1/15/2031	454,379
360,000	Seagate HDD Cayman, Sr. Unsecd. Note, 4.091%, 6/1/2029	342,954
525,000	Xerox Holdings Corp., Sr. Unsecd. Note, 144A, 8.875%, 11/30/2029	493,081
	TOTAL	2,251,954
	Telecommunications—8.2%	
EUR 700,000	¹ AT&T, Inc., Jr. Sub. Note, Series B, 2.875%, 3/2/2025	763,529
300,000	Cellnex Telecom S.A., Conv. Bond, Series CLNX, 0.750%, 11/20/2031	286,250
100,000	Cellnex Telecom S.A., Sr. Unsecd. Note, 1.875%, 6/26/2029	102,389
100,000	Cellnex Telecom S.A., Sr. Unsecd. Note, Series EMTN, 1.750%, 10/23/2030	99,102
600,000	Iliad SA, Sr. Secd. Note, 1.875%, 2/11/2028	623,280
400,000	Infrastrutture Wireless Italiane SPA, Sr. Unsecd. Note, Series EMTN, 1.750%, 4/19/2031	396,994
300,000	Infrastrutture Wireless Italiane SPA, Sr. Unsecd. Note, Series GMTN, 1.625%, 10/21/2028	309,050
700,000	LorcaTelecom Bondco, Term Loan - 1st Lien, REGS, 4.000%, 9/18/2027	768,955
\$ 350,000	Millicom International Cellular S.A., Sr. Unsecd. Note, 144A, 7.375%, 4/2/2032	354,798
200,000	Millicom International Cellular S.A., Sr. Unsecd. Note, REGS, 4.500%, 4/27/2031	178,408
300,000	¹ Network i2i Ltd., Sub. Deb., REGS, 5.650%, 1/15/2025	300,192
EUR 325,000	Telecom Italia SpA, Sr. Unsecd. Note, Series EMTN, 2.375%, 10/12/2027	344,454
100,000	Telecom Italia SpA, Sr. Unsecd. Note, Series EMTN, 2.750%, 4/15/2025	109,711
900,000	¹ Telefonica Europe BV, Jr. Sub. Note, 2.376%, 2/12/2029	899,282
\$ 72,000	T-Mobile USA, Inc., 2.250%, 11/15/2031	61,125
300,000	T-Mobile USA, Inc., 3.300%, 2/15/2051	212,164
200,000	Turk Telekomunikasyon AS, Sr. Unsecd. Note, 144A, 7.375%, 5/20/2029	203,781
200,000	Turk Telekomunikasyon AS, Sr. Unsecd. Note, REGS, 7.375%, 5/20/2029	203,781
GBP 349,000	Vmed O2 UK Financing I PLC, Sec. Fac. Bond, REGS, 4.500%, 7/15/2031	395,306
	TOTAL	6,612,551

Foreign Currency Par Amount or Principal Amount		Value in U.S. Dollars
	CORPORATE BONDS—continued	
	Utilities—6.9%	
\$ 200,000	¹ AES Andes SA, Jr. Sub. Note, REGS, 6.350%, 4/7/2025	\$ 199,671
257,000	AES Corp., Sr. Unsecd. Note, 2.450%, 1/15/2031	219,317
493,000	Clearway Energy Operating LLC, Sr. Unsecd. Note, 144A, 3.750%, 2/15/2031	447,699
625,000	Clearway Energy Operating LLC, Sr. Unsecd. Note, 144A, 3.750%, 1/15/2032	555,656
EUR 800,000	¹ EDP, S.A., Jr. Sub. Note, Series NC8, 1.875%, 6/14/2029	787,363
650,000	¹ Enel SpA, Jr. Sub. Note, Series 9.5Y, 1.875%, 6/8/2030	613,241
100,000	Graphic Packaging International, LLC, Sr. Unsecd. Note, REGS, 2.625%, 2/1/2029	103,548
100,000	Graphic Packaging International, LLC, Unsecd. Note, 144A, 2.625%, 2/1/2029	103,548
\$ 347,000	Greenko Power II Ltd., Sr. Unsecd. Note, REGS, 4.300%, 12/13/2028	326,186
GBP 500,000	Orsted A/S, Sub., Series GBP, 2.500%, 2/18/3021	481,678
\$1,000,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 4.750%, 1/15/2030	945,128
EUR 700,000	¹ Veolia Environnement SA, Jr. Sub. Note, Series ., 2.500%, 1/20/2029	713,618
	TOTAL	5,496,653
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$59,747,881)	59,684,517
	U.S. TREASURIES—17.3%	
\$2,050,000	^{3,4} United States Treasury Bill, 0.000%, 10/15/2024	2,037,775
3,905,400	^{3,4} United States Treasury Bill, 0.000%, 9/17/2024	3,897,438
6,550,000	United States Treasury Note, 0.375%, 9/15/2024	6,537,871
1,400,000	United States Treasury Note, 3.750%, 8/15/2027	1,398,129
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$13,743,198)	13,871,213
	FOREIGN GOVERNMENT/AGENCY—5.0%	
	Sovereign—5.0%	
GBP 3,055,000	United Kingdom, Government of, Unsecd. Note, 5.000%, 3/7/2025 (IDENTIFIED COST \$4,007,881)	4,021,367
	TOTAL INVESTMENT IN SECURITIES—96.7% (IDENTIFIED COST \$77,498,960)⁵	\$77,577,097
	OTHER ASSETS AND LIABILITIES - NET—3.3%⁶	2,669,653
	TOTAL NET ASSETS—100.0%	\$80,246,750

