

Semi-Annual Shareholder Report

June 30, 2021



Share Class

Primary

Service

Federated Hermes High Income Bond Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

We are pleased to present the Semi-Annual Shareholder Report for your fund covering the period from January 1, 2021 through June 30, 2021. This report includes a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

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

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

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

Sincerely,

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

John B. Fisher, President

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Portfolio of Investments Summary Table (unaudited)

At June 30, 2021, the Fund's index composition¹ was as follows:

Index Classification	Percentage of Total Net Assets
Cable Satellite	8.4%
Media Entertainment	7.7%
Midstream	7.6%
Technology	7.2%
Health Care	6.8%
Independent Energy	5.8%
Automotive	5.6%
Packaging	5.0%
Insurance - P&C	4.5%
Gaming	4.4%
Pharmaceuticals	4.1%
Other ²	30.5%
Cash Equivalents ³	1.3%
Other Assets and Liabilities - Net ⁴	1.1%
TOTAL	100%

1 Index classifications are based upon, and individual portfolio securities are assigned to, the classifications and sub-classifications of the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index (BBHY2%ICI). Individual portfolio securities that are not included in the BBHY2%ICI are assigned to an index classification by the Fund's Adviser.

2 For purposes of this table, index classifications which constitute less than 3.5% of the Fund's total net assets have been aggregated under the designation "Other."

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

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

Portfolio of Investments

June 30, 2021 (unaudited)

Principal Amount or Shares		Value
	CORPORATE BONDS—96.5%	
	Aerospace/Defense—1.5%	
\$ 600,000	TransDigm, Inc., Sec. Fac. Bond, 144A, 6.250%, 3/15/2026	\$ 633,750
450,000	TransDigm, Inc., Sr. Sub., 6.875%, 5/15/2026	476,107
775,000	TransDigm, Inc., Sr. Sub., Series WI, 5.500%, 11/15/2027	808,906
100,000	TransDigm, Inc., Sr. Sub., Series WI, 7.500%, 3/15/2027	106,510
250,000	TransDigm, Inc., Sr. Unsecd. Note, 144A, 4.625%, 1/15/2029	250,822
	TOTAL	2,276,095
	Airlines—0.5%	
425,000	American Airlines, Inc./AAAdvantage Loyalty IP Ltd., 144A, 5.500%, 4/20/2026	450,500
325,000	American Airlines, Inc./AAAdvantage Loyalty IP Ltd., 144A, 5.750%, 4/20/2029	351,813
	TOTAL	802,313
	Automotive—5.6%	
575,000	Adient Global Holdings Ltd., Sr. Unsecd. Note, 144A, 4.875%, 8/15/2026	592,526
50,000	American Axle & Manufacturing, Inc., Sr. Unsecd. Note, 6.250%, 3/15/2026	51,634
125,000	American Axle & Manufacturing, Inc., Sr. Unsecd. Note, Series WI, 6.500%, 4/1/2027	132,750
22,000	Clarios Global LP, Sec. Fac. Bond, 144A, 6.750%, 5/15/2025	23,485
25,000	Dana, Inc., Sr. Unsecd. Note, 4.250%, 9/1/2030	25,750
125,000	Dana, Inc., Sr. Unsecd. Note, 5.375%, 11/15/2027	133,310
400,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.096%, 5/4/2023	408,500
550,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.375%, 11/13/2025	571,010
250,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.813%, 10/12/2021	252,188
300,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.000%, 11/13/2030	314,625
300,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.063%, 11/1/2024	319,470
275,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.125%, 8/17/2027	292,092
200,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 4.271%, 1/9/2027	214,558
450,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 5.113%, 5/3/2029	504,378
325,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 5.125%, 6/16/2025	358,312
625,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, Series GMTN, 4.389%, 1/8/2026	675,781
75,000	IHO Verwaltungs GmbH, Sec. Fac. Bond, 144A, 6.000%, 5/15/2027	78,829
325,000	IHO Verwaltungs GmbH, Sec. Fac. Bond, 144A, 6.375%, 5/15/2029	355,688
475,000	J.B. Poindexter & Co., Inc., Sr. Unsecd. Note, 144A, 7.125%, 4/15/2026	502,702
475,000	KAR Auction Services, Inc., Sr. Unsecd. Note, 144A, 5.125%, 6/1/2025	488,039
45,000	Panther BF Aggregator 2 LP, Sec. Fac. Bond, 144A, 6.250%, 5/15/2026	47,995
1,125,000	Panther BF Aggregator 2 LP, Sr. Unsecd. Note, 144A, 8.500%, 5/15/2027	1,227,881
650,000	Real Hero Merger Sub 2, Inc., Sr. Unsecd. Note, 144A, 6.250%, 2/1/2029	675,090
300,000	Schaeffler Verwaltung Zw, 144A, 4.750%, 9/15/2026	307,431
	TOTAL	8,554,024
	Building Materials—2.6%	
150,000	American Builders & Contractors Supply Co., Inc., 144A, 4.000%, 1/15/2028	153,916
675,000	CD&R Waterworks Merger Subsidiary LLC, Sr. Unsecd. Note, 144A, 6.125%, 8/15/2025	690,883
150,000	Cornerstone Building Brands, Sr. Unsecd. Note, 144A, 6.125%, 1/15/2029	161,181
500,000	Cp Atlas Buyer, Inc., Sr. Unsecd. Note, 144A, 7.000%, 12/1/2028	519,550
350,000	Foundation Building Materials, Inc., Sr. Unsecd. Note, 144A, 6.000%, 3/1/2029	346,983
50,000	Gyp Holdings III Corp., Sr. Unsecd. Note, 144A, 4.625%, 5/1/2029	50,333
175,000	Interface, Inc., Sr. Unsecd. Note, 144A, 5.500%, 12/1/2028	183,400
125,000	Masonite International Corp., Sr. Unsecd. Note, 144A, 5.750%, 9/15/2026	129,774
50,000	SRS Distribution, Inc., Sr. Unsecd. Note, 144A, 6.125%, 7/1/2029	51,571
375,000	Standard Industries, Inc., Sr. Unsecd. Note, 144A, 3.375%, 1/15/2031	359,460

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Building Materials—continued	
\$ 750,000	Standard Industries, Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/15/2027	\$ 777,656
350,000	White Cap Buyer LLC, Sr. Unsecd. Note, 144A, 6.875%, 10/15/2028	375,072
200,000	White Cap Parent LLC, Sr. Sub. Secd. Note, 144A, 8.250%, 3/15/2026	207,642
	TOTAL	4,007,421
	Cable Satellite—8.4%	
450,000	Cablevision Systems Corp., Sr. Unsecd. Note, 5.875%, 9/15/2022	473,641
75,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2031	76,500
175,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.500%, 8/15/2030	182,431
225,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.500%, 6/1/2033	230,515
1,075,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 4.750%, 3/1/2030	1,138,156
650,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2028	682,500
75,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.125%, 5/1/2027	78,761
275,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.375%, 6/1/2029	300,946
199,000	CCO Holdings LLC/Cap Corp., Sr. Unsecd. Note, 144A, 5.750%, 2/15/2026	206,145
450,000	CSC Holdings LLC, Sr. Unsecd. Note, 5.250%, 6/1/2024	488,229
225,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 3.375%, 2/15/2031	212,904
325,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.125%, 12/1/2030	323,955
300,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.500%, 11/15/2031	302,217
450,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 4.625%, 12/1/2030	442,062
350,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 5.750%, 1/15/2030	364,000
350,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 6.500%, 2/1/2029	388,101
350,000	CSC Holdings LLC, Sr. Unsecd. Note, 144A, 7.500%, 4/1/2028	385,163
125,000	DISH DBS Corp., Sr. Unsecd. Note, 5.875%, 11/15/2024	134,375
50,000	DISH DBS Corp., Sr. Unsecd. Note, 7.375%, 7/1/2028	53,869
275,000	DISH DBS Corp., Sr. Unsecd. Note, 7.750%, 7/1/2026	311,781
575,000	DISH DBS Corp., Sr. Unsecd. Note, 144A, 5.125%, 6/1/2029	568,491
325,000	^{1,2} Intelsat Jackson Holdings S.A., Sr. Unsecd. Note, 5.500%, 8/1/2023	186,469
225,000	^{1,2} Intelsat Jackson Holdings S.A., Sr. Unsecd. Note, 144A, 8.500%, 10/15/2024	133,554
225,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 3.875%, 8/1/2022	225,686
150,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 4.000%, 7/15/2028	154,688
375,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 4.125%, 7/1/2030	379,243
175,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 4.625%, 7/15/2024	180,022
50,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 5.000%, 8/1/2027	52,506
450,000	Sirius XM Radio, Inc., Sr. Unsecd. Note, 144A, 5.500%, 7/1/2029	490,928
850,000	Telenet Finance Luxembourg, Sec. Fac. Bond, 144A, 5.500%, 3/1/2028	895,687
625,000	UPC Broadband Finco BV, Sr. Note, 144A, 4.875%, 7/15/2031	627,219
325,000	Virgin Media Finance PLC, Sr. Unsecd. Note, 144A, 5.000%, 7/15/2030	328,777
200,000	Virgin Media Secured Finance PLC, 144A, 5.500%, 8/15/2026	206,650
200,000	Virgin Media Secured Finance PLC, Sec. Fac. Bond, 144A, 4.500%, 8/15/2030	201,750
200,000	Virgin Media Secured Finance PLC, Sec. Fac. Bond, 144A, 5.500%, 5/15/2029	215,250
200,000	Vmed O2 UK Financing I PLC, Sec. Fac. Bond, 144A, 4.250%, 1/31/2031	196,755
200,000	Ziggo Bond Co. BV, Sr. Unsecd. Note, 144A, 5.125%, 2/28/2030	205,099
557,000	Ziggo Finance BV, Sec. Fac. Bond, 144A, 5.500%, 1/15/2027	580,143
200,000	Ziggo Finance BV, Sr. Unsecd. Note, 144A, 6.000%, 1/15/2027	209,741
	TOTAL	12,814,909
	Chemicals—3.0%	
150,000	Axalta Coat/Dutch Holding BV, Sr. Unsecd. Note, 144A, 4.750%, 6/15/2027	157,601
625,000	Compass Minerals International, Inc., Sr. Unsecd. Note, 144A, 4.875%, 7/15/2024	647,591
100,000	Compass Minerals International, Inc., Sr. Unsecd. Note, 144A, 6.750%, 12/1/2027	107,625
300,000	Element Solutions, Inc., Sr. Unsecd. Note, 144A, 3.875%, 9/1/2028	306,529

