

Institutional Shares | FHISX

## Annual Shareholder Report - March 31, 2026

This annual shareholder report contains important information about the Federated Hermes Sustainable High Yield Bond Fund, Inc. (the "Fund") for the period of April 1, 2025 to March 31, 2026. You can find additional information at [FederatedHermes.com/us/FundInformation](https://FederatedHermes.com/us/FundInformation). You can also request this information by contacting us at 1-800-341-7400, Option 4, or your financial advisor.

### What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Institutional Shares	\$66	0.64%

### Management's Discussion of Fund Performance

The following discussion compares the performance of the Fund to the Bloomberg US Corporate High Yield 2% Issuer Capped Index (the "Index") to show how the Fund's performance compares to the returns of similar investments for the reporting period. See the Average Annual Total Returns table below for the returns of the Fund and related indexes including the Bloomberg US Aggregate Bond Index, a required broad-based index which represents the overall U.S. fixed-income market. The Fund seeks high current income by investing primarily in sustainable, lower-rated fixed-income securities, including debt securities issued by U.S. or foreign businesses.

#### Top Contributors to Performance

- The Fund's performance relative to the Index was positively impacted by security selection in the Packaging, Retailers, Building Materials, Chemicals and Electric sectors.
- The Fund's relative performance was positively impacted by its underweight allocation to the poor performing Retailers and Finance Companies sectors.
- Specific Fund holdings that positively impacted performance relative to the Index included Seagate, CSC Holdings Trivium, Dornoch Debt Merger and CP Atlas Buyer.

#### Top Detractors from Performance

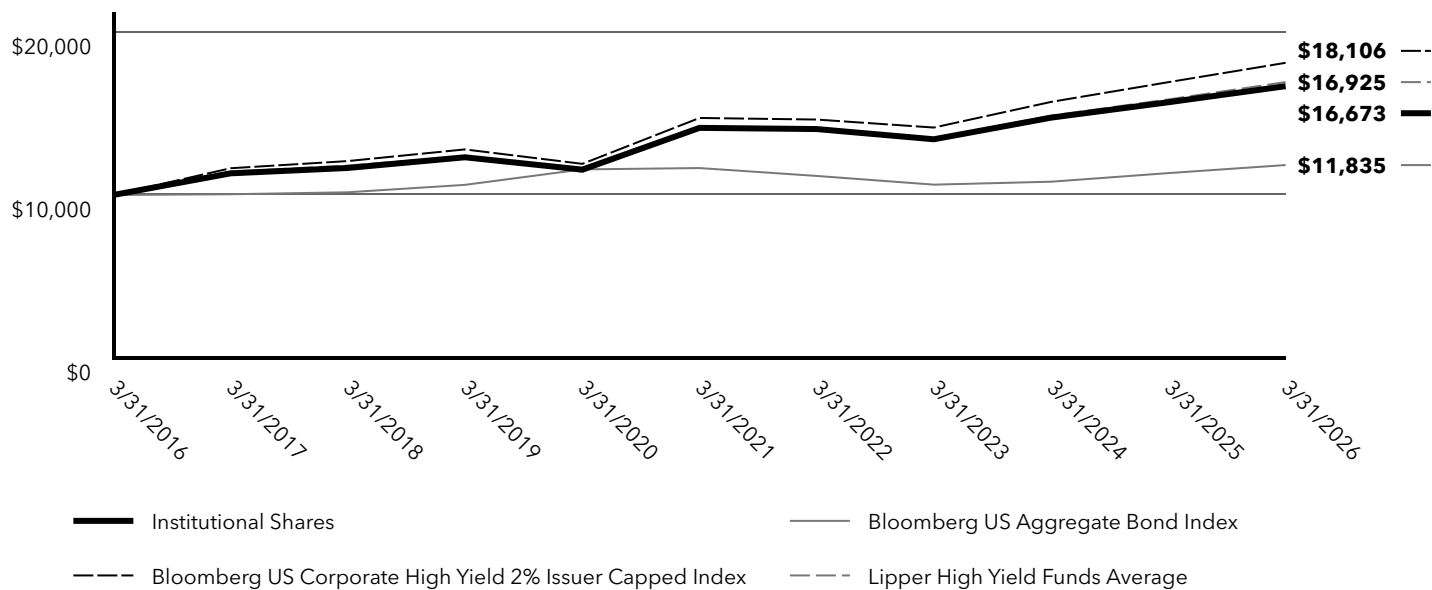
- The Fund's relative performance was negatively impacted by security selection in the Media & Entertainment, Cable & Satellite, Food, P&C and Pharmaceuticals industry sectors.
- The Fund's relative performance was negatively impacted by its industry allocation, especially its underweight allocation to the strong performing Wireline Telecommunication sector. It was also negatively impacted by its overweight allocation to the underperforming Technology and P&C industry sectors. Given the strong absolute performance during the period, the Fund's cash position was also a drag on performance.
- Specific Fund holdings that negatively impacted performance relative to the Index included Warner Brothers Discovery, Condor Merger Sub, Jones Deslauriers Insurance, Capstone Borrowers and Rocket Software.