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

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation/ (Depreciation)
Long Futures:				
United States Treasury Notes 2 Year Long Futures	4	\$ 830,188	December 2024	\$ (1,167)
United States Treasury Notes Ultra Bond Long Futures	1	\$ 131,938	December 2024	\$ (1,515)
United States Treasury Notes 5 Year Long Futures	32	\$ 3,500,750	December 2024	\$(10,587)
Short Futures:				
Euro-Bobl Short Futures	5	\$ (650,362)	September 2024	\$(11,419)
Euro-Bond Short Futures	2	\$ (296,048)	September 2024	\$ (7,924)
United States Treasury Notes 10 Year Short Futures	13	\$ (1,476,313)	December 2024	\$ 6,565
NET UNREALIZED DEPRECIATION ON FUTURES CONTRACTS				\$(26,047)

At August 31, 2024, the Fund had the following outstanding foreign exchange contracts:

Settlement Date	Counterparty	Foreign Currency Units to Receive/Deliver	In Exchange For	Net Unrealized Appreciation/ (Depreciation)
Contracts Purchased:				
9/18/2024	State Street Bank	200,000 EUR	\$221,054	\$ 208
Contracts Sold:				
9/18/2024	JPMorgan	100,000 EUR	\$107,961	\$ (2,670)
9/18/2024	Lloyds Bank PLC	221,000 EUR	\$243,691	\$ (803)
9/18/2024	RBC Europe	300,000 EUR	\$327,532	\$ (4,361)
9/18/2024	State Street Bank	20,700,000 EUR	\$22,276,595	\$(624,027)
9/18/2024	State Street Bank	200,000 EUR	\$217,715	\$ (3,547)
9/18/2024	State Street Bank	5,600,000 GBP	\$7,100,442	\$(255,262)
NET UNREALIZED DEPRECIATION ON FOREIGN EXCHANGE CONTRACTS				\$(890,462)

At August 31, 2024, the Fund had the following open swap contracts:

Counterparty	Reference Entity	Buy/Sell	Pay/Receive Fixed Rate	Expiration Date	Implied Credit Spread at 8/31/2024 ⁷	Notional Amount	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
OTC Swaps:									
JPMorgan	Volvo	Sell	5.00%	12/20/2029	1.90%	\$ 309,000	\$ 47,395	\$ 47,995	\$ (600)
Morgan Stanley	Arcelor Mittal SA	Sell	5.00%	12/20/2029	1.50%	\$ 300,000	\$ 55,001	\$ 53,806	\$ 1,195
Morgan Stanley	CDX series 42	Sell	5.00%	6/20/2029	3.21%	\$11,730,000	\$ 840,454	\$ 727,369	\$113,085
Morgan Stanley	Ford Motor Co.	Sell	5.00%	12/20/2029	1.63%	\$ 485,000	\$ 74,428	\$ 77,623	\$ (3,195)
Morgan Stanley	Forvia	Sell	5.00%	12/20/2029	2.68%	\$ 280,000	\$ 31,975	\$ 35,965	\$ (3,990)
Morgan Stanley	General Motors Co.	Sell	5.00%	12/20/2029	1.18%	\$ 507,000	\$ 90,045	\$ 90,250	\$ (205)
Morgan Stanley	Goodyear Tire & Rubber Co.	Sell	5.00%	6/20/2030	3.59%	\$ 300,000	\$ 14,873	\$ 15,336	\$ (463)
Morgan Stanley	Markit CDX North America High Yield Index Series 38	Sell	5.00%	6/20/2027	2.40%	\$ 2,551,100	\$ 153,805	\$ 154,859	\$ (1,054)
Morgan Stanley	Schaeffler AG	Sell	5.00%	12/20/2029	1.75%	\$ 510,000	\$ 85,260	\$ 88,312	\$ (3,052)
Morgan Stanley	Telecom Italia SpA	Sell	1.00%	12/20/2029	1.23%	\$ 200,000	\$ (9,739)	\$ (10,531)	\$ 792
Morgan Stanley	Valeo	Sell	1.00%	12/20/2029	2.14%	\$ 400,000	\$ (23,285)	\$ (20,190)	\$ (3,095)
Morgan Stanley	Virgin Media Finance PLC	Sell	5.00%	12/20/2029	3.94%	\$ 244,000	\$ 11,806	\$ 6,727	\$ 5,079
TOTAL CREDIT DEFAULT SWAPS							\$1,372,018	\$1,267,521	\$104,497

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

- ¹ Perpetual Bond Security. The maturity date reflects the next call date.
- ² Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or availing of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At August 31, 2024, these restricted securities amounted to \$171,279, which represented 0.2% of total net assets.
- ³ Discount rate at time of purchase.
- ⁴ Zero coupon bond.
- ⁵ The cost of investments for federal tax purposes amounts to \$75,665,618.
- ⁶ Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- ⁷ Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced entity or obligation.