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Chemicals—continued	
\$ 175,000	H.B. Fuller Co., Sr. Unsecd. Note, 4.250%, 10/15/2028	\$ 181,125
300,000	Herens Holdco S.a.r.l., Sec. Fac. Bond, 144A, 4.750%, 5/15/2028	298,875
475,000	Hexion, Inc., Sr. Unsecd. Note, 144A, 7.875%, 7/15/2027	513,050
150,000	Illuminate Buyer LLC/Illuminate Holdings IV, Inc., Sr. Unsecd. Note, 144A, 9.000%, 7/1/2028	167,553
750,000	Koppers, Inc., Sr. Unsecd. Note, 144A, 6.000%, 2/15/2025	776,636
325,000	Polar US Borrower LLC, Sr. Unsecd. Note, 144A, 6.750%, 5/15/2026	326,063
250,000	PQ Corp., Sr. Unsecd. Note, 144A, 5.750%, 12/15/2025	257,615
725,000	Starfruit Finco BV, Sr. Unsecd. Note, 144A, 8.000%, 10/1/2026	769,406
	TOTAL	4,509,669
	Construction Machinery—1.0%	
475,000	H&E Equipment Services, Inc., Sr. Unsecd. Note, 144A, 3.875%, 12/15/2028	467,993
150,000	Terex Corp., Sr. Unsecd. Note, 144A, 5.000%, 5/15/2029	156,562
25,000	United Rentals, Inc., Sr. Unsecd. Note, 3.875%, 2/15/2031	25,469
275,000	United Rentals, Inc., Sr. Unsecd. Note, 5.500%, 5/15/2027	291,844
450,000	United Rentals, Inc., Sr. Unsecd. Note, 5.875%, 9/15/2026	466,828
75,000	United Rentals North America, Inc., Sr. Unsecd. Note, 4.000%, 7/15/2030	77,400
	TOTAL	1,486,096
	Consumer Cyclical Services—2.5%	
225,000	Allied Universal Holdco LLC, Sec. Fac. Bond, 144A, 6.625%, 7/15/2026	238,833
275,000	Allied Universal Holdco LLC, Sr. Unsecd. Note, 144A, 6.000%, 6/1/2029	279,155
1,025,000	Allied Universal Holdco LLC, Sr. Unsecd. Note, 144A, 9.750%, 7/15/2027	1,130,062
125,000	Garda World Security Corp., Sec. Fac. Bond, 144A, 4.625%, 2/15/2027	125,877
125,000	Garda World Security Corp., Sr. Unsecd. Note, 144A, 6.000%, 6/1/2029	124,226
325,000	Go Daddy Operating Co. LLC/GD Finance Co., Inc., Sr. Unsecd. Note, 144A, 5.250%, 12/1/2027	341,718
1,029,000	GW B-CR Security Corp., Sr. Unsecd. Note, 144A, 9.500%, 11/1/2027	1,141,717
375,000	Signal Parent, Inc., Sr. Unsecd. Note, 144A, 6.125%, 4/1/2029	361,408
75,000	The Brink's Co., Sr. Unsecd. Note, 144A, 5.500%, 7/15/2025	79,892
	TOTAL	3,822,888
	Consumer Products—1.2%	
650,000	BCPE Empire Holdings, Inc., Sr. Unsecd. Note, 144A, 7.625%, 5/1/2027	666,513
200,000	Edgewell Personal Care Co., Sr. Unsecd. Note, 144A, 4.125%, 4/1/2029	202,283
150,000	Edgewell Personal Care Co., Sr. Unsecd. Note, 144A, 5.500%, 6/1/2028	159,300
275,000	Energizer Holdings, Inc., Sr. Unsecd. Note, 144A, 4.375%, 3/31/2029	275,657
225,000	Energizer Holdings, Inc., Sr. Unsecd. Note, 144A, 4.750%, 6/15/2028	231,019
125,000	Prestige Brands, Inc., Sr. Unsecd. Note, 144A, 3.750%, 4/1/2031	120,766
100,000	Prestige Brands, Inc., Sr. Unsecd. Note, 144A, 5.125%, 1/15/2028	105,638
	TOTAL	1,761,176
	Diversified Manufacturing—1.1%	
175,000	Entegris, Inc., Sr. Unsecd. Note, 144A, 3.625%, 5/1/2029	177,677
850,000	Gates Global LLC, Sr. Unsecd. Note, 144A, 6.250%, 1/15/2026	893,256
175,000	WESCO Distribution, Inc., Sr. Unsecd. Note, 5.375%, 6/15/2024	177,363
125,000	WESCO Distribution, Inc., Sr. Unsecd. Note, 144A, 7.125%, 6/15/2025	135,244
250,000	WESCO Distribution, Inc., Sr. Unsecd. Note, 144A, 7.250%, 6/15/2028	278,796
	TOTAL	1,662,336
	Finance Companies—1.9%	
325,000	LD Holdings Group LLC, Sr. Unsecd. Note, 144A, 6.125%, 4/1/2028	325,559
50,000	Navient Corp., Sr. Unsecd. Note, 5.000%, 3/15/2027	51,838
650,000	Navient Corp., Sr. Unsecd. Note, 5.875%, 10/25/2024	702,858
100,000	Navient Corp., Sr. Unsecd. Note, 6.750%, 6/25/2025	110,846
100,000	Navient Corp., Sr. Unsecd. Note, 6.750%, 6/15/2026	111,825