## Fund Performance

Keep in mind that the Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

Cumulative Performance: 3/31/2016 to 3/31/2026

Total Return Based on \$10,000 Investment



## Average Annual Total Returns

Fund/Index	1 Year	5 Years	10 Years
<b>Institutional Shares*</b>	6.27%	3.38%	5.24%
<b>Bloomberg US Aggregate Bond Index</b>	4.35%	0.31%	1.70%
<b>Bloomberg US Corporate High Yield 2% Issuer Capped Index</b>	7.01%	4.22%	6.12%
<b>Lipper High Yield Funds Average</b>	6.70%	3.79%	5.35%

\* The Fund's Institutional Shares commenced operations on January 27, 2017. For the period prior to the commencement of operations of the Institutional Shares, the performance information shown is for the Fund's Class A Shares. In relation to the Institutional Shares, the performance of Class A Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Shares have a lower expense ratio than the expense ratio of the Class A Shares. The performance of Class A Shares has been adjusted to reflect the absence of sales charges and to remove any voluntary waiver of Fund expenses related to the Class A Shares that may have occurred during the period prior to the commencement of operations of the Institutional Shares.

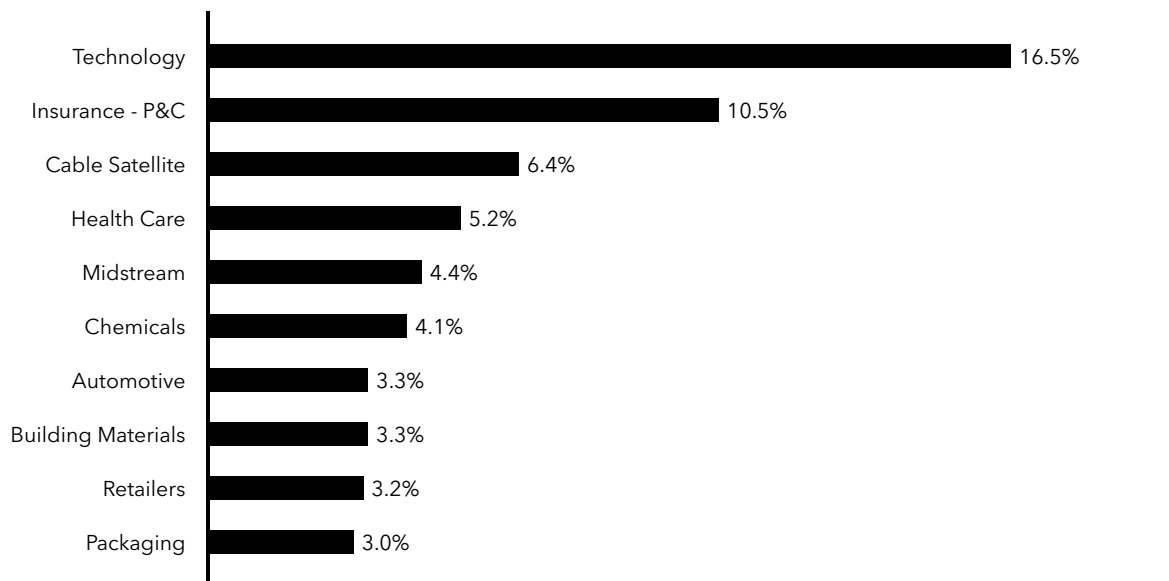
Visit [FederatedHermes.com/us/FundInformation](https://FederatedHermes.com/us/FundInformation) and click on the link to your fund and share class for more recent performance information.

## Key Fund Statistics

Net Assets	\$487,608,086
Number of Investments	412
Portfolio Turnover	32%
Total Advisory Fees Paid	\$2,124,387

## Fund Holdings

### Top Index Classifications (% of Net Assets)



## Additional Information about the Fund

Additional information is available on the Fund's website at [FederatedHermes.com/us/FundInformation](https://FederatedHermes.com/us/FundInformation), including its:

- prospectus
- financial information
- holdings
- proxy voting information

CUSIP 314195405

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Federated Securities Corp., Distributor

[FederatedHermes.com/us](https://FederatedHermes.com/us)

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