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

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

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

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

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

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

The following is a summary of the inputs used, as of August 31, 2024, in valuing the Fund’s assets carried at fair value:

Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Debt Securities:				
Corporate Bonds	\$ —	\$59,684,517	\$—	\$59,684,517
U.S. Treasuries	—	13,871,213	—	13,871,213
Foreign Government/Agency	—	4,021,367	—	4,021,367
TOTAL SECURITIES	\$ —	\$77,577,097	\$—	\$77,577,097
Other Financial Instruments:				
Assets				
Futures Contracts	\$ 6,565	\$ —	\$—	\$ 6,565
Swap Contracts	—	1,405,042	—	1,405,042
Foreign Exchange Contracts	—	208	—	208
Liabilities				
Futures Contracts	(32,612)	—	—	(32,612)
Swap Contracts	—	(33,024)	—	(33,024)
Foreign Exchange Contracts	—	(890,670)	—	(890,670)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$(26,047)	\$ 481,556	\$—	\$ 455,509

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

BOBL —Bundesobligation

EMTN—Euro Medium Term Note

EUR —Euro

GBP —Great British Pound

GMTN—Global Medium Term Note

OTC —Over-the-Counter

See Notes which are an integral part of the Financial Statements

Financial Highlights – Institutional Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended August 31,				Period
	2024	2023	2022	2021	Ended
Net Asset Value, Beginning of Period	\$9.02	\$8.89	\$10.81	\$10.34	8/31/2020¹
Income From Investment Operations:					
Net investment income ²	0.59	0.35	0.22	0.26	0.37
Net realized and unrealized gain (loss)	0.54	0.30	(1.63)	0.58	0.23
TOTAL FROM INVESTMENT OPERATIONS	1.13	0.65	(1.41)	0.84	0.60
Less Distributions:					
Distributions from net investment income	(0.40)	(0.28)	(0.29)	(0.37)	(0.26)
Distributions from net realized gain	—	(0.24)	(0.22)	—	—
TOTAL DISTRIBUTIONS	(0.40)	(0.52)	(0.51)	(0.37)	(0.26)
Net Asset Value, End of Period	\$9.75	\$9.02	\$8.89	\$10.81	\$10.34
Total Return³	12.86%	7.44%	(13.61%)	8.27%	6.19%

Ratios to Average Net Assets:

Net expenses ⁴	0.62% ⁵	0.62% ⁵	0.62%	0.62% ⁵	0.62% ^{5,6}
Net investment income	6.27%	3.95%	2.23%	2.54%	4.08% ⁶
Expense waiver/reimbursement ⁷	0.58%	0.81%	0.86%	0.95%	1.10% ⁶

Supplemental Data:

Net assets, end of period (000 omitted)	\$80,235	\$64,780	\$45,031	\$47,738	\$32,603
Portfolio turnover ⁸	46%	36%	75%	27%	36%

1 Reflects operations for the period from September 26, 2019 (commencement of operations) to August 31, 2020.

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

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

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

5 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense ratios are 0.61%, 0.62% and 0.62% for the years ended August 31, 2024, 2023 and 2021, respectively, and 0.62% for the period ended August 31, 2020, after taking into account these expense reductions.

6 Computed on an annualized basis.

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

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

See Notes which are an integral part of the Financial Statements

Financial Highlights – Class R6 Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended August 31,			Period
	2024	2023	2022	Ended
Net Asset Value, Beginning of Period	\$9.03	\$8.89	\$10.81	\$10.73
Income From Investment Operations:				
Net investment income ³	0.59	0.36	0.20	0.11
Net realized and unrealized gain (loss)	0.55	0.30	(1.61)	0.02
TOTAL FROM INVESTMENT OPERATIONS	1.14	0.66	(1.41)	0.13
Less Distributions:				
Distributions from net investment income	(0.41)	(0.28)	(0.29)	(0.05)
Distributions from net realized gain	—	(0.24)	(0.22)	—
TOTAL DISTRIBUTIONS	(0.41)	(0.52)	(0.51)	(0.05)
Net Asset Value, End of Period	\$9.76	\$9.03	\$8.89	\$10.81
Total Return⁴	12.91%	7.61%	(13.62)%	1.24%

Ratios to Average Net Assets:

Net expenses ⁵	0.57% ⁶	0.57% ⁶	0.57%	0.53% ⁷
Net investment income	6.31%	4.01%	2.42%	2.39% ⁷
Expense waiver/reimbursement ⁸	0.52%	0.80%	0.00% ⁹	0.22% ⁷

Supplemental Data:

Net assets, end of period (000 omitted)	\$12	\$11	\$0 ¹⁰	\$0 ¹⁰
Portfolio turnover ¹¹	46%	36%	75%	27% ¹²

- 1 Certain ratios included in Ratios to Average Net Assets and per share amounts may be inflated or deflated as compared to the fee structure for each respective share class as a result of daily systematic allocations being rounded to the nearest penny for fund level income, expense and realized gain/loss amounts. Such differences are immaterial.
- 2 Reflects operations for the period from June 11, 2021 (commencement of operations) to August 31, 2021.
- 3 Per share numbers have been calculated using the average shares method.
- 4 Based on net asset value. Total returns for periods of less than one year are not annualized.
- 5 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.
- 6 The net expense ratios are calculated without reduction for expense offset arrangements. The net expense ratios are 0.57% and 0.57% for the years ended August 31, 2024 and 2023, respectively, after taking into account these expense reductions.
- 7 Computed on an annualized basis.
- 8 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.
- 9 Represents less than 0.01%.
- 10 Represents less than \$1,000.
- 11 Securities that mature are considered sales for purposes of this calculation.
- 12 Calculated at the fund level. Percentage indicated was calculated for the fiscal period ended August 31, 2021.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

August 31, 2024

Assets:

Investment in securities (identified cost \$77,498,960)	\$77,577,097
Cash collateral on swap contracts	33,646
Cash denominated in foreign currencies (identified cost \$395,556)	393,126
Cash	40,530
Swaps, at value (premium paid \$1,298,242)	1,405,042
Due from broker (Note 2)	881,184
Income receivable	833,185
Receivable for periodic payments from swap contracts	177,653
Receivable for shares sold	28,058
Receivable for investments sold	287
Unrealized appreciation on foreign exchange contracts	208
TOTAL ASSETS	81,370,016

Liabilities:

Unrealized depreciation on foreign exchange contracts	\$ 890,670
Payable for portfolio accounting fees	113,290
Payable for auditing fees	35,182
Swaps, at value (premium received \$30,721)	33,024
Payable for shares redeemed	15,306
Payable for variation margin on futures contracts	4,001
Payable for administrative fee (Note 5)	498
Payable for investments purchased	287
Payable for investment adviser fee (Note 5)	263
Accrued expenses (Note 5)	30,745
TOTAL LIABILITIES	1,123,266
Net assets for 8,228,555 shares outstanding	\$80,246,750

Net Assets Consist of:

Paid-in capital	\$80,096,502
Total distributable earnings (loss)	150,248
TOTAL NET ASSETS	\$80,246,750

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

Institutional Shares:	
Net asset value per share (\$80,234,640 ÷ 8,227,314 shares outstanding), no par value, unlimited shares authorized	\$9.75
Class R6 Shares:	
Net asset value per share (\$12,110 ÷ 1,241 shares outstanding), no par value, unlimited shares authorized	\$9.76

See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended August 31, 2024

Investment Income:	
Interest	\$ 5,191,939
Expenses:	
Investment adviser fee (Note 5)	\$ 452,742
Administrative fee (Note 5)	63,049
Custodian fees	28,366
Transfer agent fees (Note 2)	41,982
Directors'/Trustees' fees (Note 5)	972
Auditing fees	46,604
Legal fees	10,520
Portfolio accounting fees	174,334
Share registration costs	38,793
Printing and postage	22,511
Miscellaneous (Note 5)	23,907
TOTAL EXPENSES	903,780
Waiver, Reimbursements and Reduction:	
Waiver of investment adviser fee (Note 5)	(433,049)
Reimbursements of other operating expenses (Notes 2 and 5)	(4,328)
Reduction of custodian fees (Note 6)	(2,388)
TOTAL WAIVER, REIMBURSEMENTS AND REDUCTION	(439,765)
Net expenses	464,015
Net investment income	4,727,924
Realized and Unrealized Gain (Loss) on Investments, Foreign Exchange Contracts, Futures Contracts, Swap Contracts and Foreign Currency Transactions:	
Net realized loss on investments and foreign currency transactions	(1,731,017)
Net realized gain on foreign exchange contracts	651,421
Net realized loss on futures contracts	(6,728)
Net realized gain on swap contracts	2,087,070
Net change in unrealized depreciation of investments and translation of assets and liabilities in foreign currency	4,901,361
Net change in unrealized appreciation of foreign exchange contracts	(1,132,996)
Net change in unrealized appreciation of futures contracts	(50,783)
Net change in unrealized appreciation of swap contracts	(159,035)
Net realized and unrealized gain (loss) on investments, foreign exchange contracts, futures contracts, swap contracts and foreign currency transactions	4,559,293
Change in net assets resulting from operations	\$ 9,287,217