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Finance Companies—continued	
\$ 475,000	Quicken Loans, Inc., Sr. Unsecd. Note, 144A, 5.250%, 1/15/2028	\$ 499,344
150,000	Quicken Loans LLC/Quicken Loans Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 3.625%, 3/1/2029	148,426
225,000	Quicken Loans LLC/Quicken Loans Co-Issuer, Inc., Sr. Unsecd. Note, 144A, 3.875%, 3/1/2031	226,966
500,000	United Shore Financial Services, Sr. Unsecd. Note, 144A, 5.500%, 11/15/2025	519,232
225,000	United Wholesale Mortgage, LLC, Sr. Unsecd. Note, 144A, 5.500%, 4/15/2029	225,255
	TOTAL	2,922,149
	Food & Beverage—2.4%	
475,000	Aramark Services, Inc., Sr. Unsecd. Note, 144A, 5.000%, 4/1/2025	488,086
175,000	Aramark Services, Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2028	183,479
200,000	Aramark Services, Inc., Sr. Unsecd. Note, 144A, 6.375%, 5/1/2025	212,750
750,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	851,276
175,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 5.200%, 7/15/2045	217,659
75,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 144A, 4.250%, 3/1/2031	85,281
75,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 4.500%, 9/15/2031	74,970
200,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2028	212,608
1,075,000	Post Holdings, Inc., Sr. Unsecd. Note, 144A, 5.750%, 3/1/2027	1,126,063
250,000	US Foods, Inc., Sr. Unsecd. Note, 144A, 4.750%, 2/15/2029	255,324
	TOTAL	3,707,496
	Gaming—4.4%	
350,000	Affinity Gaming LLC, 144A, 6.875%, 12/15/2027	372,696
275,000	Boyd Gaming Corp., Sr. Unsecd. Note, 4.750%, 12/1/2027	284,969
100,000	Boyd Gaming Corp., Sr. Unsecd. Note, 144A, 4.750%, 6/15/2031	103,875
25,000	Boyd Gaming Corp., Sr. Unsecd. Note, 144A, 8.625%, 6/1/2025	27,591
50,000	CCM Merger, Inc., Sr. Unsecd. Note, 144A, 6.375%, 5/1/2026	52,700
100,000	Colt Merger Sub, Inc., Sr. Secd. Note, 144A, 5.750%, 7/1/2025	105,500
275,000	Colt Merger Sub, Inc., Sr. Secd. Note, 144A, 6.250%, 7/1/2025	291,844
475,000	Colt Merger Sub, Inc., Sr. Unsecd. Note, 144A, 8.125%, 7/1/2027	528,889
300,000	CRC Escrow Issuer LLC, Sr. Unsecd. Note, 144A, 5.250%, 10/15/2025	304,125
50,000	MGM Growth Properties LLC, Sr. Unsecd. Note, 5.625%, 5/1/2024	54,210
50,000	MGM Growth Properties LLC, Sr. Unsecd. Note, 144A, 3.875%, 2/15/2029	50,909
77,000	MGM Resorts International, Sr. Unsecd. Note, 4.625%, 9/1/2026	81,441
175,000	MGM Resorts International, Sr. Unsecd. Note, 4.750%, 10/15/2028	186,287
425,000	MGM Resorts International, Sr. Unsecd. Note, 6.000%, 3/15/2023	455,462
75,000	MGM Resorts International, Sr. Unsecd. Note, 6.750%, 5/1/2025	80,435
175,000	Midwest Gaming Borrower LLC, 144A, 4.875%, 5/1/2029	175,437
750,000	Mohegan Tribal Gaming Authority, 144A, 8.000%, 2/1/2026	784,612
50,000	Mohegan Tribal Gaming Authority, Sr. Unsecd. Note, 144A, 7.875%, 10/15/2024	52,559
100,000	Penn National Gaming, Inc., Sr. Unsecd. Note, 144A, 4.125%, 7/1/2029	100,125
50,000	Penn National Gaming, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2027	52,000
50,000	Raptor Acquisition Corp./Raptor Co-Issuer LLC, Sec. Fac. Bond, 144A, 4.875%, 11/1/2026	50,761
125,000	Scientific Games International, Inc., 144A, 8.625%, 7/1/2025	137,031
225,000	Scientific Games International, Inc., Sr. Unsecd. Note, 144A, 7.250%, 11/15/2029	254,395
75,000	Scientific Games International, Inc., Sr. Unsecd. Note, 144A, 8.250%, 3/15/2026	80,530
850,000	Star Group Holdings BV, Sr. Unsecd. Note, 144A, 7.000%, 7/15/2026	880,872
325,000	Station Casinos, Inc., Sr. Unsecd. Note, 144A, 4.500%, 2/15/2028	331,190
304,000	Station Casinos, Inc., Sr. Unsecd. Note, 144A, 5.000%, 10/1/2025	309,469
150,000	Twin River Worldwide Holdings, Inc., Sr. Unsecd. Note, 144A, 6.750%, 6/1/2027	160,038
25,000	VICI Properties LP/VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 3.500%, 2/15/2025	25,575
25,000	VICI Properties LP/VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 4.125%, 8/15/2030	25,742

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Gaming—continued	
\$ 225,000	VICI Properties LP/VICI Note Co., Inc., Sr. Unsecd. Note, 144A, 4.625%, 12/1/2029	\$ 239,512
	TOTAL	6,640,781
	Health Care—6.6%	
25,000	Acadia Healthcare Co., Inc., Sr. Unsecd. Note, 144A, 5.000%, 4/15/2029	26,143
75,000	Acadia Healthcare Co., Inc., Sr. Unsecd. Note, 144A, 5.500%, 7/1/2028	80,216
125,000	AdaptHealth LLC, Sr. Unsecd. Note, 144A, 4.625%, 8/1/2029	126,884
100,000	Ardent Health Services, Sr. Unsecd. Note, 144A, 5.750%, 7/15/2029	101,500
550,000	Avantor Funding, Inc., Sec. Fac. Bond, 144A, 4.625%, 7/15/2028	581,361
100,000	Charles River Laboratories International, Inc., Sr. Unsecd. Note, 144A, 3.750%, 3/15/2029	101,517
100,000	Charles River Laboratories International, Inc., Sr. Unsecd. Note, 144A, 4.000%, 3/15/2031	104,168
150,000	CHS/Community Health Systems, Inc., 144A, 6.125%, 4/1/2030	152,438
500,000	CHS/Community Health Systems, Inc., 144A, 6.875%, 4/15/2029	524,692
150,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 5.625%, 3/15/2027	160,322
50,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 6.000%, 1/15/2029	53,566
50,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 6.625%, 2/15/2025	52,937
250,000	CHS/Community Health Systems, Inc., Sec. Fac. Bond, 144A, 8.000%, 3/15/2026	269,691
225,000	Davita, Inc., Sr. Unsecd. Note, 144A, 4.625%, 6/1/2030	231,631
725,000	Global Medical Response, Inc., Sec. Fac. Bond, 144A, 6.500%, 10/1/2025	747,294
250,000	HCA, Inc., Sr. Unsecd. Note, 3.500%, 9/1/2030	266,499
475,000	HCA, Inc., Sr. Unsecd. Note, 5.375%, 2/1/2025	536,394
150,000	HCA, Inc., Sr. Unsecd. Note, 5.625%, 9/1/2028	177,937
425,000	HCA, Inc., Sr. Unsecd. Note, 5.875%, 2/15/2026	492,150
150,000	HCA, Inc., Sr. Unsecd. Note, 5.875%, 5/1/2023	163,192
525,000	IMS Health, Inc., Sr. Unsecd. Note, 144A, 5.000%, 10/15/2026	544,782
175,000	LifePoint Health, Inc., 144A, 6.750%, 4/15/2025	186,938
100,000	LifePoint Health, Inc., Sec. Fac. Bond, 144A, 4.375%, 2/15/2027	101,350
100,000	LifePoint Health, Inc., Sr. Unsecd. Note, 144A, 5.375%, 1/15/2029	97,642
625,000	LifePoint Health, Inc., Sr. Unsecd. Note, 144A, 9.750%, 12/1/2026	674,516
350,000	MEDNAX, Inc., Sr. Unsecd. Note, 144A, 6.250%, 1/15/2027	371,611
850,000	MPH Acquisition Holdings LLC, Sr. Unsecd. Note, 144A, 5.750%, 11/1/2028	855,300
425,000	Team Health Holdings, Inc., Sr. Unsecd. Note, 144A, 6.375%, 2/1/2025	405,080
50,000	Teleflex, Inc., Sr. Unsecd. Note, 4.625%, 11/15/2027	53,424
50,000	Teleflex, Inc., Sr. Unsecd. Note, 144A, 4.250%, 6/1/2028	52,204
125,000	Tenet Healthcare Corp., 144A, 4.250%, 6/1/2029	126,719
25,000	Tenet Healthcare Corp., 144A, 4.625%, 6/15/2028	25,768
175,000	Tenet Healthcare Corp., 144A, 4.875%, 1/1/2026	181,729
300,000	Tenet Healthcare Corp., 144A, 5.125%, 11/1/2027	315,010
25,000	Tenet Healthcare Corp., 144A, 7.500%, 4/1/2025	27,035
275,000	Tenet Healthcare Corp., Sr. Secd. Note, 4.625%, 7/15/2024	279,698
375,000	Tenet Healthcare Corp., Sr. Unsecd. Note, 6.750%, 6/15/2023	409,687
225,000	Tenet Healthcare Corp., Sr. Unsecd. Note, 144A, 6.125%, 10/1/2028	240,410
150,000	Vizient, Inc., Sr. Unsecd. Note, 144A, 6.250%, 5/15/2027	159,159
	TOTAL	10,058,594
	Health Insurance—0.9%	
250,000	Centene Corp., Sr. Unsecd. Note, 144A, 5.375%, 6/1/2026	261,563
450,000	Centene Corp., Sr. Unsecd. Note, Series WI, 4.250%, 12/15/2027	474,750
575,000	Centene Corp., Sr. Unsecd. Note, Series WI, 4.625%, 12/15/2029	633,086
	TOTAL	1,369,399
	Independent Energy—5.5%	
225,000	Antero Resources Corp., Sr. Unsecd. Note, 5.000%, 3/1/2025	230,562