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

Year Ended August 31	2024	2023
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 4,727,924	\$ 1,828,555
Net realized gain (loss)	1,000,746	(1,325,125)
Net change in unrealized appreciation/depreciation	3,558,547	2,495,040
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	9,287,217	2,998,470
Distributions to Shareholders:		
Institutional Shares	(3,274,593)	(2,517,072)
Class R6 Shares	(508)	(2,058)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(3,275,101)	(2,519,130)
Share Transactions:		
Proceeds from sale of shares	24,190,859	30,839,071
Net asset value of shares issued to shareholders in payment of distributions declared	2,754,717	1,876,667
Cost of shares redeemed	(17,501,789)	(13,435,385)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	9,443,787	19,280,353
Change in net assets	15,455,903	19,759,693
Net Assets:		
Beginning of period	64,790,847	45,031,154
End of period	\$ 80,246,750	\$ 64,790,847

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

August 31, 2024

1. ORGANIZATION

Federated Hermes Adviser 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 11 portfolios. The financial statements included herein are only those of the Federated Hermes SDG Engagement High Yield Credit Fund (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Institutional Shares and Class R6 Shares. Class A Shares and Class C Shares are effective with the Securities and Exchange Commission (SEC), but are not yet offered for sale. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. The Fund's investment objective is to seek current income and long-term capital appreciation alongside positive societal impact.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation

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

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

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

Fair Valuation and Significant Events Procedures

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

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

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

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

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

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

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses. The detail of the total fund expense waiver, reimbursements and reduction of \$439,765 is disclosed in this Note 2, Note 5 and Note 6.

Transfer Agent Fees

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

	Transfer Agent Fees Incurred	Transfer Agent Fees Reimbursed
Institutional Shares	\$41,982	\$(368)

Other Service Fees

The Fund may pay other service fees up to 0.25% of the average daily net assets of the Fund’s Institutional Shares to financial intermediaries or to Federated Shareholder Services Company (FSSC) for providing services to shareholders and maintaining shareholder accounts. Subject to the terms described in the Expense Limitation note, FSSC may voluntarily reimburse the Fund for other service fees.

For the year ended August 31, 2024, the Fund’s Institutional Shares did not incur other service fees.

Federal Taxes

It is the Fund’s policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the “Code”) and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended August 31, 2024, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of August 31, 2024, tax years 2021 through 2024 remain subject to examination by the Fund’s major tax jurisdictions, which include the United States of America and the State of Delaware.

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

When-Issued and Delayed-Delivery Transactions

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Swap Contracts

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

The Fund is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Because the Fund holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. Interest rate swap agreements generally involve the agreement by the Fund to pay the counterparty a fixed or floating interest rate on a fixed notional amount and to receive a fixed or floating rate on a fixed notional amount, but may also involve the agreement to pay or receive payments derived from changes in interest rates. Periodic payments are generally made during the life of the swap agreement according to the terms and conditions of the agreement and at termination or maturity. The Fund’s maximum risk of loss from counterparty credit risk is the discounted value of the net cash flows to be received from/paid to the counterparty over the contract’s remaining life, to the extent the amount is positive. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund’s exposure to the counterparty.

The “buyer” in a credit default swap is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or the “par value,” of the reference obligation in exchange for the reference obligation. In connection with these agreements, securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of the value and recourse in the event of default or bankruptcy/solvency. Recovery values are assumed by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is typically determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specific valuation method, are used to calculate the settlement value. The maximum amount of the payment that may occur, as a result of a credit event payable by the protection seller, is equal to the notional amount of the underlying index or security. The Fund’s maximum exposure to loss of the notional value of credit default swaps outstanding at August 31, 2024, is \$17,816,100. The Fund’s maximum risk of loss from counterparty credit risk, either as the protection buyer or as the protection seller, is the fair value of the contract. This risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to the Fund to cover the Fund’s exposure to the counterparty.

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

Certain swap contracts are subject to Master Netting Agreements (MNAs) which are agreements between the Fund and its counterparties that provides for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. The cash or securities deposited in a segregated account offsets the amount due to the broker reducing the net settlement amount to zero.

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

Swaps, at value at period end, including net unrealized appreciation/depreciation, are listed after the Fund’s Portfolio of Investments.

The average notional amount of credit default swap contracts held by the Fund throughout the period was \$18,603,215. This is based on amounts held as of each month-end throughout the period.

Foreign Exchange Contracts

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

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

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

The average value at settlement date payable and receivable of foreign exchange contracts purchased and sold by the Fund throughout the period was \$157,692 and \$200,616, respectively. This is based on the amounts held as of each month-end throughout the period.

Foreign Currency Translation

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

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

Futures Contracts

The Fund purchases and sells financial futures contracts to manage currency and duration 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 the year 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 \$6,266,146 and \$1,628,034, respectively. This is based on amounts held as of each month-end throughout the 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 Adviser.

Security	Acquisition Date	Acquisition Cost	Value
Summit Digital Infrastructure, C Bond, REGS, 2.875%, 8/12/2031	11/22/2023	\$155,528	\$171,279

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Asset		Liability	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815				
Foreign exchange contracts	Unrealized appreciation on foreign exchange contracts	208	Unrealized depreciation on foreign exchange contracts	890,670
Interest rate contracts			Payable for variation margin on futures contracts	26,047*
Credit contracts	Swaps, at value	1,405,042	Swaps, at value	33,024
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$1,405,250		\$949,741

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

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

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

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Credit Default Swap Contracts	\$ —	\$ —	\$2,087,070	\$2,087,070
Foreign Exchange Contracts	651,421	—	—	651,421
Futures Contracts	—	(6,728)	—	(6,728)
TOTAL	\$651,421	\$(6,728)	\$2,087,070	\$2,731,763

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

	Foreign Exchange Contracts	Interest Rate Contracts	Credit Contracts	Total
Futures Contracts	\$ —	\$(50,783)	\$ —	\$(50,783)
Foreign Exchange Contracts	(1,132,996)	—	—	(1,132,996)
Credit Default Swap Contracts	—	—	(159,035)	(159,035)
TOTAL	\$(1,132,996)	\$(50,783)	\$(159,035)	\$(1,342,814)

As indicated above, certain derivative investments are transacted subject to MNAs. These agreements permit the Fund to offset with a counterparty certain derivative payables and/or receivables with collateral held and create one single net payment in the event of default or termination of the agreement by either the Fund or the counterparty. As of August 31, 2024, the impact of netting assets and liabilities and the collateral pledged or received based on MNAs are detailed below:

Gross Amounts Not Offset in the Statement of Assets and Liabilities

Transaction	Gross Asset Derivatives Presented in Statement of Assets and Liabilities			
	Assets and Liabilities	Financial Instrument	Collateral Received	Net Amount
Swap Contracts	\$1,405,042	\$(33,024)	\$—	\$1,372,018
Foreign Exchange Contracts	208	(208)	—	—
TOTAL	\$1,405,250	\$(33,232)	\$—	\$1,372,018

Transaction	Gross Liability Derivatives Presented in Statement of Assets and Liabilities			
	Assets and Liabilities	Financial Instrument	Collateral Pledged	Net Amount
Swap Contracts	\$ 33,024	\$(33,024)	\$—	\$ —
Foreign Exchange Contracts	890,670	(208)	—	890,462
TOTAL	\$923,694	\$(33,232)	\$—	\$890,462

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:

Institutional Shares:	Year Ended 8/31/2024		Year Ended 8/31/2023	
	Shares	Amount	Shares	Amount
Shares sold	2,618,741	\$ 24,190,859	3,445,124	\$ 30,792,196
Shares issued to shareholders in payment of distributions declared	294,840	2,754,717	211,085	1,874,691
Shares redeemed	(1,866,763)	(17,501,789)	(1,539,153)	(13,395,397)
NET CHANGE RESULTING FROM INSTITUTIONAL SHARE TRANSACTIONS	1,046,818	\$ 9,443,787	2,117,056	\$ 19,271,490

Class R6 Shares:	Year Ended 8/31/2024		Year Ended 8/31/2023	
	Shares	Amount	Shares	Amount
Shares sold	—	\$ —	5,442	\$ 46,875
Shares issued to shareholders in payment of distributions declared	—	—	223	1,976
Shares redeemed	—	—	(4,433)	(39,988)
NET CHANGE RESULTING FROM CLASS R6 SHARE TRANSACTIONS	—	\$ —	1,232	\$ 8,863
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	1,046,818	\$ 9,443,787	2,118,288	\$ 19,280,353

4. FEDERAL TAX INFORMATION

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

	2024	2023
Ordinary income	\$3,275,101	\$1,688,548
Long-term capital gains	\$ —	\$ 830,582
TOTAL	\$3,275,101	\$2,519,130

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

Undistributed ordinary income	\$ 622,728
Net unrealized appreciation	\$ 1,911,479
Capital loss carryforwards	\$(2,393,641)
Other timing differences	\$ 9,682
TOTAL	\$ 150,248

At August 31, 2024, the cost of investments for federal tax purposes was \$75,665,618. The net unrealized appreciation of investments for federal tax purposes was \$1,911,479. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$2,898,672 and unrealized depreciation from investments for those securities having an excess of cost over value of \$987,193. The difference between book-basis and tax-basis net unrealized depreciation is attributable to differing treatments for wash sales, mark to market of derivative instruments and discount accretion/premium amortization on debt securities.

As of August 31, 2024, the Fund had a capital loss carryforward of \$2,393,641 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
\$—	\$2,393,641	\$2,393,641

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.60% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the year ended August 31, 2024, the Adviser voluntarily waived \$433,049 of its fee, and voluntarily reimbursed \$368 of transfer agent fees and \$3,960 of other operating expenses.