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Independent Energy—continued	
\$ 75,000	Antero Resources Corp., Sr. Unsecd. Note, 144A, 5.375%, 3/1/2030	\$ 76,641
25,000	Antero Resources Corp., Sr. Unsecd. Note, 144A, 7.625%, 2/1/2029	27,783
75,000	Antero Resources Corp., Sr. Unsecd. Note, 144A, 8.375%, 7/15/2026	85,406
50,000	Apache Corp., Sr. Unsecd. Note, 4.625%, 11/15/2025	54,142
125,000	Apache Corp., Sr. Unsecd. Note, 4.875%, 11/15/2027	135,549
125,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 5.875%, 6/30/2029	125,156
100,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 7.000%, 11/1/2026	104,962
50,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 8.250%, 12/31/2028	55,100
98,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., Sr. Unsecd. Note, 144A, 9.000%, 11/1/2027	135,815
250,000	Berry Petroleum Co., Sr. Unsecd. Note, 144A, 7.000%, 2/15/2026	254,255
275,000	Carrizo Oil & Gas, Inc., Sr. Unsecd. Note, 8.250%, 7/15/2025	274,538
275,000	Centennial Resource Production, LLC, Sr. Unsecd. Note, 144A, 6.875%, 4/1/2027	281,611
50,000	Chesapeake Energy Corp., Sr. Unsecd. Note, 144A, 5.500%, 2/1/2026	52,890
50,000	Chesapeake Energy Corp., Sr. Unsecd. Note, 144A, 5.875%, 2/1/2029	54,188
50,000	Comstock Resources, Inc., Sr. Unsecd. Note, 144A, 5.875%, 1/15/2030	51,063
475,000	Comstock Resources, Inc., Sr. Unsecd. Note, 144A, 6.750%, 3/1/2029	506,578
200,000	Continental Resources, Inc., Sr. Unsecd. Note, 4.375%, 1/15/2028	221,818
200,000	Continental Resources, Inc., Sr. Unsecd. Note, 144A, 5.750%, 1/15/2031	239,750
50,000	Crownrock LP/Crownrock F, Sr. Unsecd. Note, 144A, 5.000%, 5/1/2029	52,580
525,000	Crownrock LP/Crownrock F, Sr. Unsecd. Note, 144A, 5.625%, 10/15/2025	544,869
25,000	Endeavor Energy Resources LP, Sr. Unsecd. Note, 144A, 5.500%, 1/30/2026	26,053
25,000	Endeavor Energy Resources LP, Sr. Unsecd. Note, 144A, 5.750%, 1/30/2028	26,692
200,000	Endeavor Energy Resources LP, Sr. Unsecd. Note, 144A, 6.625%, 7/15/2025	214,603
75,000	EQT Corp., Sr. Unsecd. Note, 3.900%, 10/1/2027	80,437
50,000	EQT Corp., Sr. Unsecd. Note, 5.000%, 1/15/2029	55,818
150,000	EQT Corp., Sr. Unsecd. Note, 144A, 3.125%, 5/15/2026	153,916
75,000	EQT Corp., Sr. Unsecd. Note, 144A, 3.625%, 5/15/2031	78,380
50,000	Oasis Petroleum, Inc., Sr. Unsecd. Note, 144A, 6.375%, 6/1/2026	52,199
350,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 2.900%, 8/15/2024	358,312
75,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.200%, 8/15/2026	75,778
275,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.500%, 6/15/2025	281,531
125,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 4.100%, 2/15/2047	116,563
225,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 4.300%, 8/15/2039	215,325
200,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 4.400%, 8/15/2049	192,271
250,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 5.875%, 9/1/2025	278,444
125,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 6.125%, 1/1/2031	147,222
275,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 6.450%, 9/15/2036	329,150
275,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 6.625%, 9/1/2030	330,344
150,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 8.000%, 7/15/2025	179,817
100,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 8.875%, 7/15/2030	133,869
150,000	PDC Energy, Inc., Sr. Unsecd. Note, 6.125%, 9/15/2024	153,880
225,000	PDC Energy, Inc., Sr. Unsecd. Note, Series WI, 5.750%, 5/15/2026	235,334
75,000	Range Resources Corp., Sr. Unsecd. Note, 4.875%, 5/15/2025	77,719
200,000	Range Resources Corp., Sr. Unsecd. Note, 144A, 8.250%, 1/15/2029	225,753
150,000	Range Resources Corp., Sr. Unsecd. Note, Series WI, 9.250%, 2/1/2026	165,637
150,000	SM Energy Co., Sr. Unsecd. Note, 5.625%, 6/1/2025	148,687
50,000	SM Energy Co., Sr. Unsecd. Note, 6.500%, 7/15/2028	51,438
25,000	SM Energy Co., Sr. Unsecd. Note, 6.625%, 1/15/2027	25,738
100,000	SM Energy Co., Sr. Unsecd. Note, 6.750%, 9/15/2026	101,875
200,000	Southwestern Energy Co., Sr. Unsecd. Note, 8.375%, 9/15/2028	226,270

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Independent Energy—continued	
\$ 175,000	^{1,2,3} Ultra Resources, Inc., Sr. Unsecd. Note, Escrow Security, 0.000%, 4/15/2025	\$ 0
	TOTAL	8,304,311
	Industrial - Other—0.7%	
75,000	Booz Allen Hamilton, Inc., Sr. Unsecd. Note, 144A, 3.875%, 9/1/2028	76,690
50,000	Booz Allen Hamilton, Inc., Sr. Unsecd. Note, 144A, 4.000%, 7/1/2029	51,188
25,000	Madison IaQ LLC, Sec. Fac. Bond, 144A, 4.125%, 6/30/2028	25,281
400,000	Madison IaQ LLC, Sr. Unsecd. Note, 144A, 5.875%, 6/30/2029	407,500
225,000	Vertical Holdco GmbH, Sr. Unsecd. Note, 144A, 7.625%, 7/15/2028	244,618
275,000	Vertical U.S. Newco, Inc., Sr. Unsecd. Note, 144A, 5.250%, 7/15/2027	290,125
	TOTAL	1,095,402
	Insurance - P&C—4.5%	
500,000	Alliant Holdings Intermediate LLC/Alliant Holdings Co-Issuer, Sr. Unsecd. Note, 144A, 6.750%, 10/15/2027	526,115
875,000	AmWINS Group, Inc., Sr. Unsecd. Note, 144A, 7.750%, 7/1/2026	929,819
345,833	Ardonagh Midco 2 PLC, Sr. Unsecd. Note, 144A, 11.500% / 12.750% PIK, 1/15/2027	380,276
100,000	AssuredPartners, Inc., Sr. Unsecd. Note, 144A, 5.625%, 1/15/2029	100,200
600,000	AssuredPartners, Inc., Sr. Unsecd. Note, 144A, 7.000%, 8/15/2025	614,901
325,000	Broadstreet Partners, Inc., Sr. Unsecd. Note, 144A, 5.875%, 4/15/2029	332,543
225,000	GTCR AP Finance, Inc., Sr. Unsecd. Note, 144A, 8.000%, 5/15/2027	240,411
1,675,000	Hub International Ltd., Sr. Unsecd. Note, 144A, 7.000%, 5/1/2026	1,741,280
1,025,000	NFP Corp., Sr. Unsecd. Note, 144A, 6.875%, 8/15/2028	1,082,123
900,000	USIS Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 6.875%, 5/1/2025	913,964
	TOTAL	6,861,632
	Leisure—0.3%	
350,000	Six Flags Entertainment Corp., Sr. Unsecd. Note, 144A, 5.500%, 4/15/2027	362,002
50,000	Six Flags Theme Parks, Sec. Fac. Bond, 144A, 7.000%, 7/1/2025	53,951
	TOTAL	415,953
	Lodging—0.5%	
175,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 3.625%, 2/15/2032	173,047
75,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 5.375%, 5/1/2025	79,164
100,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, 144A, 5.750%, 5/1/2028	108,466
175,000	Hilton Domestic Operating Company, Inc., Sr. Unsecd. Note, Series WI, 4.875%, 1/15/2030	187,163
225,000	Wyndham Hotels & Resorts, Inc., Sr. Unsecd. Note, 144A, 4.375%, 8/15/2028	234,281
	TOTAL	782,121
	Media Entertainment—7.5%	
400,000	AMC Networks, Inc., Sec. Fac. Bond, 4.250%, 2/15/2029	404,000
100,000	AMC Networks, Inc., Sr. Unsecd. Note, 4.750%, 8/1/2025	102,939
220,000	AMC Networks, Inc., Sr. Unsecd. Note, 5.000%, 4/1/2024	223,428
350,000	Audacy Capital Corp., 144A, 6.500%, 5/1/2027	365,302
325,000	Audacy Capital Corp., 144A, 6.750%, 3/31/2029	338,003
333,000	Cumulus Media News Holdings, Inc., 144A, 6.750%, 7/1/2026	348,836
350,000	Diamond Sports Group LLC/Diamond Sports Finance Co., Sec. Fac. Bond, 144A, 5.375%, 8/15/2026	227,080
350,000	Diamond Sports Group LLC/Diamond Sports Finance Co., Sec. Fac. Bond, 144A, 6.625%, 8/15/2027	172,375
75,000	Gray Escrow, Inc., Sr. Unsecd. Note, 144A, 7.000%, 5/15/2027	81,338
325,000	Gray Television, Inc., Sr. Unsecd. Note, 144A, 4.750%, 10/15/2030	324,278
250,000	Gray Television, Inc., Sr. Unsecd. Note, 144A, 5.875%, 7/15/2026	258,438
100,000	iHeartCommunications, Inc., 144A, 4.750%, 1/15/2028	103,229
175,000	iHeartCommunications, Inc., 144A, 5.250%, 8/15/2027	183,295
931,114	iHeartCommunications, Inc., Sr. Unsecd. Note, 8.375%, 5/1/2027	998,629
100,000	Lamar Media Corp., Sr. Unsecd. Note, 4.875%, 1/15/2029	105,675
100,000	Lamar Media Corp., Sr. Unsecd. Note, 144A, 3.625%, 1/15/2031	97,950

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Media Entertainment—continued	
\$ 450,000	Match Group, Inc., Sr. Unsecd. Note, 144A, 4.125%, 8/1/2030	\$ 458,775
325,000	Match Group, Inc., Sr. Unsecd. Note, 144A, 5.000%, 12/15/2027	342,750
650,000	Nexstar Broadcasting, Inc., Sr. Unsecd. Note, 144A, 4.750%, 11/1/2028	668,687
425,000	Nexstar Escrow Corp., Sr. Unsecd. Note, 144A, 5.625%, 7/15/2027	451,031
125,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Unsecd. Note, 144A, 4.500%, 7/15/2029	125,506
125,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Unsecd. Note, 144A, 4.750%, 7/15/2031	125,469
325,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2025	335,286
75,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Unsecd. Note, 144A, 5.625%, 10/1/2028	79,305
175,000	Nielsen Finance LLC/Nielsen Finance Co., Sr. Unsecd. Note, 144A, 5.875%, 10/1/2030	190,920
50,000	Outfront Media Capital LLC/Outfront Media Capital Corp., Sr. Unsecd. Note, 144A, 4.250%, 1/15/2029	50,413
325,000	Outfront Media Capital LLC/Outfront Media Capital Corp., Sr. Unsecd. Note, 144A, 4.625%, 3/15/2030	330,525
100,000	Scripps Escrow II, Inc., Sr. Unsecd. Note, 144A, 3.875%, 1/15/2029	99,351
250,000	Scripps Escrow II, Inc., Sr. Unsecd. Note, 144A, 5.375%, 1/15/2031	249,524
300,000	Scripps Escrow, Inc., Sr. Unsecd. Note, 144A, 5.875%, 7/15/2027	311,031
75,000	Sinclair Television Group, Sr. Unsecd. Note, 144A, 5.125%, 2/15/2027	75,431
875,000	Sinclair Television Group, Sr. Unsecd. Note, 144A, 5.875%, 3/15/2026	906,500
275,000	Tegna, Inc., Sr. Unsecd. Note, 144A, 4.625%, 3/15/2028	285,656
100,000	Tegna, Inc., Sr. Unsecd. Note, 144A, 4.750%, 3/15/2026	106,625
325,000	Tegna, Inc., Sr. Unsecd. Note, 144A, 5.000%, 9/15/2029	340,987
925,000	Terrier Media Buyer, Inc., Sr. Unsecd. Note, 144A, 8.875%, 12/15/2027	1,002,529
225,000	Univision Communications, Inc., Sec. Fac. Bond, 144A, 4.500%, 5/1/2029	227,207
350,000	Urban One, Inc., Sec. Fac. Bond, 144A, 7.375%, 2/1/2028	378,443
	TOTAL	11,476,746
	Metals & Mining—1.3%	
225,000	Cleveland-Cliffs, Inc., Sr. Unsecd. Note, 144A, 4.625%, 3/1/2029	237,042
450,000	Cleveland-Cliffs, Inc., Sr. Unsecd. Note, 144A, 4.875%, 3/1/2031	473,080
275,000	Coeur Mining, Inc., Sr. Unsecd. Note, 144A, 5.125%, 2/15/2029	273,166
250,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 4.375%, 8/1/2028	264,375
150,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 4.625%, 8/1/2030	164,455
200,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 5.000%, 9/1/2027	211,823
75,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 5.250%, 9/1/2029	83,046
200,000	Freeport-McMoRan, Inc., Sr. Unsecd. Note, 5.400%, 11/14/2034	241,832
	TOTAL	1,948,819
	Midstream—7.6%	
175,000	AmeriGas Partners LP, Sr. Unsecd. Note, 5.750%, 5/20/2027	195,668
400,000	AmeriGas Partners LP, Sr. Unsecd. Note, 5.875%, 8/20/2026	448,360
475,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.375%, 6/15/2029	495,784
225,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.750%, 3/1/2027	234,685
400,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.750%, 1/15/2028	421,472
250,000	Antero Midstream Partners LP, Sr. Unsecd. Note, 144A, 7.875%, 5/15/2026	280,225
425,000	Cheniere Energy Partners, LP, Sr. Unsecd. Note, 5.625%, 10/1/2026	442,000
125,000	Cheniere Energy Partners, LP, Sr. Unsecd. Note, 144A, 4.000%, 3/1/2031	130,781
125,000	Cheniere Energy Partners, LP, Sr. Unsecd. Note, Series WI, 4.500%, 10/1/2029	134,531
175,000	Cheniere Energy, Inc., Sr. Secd. Note, 144A, 4.625%, 10/15/2028	184,844
575,000	CNX Midstream Partners LP/CNX Midstream Finance Corp., Sr. Unsecd. Note, 144A, 6.500%, 3/15/2026	603,894
175,000	DT Midstream, Inc., Sr. Unsecd. Note, 144A, 4.375%, 6/15/2031	179,032
75,000	EQM Midstream Partners, LP, Sr. Unsecd. Note, 144A, 4.500%, 1/15/2029	76,400
325,000	EQM Midstream Partners, LP, Sr. Unsecd. Note, 144A, 4.750%, 1/15/2031	335,299
375,000	EQM Midstream Partners, LP, Sr. Unsecd. Note, 144A, 6.500%, 7/1/2027	419,220
51,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 4.750%, 7/15/2023	53,302

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Midstream—continued	
\$ 275,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 5.500%, 7/15/2028	\$ 297,709
200,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 6.500%, 7/15/2048	214,425
175,000	EQT Midstream Partners LP, Sr. Unsecd. Note, 144A, 6.000%, 7/1/2025	190,719
275,000	Hess Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.125%, 6/15/2028	288,823
225,000	Holly Energy Partners LP, Sr. Unsecd. Note, 144A, 5.000%, 2/1/2028	230,513
625,000	NuStar Logistics LP, Sr. Unsecd. Note, 5.625%, 4/28/2027	671,387
225,000	Oasis Midstream Partners, Sr. Unsecd. Note, 144A, 8.000%, 4/1/2029	239,835
150,000	Rattler Midstream Partners LP, Sr. Unsecd. Note, 144A, 5.625%, 7/15/2025	157,875
75,000	Solaris Midstream Holdings LLC, Sr. Unsecd. Note, 144A, 7.625%, 4/1/2026	79,594
450,000	Suburban Propane Partners LP, Sr. Unsecd. Note, 5.875%, 3/1/2027	473,580
175,000	Suburban Propane Partners LP, Sr. Unsecd. Note, 144A, 5.000%, 6/1/2031	179,375
250,000	Summit Midstream Holdings LLC, Sr. Unsecd. Note, 5.500%, 8/15/2022	248,028
325,000	Summit Midstream Holdings LLC, Sr. Unsecd. Note, 5.750%, 4/15/2025	299,450
75,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 5.000%, 1/15/2028	79,219
275,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 5.375%, 2/1/2027	287,188
475,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 5.875%, 4/15/2026	500,206
75,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 6.500%, 7/15/2027	81,515
675,000	Targa Resources Partners LP/Targa Resources Partners Finance Corp., Sr. Unsecd. Note, 144A, 5.500%, 3/1/2030	743,188
250,000	TransMontaigne Partners LP/TLP Finance Corp., Sr. Unsecd. Note, 6.125%, 2/15/2026	256,701
100,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.000%, 7/1/2022	101,754
200,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.500%, 3/1/2028	214,261
25,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.650%, 7/1/2026	26,762
150,000	Western Gas Partners LP, Sr. Unsecd. Note, 4.750%, 8/15/2028	162,532
575,000	Western Gas Partners LP, Sr. Unsecd. Note, 5.300%, 3/1/2048	614,741
125,000	Western Gas Partners LP, Sr. Unsecd. Note, 5.450%, 4/1/2044	135,291
75,000	Western Gas Partners LP, Sr. Unsecd. Note, 5.500%, 8/15/2048	81,947
	TOTAL	11,492,115
	Oil Field Services—1.8%	
175,000	Archrock Partners LP/Archrock Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.250%, 4/1/2028	183,034
700,000	Archrock Partners LP/Archrock Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.875%, 4/1/2027	745,297
225,000	Nabors Industries Ltd., Sr. Unsecd. Note, 144A, 7.250%, 1/15/2026	220,953
150,000	Nabors Industries Ltd., Sr. Unsecd. Note, 144A, 7.500%, 1/15/2028	144,300
75,000	Precision Drilling Corp., Sr. Unsecd. Note, 144A, 6.875%, 1/15/2029	77,344
150,000	Precision Drilling Corp., Sr. Unsecd. Note, 144A, 7.125%, 1/15/2026	154,805
200,000	Shelf Drilling Holdings Ltd., Sr. Unsecd. Note, 144A, 8.250%, 2/15/2025	159,509
425,000	USA Compression Partners LP, Sr. Unsecd. Note, 6.875%, 9/1/2027	454,869
550,000	USA Compression Partners LP, Sr. Unsecd. Note, Series WI, 6.875%, 4/1/2026	577,462
	TOTAL	2,717,573
	Packaging—5.0%	
850,000	ARD Finance SA, Sec. Fac. Bond, 144A, 6.500%, 6/30/2027	894,268
225,000	Ardagh Metal Packaging, Sr. Unsecd. Note, 144A, 4.000%, 9/1/2029	223,594
200,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sec. Fac. Bond, 144A, 5.250%, 8/15/2027	204,266
350,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sr. Unsecd. Note, 144A, 5.250%, 8/15/2027	357,466
200,000	Ardagh Packaging Finance PLC/Ardagh Holdings, Sr. Unsecd. Note, 144A, 6.000%, 2/15/2025	206,845
275,000	Ball Corp., Sr. Unsecd. Note, 2.875%, 8/15/2030	270,289
225,000	Berry Global Escrow Corp., 144A, 5.625%, 7/15/2027	238,239
300,000	Bway Holding Co., Sec. Fac. Bond, 144A, 5.500%, 4/15/2024	303,375
475,000	Bway Holding Co., Sr. Unsecd. Note, 144A, 7.250%, 4/15/2025	466,450
175,000	Crown Americas LLC/Crown Americas Capital Corp. VI, Sr. Unsecd. Note, 4.750%, 2/1/2026	181,826
950,000	Flex Acquisition Co., Inc., Sr. Unsecd. Note, 144A, 6.875%, 1/15/2025	967,836