Some or all of the Fund's assets are managed by Hermes Investment Management Limited (the "Sub-Adviser"). Under the terms of a sub-advisory agreement between the Adviser and the Sub-Adviser, the Sub-Adviser receives an annual fee equal to 0.35% of the daily net assets of the Fund. The fee is paid by the Adviser out of its resources and is not an incremental Fund expense. The Sub-Adviser may from time to time and for such periods as it deems appropriate reduce its compensation. The Sub-Adviser agrees to share pro rata in any fee waivers, or expense assumptions and reimbursements, imposed or made by the Adviser or its affiliates.

For the year ended August 31, 2024, the Sub-Adviser waived all of its fee.

Administrative Fee

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

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

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended August 31, 2024, the annualized fee paid to FAS was 0.084% of average daily net assets of the Fund.

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

Expense Limitation

The Adviser and certain of its affiliates (which may include FAS and FSSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses, if any) paid by the Fund's Institutional Shares and Class R6 Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.62% and 0.57% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) November 1, 2025; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Directors'/Trustees' and Miscellaneous Fees

Certain Officers and 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 Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

6. EXPENSE REDUCTION

Through arrangements with the Fund's custodian, net credits realized as a result of uninvested cash balances were used to offset custody expenses. For the year ended August 31, 2024, the Fund's expenses were offset by \$2,388 under these arrangements.

7. CREDIT RISK

The Fund may place its cash on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Company ("FDIC") up to \$250,000. The Fund's credit risk in the event of failure of these financial institutions is represented by the difference between the FDIC limit and the total amounts on deposit. The Fund from time to time may have amounts on deposit in excess of the insured limits.

8. INVESTMENT TRANSACTIONS

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

Purchases	\$26,837,571
Sales	\$28,479,378

9. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 18, 2024. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of August 31, 2024, the Fund had no outstanding loans. During the year ended August 31, 2024, the Fund did not utilize the LOC.

10. INTERFUND LENDING

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

11. INDEMNIFICATIONS

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

12. FEDERAL TAX INFORMATION (UNAUDITED)

For the year ended August 31, 2024, 83.8% of total ordinary income distributions qualified as business interest income for purposes of 163(j) and the regulations thereunder.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF FEDERATED HERMES ADVISER SERIES AND THE SHAREHOLDERS OF FEDERATED HERMES SDG ENGAGEMENT HIGH YIELD CREDIT FUND:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Federated Hermes SDG Engagement High Yield Credit Fund (the Fund), a portfolio of Federated Hermes Adviser Series, including the portfolio of investments, as of August 31, 2024, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years or periods in the four-year period then ended and the period from September 26, 2019 (commencement of operations) to August 31, 2020. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of August 31, 2024, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the four-year period then ended and the period from September 26, 2019 to August 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

KPMG LLP

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

Boston, Massachusetts
October 23, 2024

Evaluation and Approval of Advisory Contract – May 2024

FEDERATED HERMES SDG ENGAGEMENT HIGH YIELD CREDIT FUND (THE “FUND”)

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

Information Received and Review Process

At the request of the Independent 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 Contracts.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board considered information specifically prepared in connection with the approval of the continuation of the Contracts that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Advisers and their affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes by independent legal counsel on behalf of the Independent 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 Contracts, which included detailed information about the Fund and Federated Hermes furnished to the Board at its meetings throughout the year and in between regularly scheduled meetings on particular matters as the need arose.

The Board’s consideration of the Contracts included review of materials and information covering the following matters, among others: (1) copies of the Contracts; (2) the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; (3) Federated Hermes’ business and operations; (4) the Advisers’ investment philosophy, personnel and processes; (5) the Fund’s investment objectives and strategies; (6) the Fund’s short-term and long-term performance - in absolute terms (both on a gross basis and net of expenses) and relative an appropriate group of peer funds and its benchmark; (7) the Fund’s fees and expenses, including the advisory fee and the overall expense structure of the Fund - in absolute terms and relative to an appropriate group of peer funds, with due regard for contractual or voluntary expense limitations (if any); (8) the financial condition of Federated Hermes; (9) the Adviser’s profitability with respect to managing the Fund; (10) distribution and sales activity for the Fund; and (11) the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any).

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

evaluation of the Contracts to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the oversight of the other funds advised by Federated Hermes (each, a “Federated Hermes Fund” and, collectively, the “Federated Hermes Funds”).

In addition, the Board considered the preferences and expectations of Fund shareholders and the potential disruptions of the Fund’s operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contracts. In particular, the Board recognized that many shareholders likely have invested in the Fund based on the strength of Federated Hermes’ industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that there are a range of investment options available to the Fund’s shareholders 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 Contracts was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contracts. The Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. The Independent 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 Contracts for the Fund as part of its consideration of agreements for funds across the family of Federated Hermes Funds, but its approvals were made on a fund-by-fund basis.