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Packaging—continued	
\$ 700,000	Flex Acquisition Co., Inc., Sr. Unsecd. Note, 144A, 7.875%, 7/15/2026	\$ 730,446
425,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 5.375%, 1/15/2025	453,288
150,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 5.875%, 8/15/2023	161,943
200,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 6.375%, 8/15/2025	222,375
100,000	Owens-Brockway Glass Container, Inc., Sr. Unsecd. Note, 144A, 6.625%, 5/13/2027	108,950
150,000	Sealed Air Corp., Sr. Unsecd. Note, 144A, 5.500%, 9/15/2025	168,287
500,000	Trident Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 6.625%, 11/1/2025	514,530
175,000	Trident Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 9.250%, 8/1/2024	183,631
375,000	Trivium Packaging Finance BV, Sec. Fac. Bond, 144A, 5.500%, 8/15/2026	394,481
300,000	Trivium Packaging Finance BV, Sr. Unsecd. Note, 144A, 8.500%, 8/15/2027	326,928
	TOTAL	7,579,313
	Paper—0.6%	
625,000	Clearwater Paper Corp., Sr. Unsecd. Note, 144A, 5.375%, 2/1/2025	668,022
150,000	Graphic Packaging International, LLC, Sr. Unsecd. Note, 144A, 3.500%, 3/1/2029	148,792
125,000	Graphic Packaging International, LLC, Sr. Unsecd. Note, 144A, 4.750%, 7/15/2027	135,493
	TOTAL	952,307
	Pharmaceuticals—4.1%	
200,000	Bausch Health Cos, Inc., Sec. Fac. Bond, 144A, 5.500%, 11/1/2025	205,450
175,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 5.000%, 1/30/2028	166,278
50,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 5.000%, 2/15/2029	46,689
325,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 5.250%, 1/30/2030	302,656
225,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 5.250%, 2/15/2031	210,668
1,139,000	Bausch Health Cos., Inc., Sr. Unsecd. Note, 144A, 6.125%, 4/15/2025	1,168,899
75,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 6.250%, 2/15/2029	74,273
300,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 7.250%, 5/30/2029	307,411
450,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 8.500%, 1/31/2027	490,225
375,000	Bausch Health Cos, Inc., Sr. Unsecd. Note, 144A, 9.000%, 12/15/2025	402,581
431,000	Endo Dac/Endo Finance LLC/Endo Finco, Inc., Sr. Unsecd. Note, 144A, 6.000%, 6/30/2028	291,205
250,000	Endo Dac/Endo Finance LLC/Endo Finco, Inc., Term Loan - 2nd Lien, 144A, 9.500%, 7/31/2027	255,316
100,000	Endo Luxembourg Financial Co. I SARL, 144A, 6.125%, 4/1/2029	98,125
225,000	Jaguar Holding Co. II/Pharmaceutical Product Development LLC, Sr. Unsecd. Note, 144A, 4.625%, 6/15/2025	236,700
175,000	Jaguar Holding Co. II/Pharmaceutical Product Development LLC, Sr. Unsecd. Note, 144A, 5.000%, 6/15/2028	190,036
275,000	Jazz Securities Designated Activity Co., 144A, 4.375%, 1/15/2029	285,464
925,000	^{1,2} Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Sr. Unsecd. Note, 144A, 5.500%, 4/15/2025	646,950
575,000	^{1,2} Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Sr. Unsecd. Note, 144A, 5.625%, 10/15/2023	404,892
200,000	Organon Finance 1 LLC, Sr. Unsecd. Note, 144A, 5.125%, 4/30/2031	206,290
250,000	Syneos Health, Inc., Sr. Unsecd. Note, 144A, 3.625%, 1/15/2029	247,812
	TOTAL	6,237,920
	Restaurant—1.5%	
250,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., 144A, 4.375%, 1/15/2028	253,787
178,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., Sr. Secd. Note, 144A, 4.250%, 5/15/2024	180,069
125,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., Term Loan - 1st Lien, 144A, 3.500%, 2/15/2029	123,594
1,100,000	1011778 BC Unltd. Liability Co./New Red Finance, Inc., Term Loan - 2nd Lien, 144A, 4.000%, 10/15/2030	1,065,625
75,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, Sr. Unsecd. Note, 144A, 4.750%, 6/1/2027	78,563
375,000	Yum! Brands, Inc., Sr. Unsecd. Note, 4.625%, 1/31/2032	394,768
75,000	Yum! Brands, Inc., Sr. Unsecd. Note, 144A, 4.750%, 1/15/2030	81,294
75,000	Yum! Brands, Inc., Sr. Unsecd. Note, 144A, 7.750%, 4/1/2025	81,787
	TOTAL	2,259,487
	Retailers—0.4%	
175,000	Academy Ltd., Sec. Fac. Bond, 144A, 6.000%, 11/15/2027	187,658

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Retailers—continued	
\$ 225,000	NMG Holding Co., Inc., 144A, 7.125%, 4/1/2026	\$ 240,469
103,532	⁴ Party City Holdings, Inc., 144A, 5.750% (6-month USLIBOR 0.750% Floor +5.000%), 7/15/2025	98,485
75,000	William Carter Co., Sr. Unsecd. Note, 144A, 5.500%, 5/15/2025	79,579
	TOTAL	606,191
	Supermarkets—0.6%	
96,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 5.750%, 3/15/2025	98,473
625,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 3.500%, 3/15/2029	618,750
75,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 5.875%, 2/15/2028	80,905
50,000	Albertsons Cos. LLC/SAFEW, Sr. Unsecd. Note, 144A, 7.500%, 3/15/2026	55,028
	TOTAL	853,156
	Technology—7.2%	
350,000	Banff Merger Subsidiary, Inc., Sr. Unsecd. Note, 144A, 9.750%, 9/1/2026	368,812
250,000	Black Knight InfoServ LLC, Sr. Unsecd. Note, 144A, 3.625%, 9/1/2028	249,058
100,000	Boxer Parent Co., Inc., 144A, 9.125%, 3/1/2026	105,917
75,000	BY Crown Parent LLC/BY Bond Finance, Inc., 144A, 4.250%, 1/31/2026	78,713
375,000	Cars.com, Inc., Sr. Unsecd. Note, 144A, 6.375%, 11/1/2028	400,466
150,000	CDW LLC/CDW Finance, Sr. Unsecd. Note, 3.250%, 2/15/2029	152,168
75,000	Clarivate Science Holdings Corp., Sec. Fac. Bond, 144A, 3.875%, 6/30/2028	75,777
125,000	Clarivate Science Holdings Corp., Sr. Unsecd. Note, 144A, 4.875%, 6/30/2029	128,438
900,000	Diamond 1 Finance Corp./Diamond 2 Finance Corp., Sr. Unsecd. Note, 144A, 7.125%, 6/15/2024	925,272
50,000	Diebold Nixdorf, Inc., Sr. Secd. Note, 144A, 9.375%, 7/15/2025	55,597
100,000	Elastic N.V., Sr. Unsecd. Note, 144A, 4.125%, 7/15/2029	100,000
100,000	Gartner, Inc., Sr. Unsecd. Note, 144A, 3.750%, 10/1/2030	102,436
25,000	Gartner, Inc., Sr. Unsecd. Note, 144A, 4.500%, 7/1/2028	26,436
225,000	Helios Software Holdings, Sec. Fac. Bond, 144A, 4.625%, 5/1/2028	220,923
675,000	JDA Escrow LLC/JDA Bond Finance, Inc., Sr. Unsecd. Note, 144A, 7.375%, 10/15/2024	688,513
350,000	Logan Merger Sub, Inc., Sr. Secd. Note, 144A, 5.500%, 9/1/2027	362,967
300,000	NCR Corp., 144A, 5.125%, 4/15/2029	309,750
250,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.000%, 10/1/2028	258,890
350,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.250%, 10/1/2030	363,573
50,000	NCR Corp., Sr. Unsecd. Note, 144A, 5.750%, 9/1/2027	53,006
150,000	NCR Corp., Sr. Unsecd. Note, 144A, 8.125%, 4/15/2025	164,325
150,000	PTC, Inc., Sr. Unsub., 144A, 3.625%, 2/15/2025	154,989
200,000	Qorvo, Inc., Sr. Unsecd. Note, 4.375%, 10/15/2029	218,288
325,000	Rackspace Technology, Inc., 144A, 3.500%, 2/15/2028	314,893
350,000	Rackspace Technology, Inc., Sr. Unsecd. Note, 144A, 5.375%, 12/1/2028	359,187
450,000	Rocket Software, Inc., Sr. Unsecd. Note, 144A, 6.500%, 2/15/2029	447,147
75,000	Science Applications International Corp., Sr. Unsecd. Note, 144A, 4.875%, 4/1/2028	78,924
300,000	Seagate HDD Cayman, Sr. Unsecd. Note, 144A, 3.125%, 7/15/2029	291,084
225,000	Seagate HDD Cayman, Sr. Unsecd. Note, 144A, 3.375%, 7/15/2031	217,725
200,000	Sensata Technologies B.V., Sr. Unsecd. Note, 144A, 4.000%, 4/15/2029	203,267
75,000	Sensata Technologies B.V., Sr. Unsecd. Note, 144A, 4.375%, 2/15/2030	79,143
75,000	Sensata Technologies, Inc., Sr. Unsecd. Note, 144A, 3.750%, 2/15/2031	74,256
625,000	SS&C Technologies, Inc., Sr. Unsecd. Note, 144A, 5.500%, 9/30/2027	663,828
120,000	Star Merger Sub, Inc., 144A, 6.875%, 8/15/2026	127,619
510,000	Star Merger Sub, Inc., Sr. Unsecd. Note, 144A, 10.250%, 2/15/2027	564,993
100,000	Synaptics, Inc., Sr. Unsecd. Note, 144A, 4.000%, 6/15/2029	100,625
1,200,000	Tempo Acquisition LLC, Sr. Unsecd. Note, 144A, 6.750%, 6/1/2025	1,220,256
150,000	TTM Technologies, Inc., Sr. Unsecd. Note, 144A, 4.000%, 3/1/2029	151,097

Principal Amount or Shares		Value
	CORPORATE BONDS—continued	
	Technology—continued	
\$ 475,000	Veritas US, Inc./Veritas Bermuda, Ltd., Sr. Secd. Note, 144A, 7.500%, 9/1/2025	\$ 495,914
	TOTAL	10,954,272
	Transportation Services—0.3%	
375,000	Watco Cos LLC/Finance Co., Sr. Unsecd. Note, 144A, 6.500%, 6/15/2027	402,345
	Utility - Electric—2.7%	
300,000	Calpine Corp., 144A, 4.500%, 2/15/2028	306,375
135,000	Calpine Corp., 144A, 5.250%, 6/1/2026	139,248
325,000	Calpine Corp., Sr. Secd. Note, 144A, 3.750%, 3/1/2031	309,944
25,000	Calpine Corp., Sr. Unsecd. Note, 144A, 4.625%, 2/1/2029	24,649
25,000	Calpine Corp., Sr. Unsecd. Note, 144A, 5.000%, 2/1/2031	24,925
175,000	Calpine Corp., Sr. Unsecd. Note, 144A, 5.125%, 3/15/2028	178,310
775,000	Enviva Partners LP/Enviva Partners Finance Corp., Sr. Unsecd. Note, 144A, 6.500%, 1/15/2026	811,425
450,000	NRG Energy, Inc., Sr. Unsecd. Note, 7.250%, 5/15/2026	467,649
50,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 3.625%, 2/15/2031	49,198
300,000	NRG Energy, Inc., Sr. Unsecd. Note, 144A, 5.250%, 6/15/2029	319,533
50,000	NRG Energy, Inc., Sr. Unsecd. Note, Series WI, 5.750%, 1/15/2028	53,401
125,000	Pattern Energy Operations LP/Pattern Energy Operations, Inc., Sr. Unsecd. Note, 144A, 4.500%, 8/15/2028	129,712
50,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 4.250%, 1/31/2023	51,382
50,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 4.750%, 1/15/2030	51,309
475,000	TerraForm Power Operating LLC, Sr. Unsecd. Note, 144A, 5.000%, 1/31/2028	504,350
75,000	Vistra Operations Co., LLC, Sr. Unsecd. Note, 144A, 4.375%, 5/1/2029	75,469
175,000	Vistra Operations Co., LLC, Sr. Unsecd. Note, 144A, 5.500%, 9/1/2026	180,977
400,000	Vistra Operations Co., LLC, Sr. Unsecd. Note, 144A, 5.625%, 2/15/2027	415,500
	TOTAL	4,093,356
	Wireless Communications—0.8%	
200,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 2.250%, 2/15/2026	201,750
150,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 2.625%, 2/15/2029	148,312
125,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 2.875%, 2/15/2031	124,219
150,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 4.500%, 2/1/2026	153,309
250,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 4.750%, 2/1/2028	268,125
225,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 144A, 2.250%, 2/15/2026	226,969
125,000	T-Mobile USA, Inc., Sr. Unsecd. Note, 144A, 3.375%, 4/15/2029	129,303
	TOTAL	1,251,987
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$141,115,406)	146,680,352
	COMMON STOCKS—0.8%	
	Chemicals—0.1%	
5,488	² Hexion Holdings Corp.	101,528
	Independent Energy—0.2%	
3,175	Oasis Petroleum, Inc.	319,246
	Media Entertainment—0.2%	
7,915	² iHeartMedia, Inc.	213,151
	Oil Field Services—0.3%	
12,990	^{2,3} Superior Energy Services, Inc.	513,105
	TOTAL COMMON STOCKS (IDENTIFIED COST \$941,280)	1,147,030
	FLOATING RATE LOANS—0.3%	
	Health Care—0.2%	
\$ 339,100	⁴ Envision Healthcare Corp., PIK Term Loan - 1st Lien, Series B, 5.500% (1-month USLIBOR 1.000% Floor +4.500%), 10/10/2025	273,292

Principal Amount or Shares		Value
	FLOATING RATE LOANS—continued	
	Independent Energy—0.1%	
\$ 202,000	⁴ Ascent Resources Utica Holdings, LLC, Term Loan - 2nd Lien, 10.000% (3-month USLIBOR 1.000% Floor +9.000%), 11/1/2025	\$ 223,715
	TOTAL FLOATING RATE LOANS (IDENTIFIED COST \$782,307)	497,007
	WARRANT—0.0%	
	Independent Energy—0.0%	
2,751	² Chesapeake Energy Corp., Warrants, Expiration Date 2/9/2026 (IDENTIFIED COST \$267,010)	73,947
	REPURCHASE AGREEMENT—1.3%	
\$1,958,000	Interest in \$2,496,000,000 joint repurchase agreement 0.06%, dated 6/30/2021 under which Bank of America, N.A. will repurchase securities provided as collateral for \$2,496,003,813 on 7/1/2021. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 8/20/2050 and the market value of those underlying securities was \$2,545,923,890. (IDENTIFIED COST \$1,958,000)	1,958,000
	TOTAL INVESTMENT IN SECURITIES—98.9% (IDENTIFIED COST \$145,064,003) ⁵	150,356,336
	OTHER ASSETS AND LIABILITIES - NET—1.1% ⁶	1,682,310
	TOTAL NET ASSETS—100%	\$152,038,646

1 Issuer in default.

2 Non-income-producing security.

3 Market quotations and price evaluations are not available. Fair value determined using significant unobservable inputs in accordance with procedures established by and under the general supervision of the Fund's Board of Trustees (the "Trustees").

4 Floating/variable note with current rate and current maturity or next reset date shown.

5 The cost of investments for federal tax purposes amounts to \$145,295,425.

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

Note: The categories of investments are shown as a percentage of total net assets at June 30, 2021.

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

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

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

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

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

The following is a summary of the inputs used, as of June 30, 2021, 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	\$ —	\$146,680,352	\$ 0	\$146,680,352
Floating Rate Loans	—	497,007	—	497,007
Warrant	73,947	—	—	73,947
Equity Securities:				
Common Stocks				
Domestic	633,925	—	513,105	1,147,030
Repurchase Agreement	—	1,958,000	—	1,958,000
TOTAL SECURITIES	\$707,872	\$149,135,359	\$513,105	\$150,356,336

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

GMTN—Global Medium Term Note

LIBOR —London Interbank Offered Rate

PIK —Payment in Kind

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2021	Year Ended December 31,				
		2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$6.41	\$6.53	\$6.07	\$6.82	\$6.84	\$6.36
Income From Investment Operations:						
Net investment income (loss) ¹	0.14	0.30	0.33	0.34	0.36	0.37
Net realized and unrealized gain (loss)	0.09	(0.05)	0.53	(0.55)	0.09	0.53
TOTAL FROM INVESTMENT OPERATIONS	0.23	0.25	0.86	(0.21)	0.45	0.90
Less Distributions:						
Distributions from net investment income	(0.32)	(0.37)	(0.40)	(0.54)	(0.47)	(0.42)
Net Asset Value, End of Period	\$6.32	\$6.41	\$6.53	\$6.07	\$6.82	\$6.84
Total Return²	3.70%	5.59%	14.54%	(3.29)%	6.94%	14.82%