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of the services provided to the Fund by the Advisers and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contracts and the full range of services provided to the Fund by Federated Hermes. The Board considered the Advisers’ personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board considered information about the Advisers’ capabilities and resources with respect to environmental, social and governance (“ESG”) investing, noting that in managing the assets of the Fund, the Advisers seek to invest in companies that, in their view, provide the potential for current income and long-term capital appreciation while also contributing to positive societal impact aligned to the United Nations Sustainable Development Goals. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and evaluated Federated Hermes’ ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Advisers, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Advisers’ ability to deliver competitive investment performance for the Fund when compared to the Fund’s Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Advisers are executing the Fund’s investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted the benefits of the previous significant acquisition of Hermes Fund Managers Limited by Federated Hermes, which has deepened Federated Hermes’ investment management expertise and capabilities and expanded its access to analytical resources related to ESG factors and issuer engagement on ESG matters where appropriate. The Board considered Federated Hermes’ oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes’ communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Federated Hermes Funds. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds’ officers.

The Board received and evaluated information regarding Federated Hermes' regulatory and compliance environment. The Board considered Federated Hermes' compliance program and compliance history and reports from the CCO about Federated Hermes' compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes' support of the Federated Hermes Funds' compliance control structure and the compliance-related resources devoted by Federated Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard.

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

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing on-going services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

Based on these considerations, the Board concluded that it was satisfied with the nature, extent and quality of the services provided by the 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 also considered information regarding how ESG investing may relate to the Fund's investment performance. The Board considered detailed investment reports on, and the Advisers' analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports included, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions. The Board considered that, in its evaluation of investment performance at meetings throughout the year, it focused particular attention on information indicating less favorable performance of certain Federated Hermes Funds for specific time periods and discussed with Federated Hermes the reasons for such performance as well as any specific actions Federated Hermes had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"). The Board noted the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Advisers in managing the Fund. The Board considered the CCO's view that, in evaluating such comparisons, in some cases there may be differences in the funds' objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group.

The Board also considered comparative performance data from Lipper, Inc. that was included in reports provided to the Board throughout the year. The Board noted that differences may exist between the Performance Peer Group and Lipper peers and that the results of these performance comparisons may vary.

The Board considered that the Fund's performance fell below the median of the Performance Peer Group for both the one-year and three-year periods ended December 31, 2023. The Board discussed the Fund's performance with the Advisers and recognized the efforts being taken by the Advisers in the context of other factors considered relevant by the Board.

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

Fund Expenses

The Board considered the advisory fee, sub-advisory fee, and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, net advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees,

custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the overall category of peer funds selected by Morningstar (the “Expense Peer Group”). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

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

The Board noted that, for the year ended December 31, 2023, the Fund’s investment advisory fee was waived in its entirety. The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund with the Adviser and noted the position of the Fund’s fee rates relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the Expense Peer Group, but the Board noted that the investment advisory fee was waived in its entirety, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

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

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

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

Profitability

The Board received and considered profitability information furnished by Federated Hermes. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO’s view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs on a fund-by-fund basis continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. In addition, the Board considered the CCO’s view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contracts are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported to the Board that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable. The Board considered the CCO’s view that the estimated profitability to the Adviser from its relationship with the Fund was not unreasonable in relation to the services provided.

The Board also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly-held fund management companies, including information regarding profitability trends over time. The Board recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. The Board considered the CCO's conclusion that, based on such profitability information, Federated Hermes' profit margins did not appear to be excessive. The Board also considered the CCO's view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

Economies of Scale

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

The Board also received and considered information on adviser-paid fees (commonly referred to as "revenue sharing" payments) that was provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe that this information is relevant to considering whether Federated Hermes had an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, but should not be considered when evaluating the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on economies of scale, which is compounded by the lack of any uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

Other Benefits

The Board considered information regarding the compensation and other ancillary (or "fall-out") benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds' investment advisory contracts, Federated Hermes' affiliates also receive fees for providing other services to the Federated Hermes Funds under separate service contracts including for serving as the Federated Hermes Funds' administrator and distributor. In this regard, the Board considered that Federated Hermes' affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing the benefits, if any, that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

Conclusions

The Board considered: (i) the CCO's conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund is reasonable; and (ii) the CCO's recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contracts by the CCO. The CCO also recognized that the Board's evaluation of the Federated Hermes Funds' advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items, and management has committed to reviewing certain items, for future reporting to the Board as the Board continues its ongoing oversight of the Federated Hermes Funds.

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

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

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



Federated Hermes SDG Engagement High Yield Credit Fund
Federated Hermes Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

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

Federated Securities Corp., Distributor

CUSIP 31423A556
CUSIP 31423A549

Q454749 (10/24)

© 2024 Federated Hermes, Inc.