Ratios to Average Net Assets:

Net expenses ³	0.81% ⁴	0.81%	0.81%	0.81%	0.78%	0.72%
Net investment income	4.48% ⁴	4.95%	5.26%	5.27%	5.26%	5.74%
Expense waiver/reimbursement ⁵	0.03% ⁴	0.03%	0.02%	0.01%	0.00% ⁶	0.06%

Supplemental Data:

Net assets, end of period (000 omitted)	\$96,952	\$109,888	\$109,538	\$106,628	\$192,194	\$190,070
Portfolio turnover	19%	36%	31%	18%	32%	26%

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

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

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

4 Computed on an annualized basis.

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

6 Represents less than 0.01%.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2021	Year Ended December 31,				
		2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$6.38	\$6.49	\$6.04	\$6.78	\$6.81	\$6.33
Income From Investment Operations:						
Net investment income (loss) ¹	0.13	0.28	0.31	0.32	0.34	0.35
Net realized and unrealized gain (loss)	0.08	(0.03)	0.52	(0.54)	0.09	0.53
TOTAL FROM INVESTMENT OPERATIONS	0.21	0.25	0.83	(0.22)	0.43	0.88
Less Distributions:						
Distributions from net investment income	(0.30)	(0.36)	(0.38)	(0.52)	(0.46)	(0.40)
Net Asset Value, End of Period	\$6.29	\$6.38	\$6.49	\$6.04	\$6.78	\$6.81
Total Return²	3.46%	5.46%	14.13%	(3.43)%	6.56%	14.53%

Ratios to Average Net Assets:

Net expenses ³	1.06% ⁴	1.06%	1.06%	1.06%	1.03%	0.96%
Net investment income	4.22% ⁴	4.70%	4.99%	5.03%	5.01%	5.48%
Expense waiver/reimbursement ⁵	0.03% ⁴	0.03%	0.02%	0.01%	0.00% ⁶	0.08%

Supplemental Data:

Net assets, end of period (000 omitted)	\$55,087	\$50,322	\$58,591	\$43,012	\$50,284	\$49,183
Portfolio turnover	19%	36%	31%	18%	32%	26%

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

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

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

4 Computed on an annualized basis.

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

6 Represents less than 0.01%.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

June 30, 2021 (unaudited)

Assets:

Investment in securities, at value (identified cost \$145,064,003)	\$150,356,336
Income receivable	2,321,748
Receivable for investments sold	791
Receivable for shares sold	43,270
Other receivable	18,341
TOTAL ASSETS	152,740,486

Liabilities:

Payable for investments purchased	620,591
Payable for shares redeemed	15,532
Payable to bank	16,424
Payable for investment adviser fee (Note 5)	2,326
Payable for administrative fee (Note 5)	325
Payable for portfolio accounting fees	21,889
Payable for distribution services fee (Note 5)	11,152
Accrued expenses (Note 5)	13,601
TOTAL LIABILITIES	701,840

Net assets for 24,102,862 shares outstanding	\$152,038,646
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Net Assets Consist of:

Paid-in capital	\$157,190,211
Total distributable earnings (loss)	(5,151,565)
TOTAL NET ASSETS	\$152,038,646

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

Primary Shares:

\$96,952,133 ÷ 15,346,274 shares outstanding, no par value, unlimited shares authorized	\$ 6.32
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Service Shares:

\$55,086,513 ÷ 8,756,588 shares outstanding, no par value, unlimited shares authorized	\$ 6.29
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See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended June 30, 2021 (unaudited)

Investment Income:	
Interest	\$4,232,566
Dividends	4,047
TOTAL INCOME	4,236,613
Expenses:	
Investment adviser fee (Note 5)	480,462
Administrative fee (Note 5)	66,062
Custodian fees	7,547
Transfer agent fees	7,792
Directors'/Trustees' fees (Note 5)	978
Auditing fees	17,040
Legal fees	5,678
Portfolio accounting fees	54,059
Distribution services fee (Note 5)	63,769
Printing and postage	24,870
Miscellaneous (Note 5)	12,937
TOTAL EXPENSES	741,194
Waiver of investment adviser fee (Note 5)	(24,878)
Net expenses	716,316
Net investment income	3,520,297
Realized and Unrealized Gain (Loss) on Investments:	
Net realized gain on investments	814,640
Net change in unrealized appreciation of investments	1,431,658
Net realized and unrealized gain (loss) on investments	2,246,298
Change in net assets resulting from operations	\$5,766,595

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 6/30/2021	Year Ended 12/31/2020
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 3,520,297	\$ 7,308,170
Net realized gain (loss)	814,640	(1,116,433)
Net change in unrealized appreciation/depreciation	1,431,658	2,255,015
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	5,766,595	8,446,752
Distributions to Shareholders:		
Primary Shares	(5,363,823)	(5,812,160)
Service Shares	(2,367,247)	(2,736,746)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(7,731,070)	(8,548,906)
Share Transactions:		
Proceeds from sale of shares	17,243,673	37,016,529
Net asset value of shares issued to shareholders in payment of distributions declared	7,731,065	8,548,900
Cost of shares redeemed	(31,182,355)	(53,381,895)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(6,207,617)	(7,816,466)
Change in net assets	(8,172,092)	(7,918,620)
Net Assets:		
Beginning of period	160,210,738	168,129,358
End of period	\$152,038,646	\$160,210,738

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

June 30, 2021 (unaudited)

1. ORGANIZATION

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

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 the Trustees.
- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- 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 asked quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Trustees, 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 Fund’s valuation policies and procedures, or if information furnished by a pricing service, in the opinion of the 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

The Trustees have ultimate responsibility for determining the fair value of investments for which market quotations are not readily available. The Trustees have appointed a Valuation Committee comprised of officers of the Fund, Federated Investment Management Company (the “Adviser”) and certain of the Adviser’s affiliated companies to assist in determining fair value and in overseeing the calculation of the NAV. The Trustees have also authorized the use of pricing services recommended by the Valuation Committee 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 Trustees. The Trustees periodically review and approve the fair valuations made by the Valuation Committee and 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 asked 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 Trustees.

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

Repurchase Agreements

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

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

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

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver of \$24,878 is disclosed in Note 5.

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

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended June 30, 2021, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of June 30, 2021, tax years 2017 through 2020 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

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.

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 Trustees.

Other

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

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Six Months Ended 6/30/2021		Year Ended 12/31/2020	
Primary Shares:	Shares	Amount	Shares	Amount
Shares sold	1,654,305	\$ 10,505,642	4,782,556	\$ 28,203,580
Shares issued to shareholders in payment of distributions declared	875,012	5,363,823	1,181,333	5,812,160
Shares redeemed	(4,329,242)	(27,400,958)	(5,600,398)	(33,846,638)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(1,799,925)	\$(11,531,493)	363,491	\$ 169,102

	Six Months Ended 6/30/2021		Year Ended 12/31/2020	
Service Shares:	Shares	Amount	Shares	Amount
Shares sold	1,073,119	\$ 6,738,031	1,481,388	\$ 8,812,949
Shares issued to shareholders in payment of distributions declared	387,437	2,367,242	558,519	2,736,740
Shares redeemed	(596,755)	(3,781,397)	(3,171,995)	(19,535,257)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	863,801	\$ 5,323,876	(1,132,088)	\$ (7,985,568)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(936,124)	\$(6,207,617)	(768,597)	\$ (7,816,466)

4. FEDERAL TAX INFORMATION

At June 30, 2021, the cost of investments for federal tax purposes was \$145,295,425. The net unrealized appreciation of investments for federal tax purposes was \$5,060,911. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$7,029,693 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$1,968,782.

As of December 31, 2020, the Fund had a capital loss carryforward of \$14,298,748 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
\$—	\$14,298,748	\$14,298,748

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. For the six months ended June 30, 2021, the Adviser voluntarily waived \$24,878 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 six months ended June 30, 2021, the annualized fee paid to FAS was 0.082% of average daily net assets of the Fund.

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

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at 0.25% of average daily net assets, annually, to compensate FSC. For the six months ended June 30, 2021, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$63,769

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the six months ended June 30, 2021, FSC did not retain any fees paid by the Fund.

Expense Limitation

The Adviser and certain of its affiliates (which may include FAS and FSC) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund, if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.81% and 1.06% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2022; 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. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended June 30, 2021, were as follows:

Purchases	\$29,896,683
Sales	\$38,524,234

7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 23, 2021. 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 the highest, on any day, of (a) (i) the federal funds effective rate, (ii) the one month London Interbank Offered Rate (LIBOR), or a replacement rate as appropriate, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of June 30, 2021, the Fund had no outstanding loans. During the six months ended June 30, 2021, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of June 30, 2021, there were no outstanding loans. During the six months ended June 30, 2021, the program was not utilized.

9. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in closing borders, enhanced health screenings, disruptions to healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short-term or may last for an extended period of time and has resulted in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could continue to negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the Fund's performance.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds used as variable investment options. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2021 to June 30, 2021.

ACTUAL EXPENSES

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

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

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

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

	Beginning Account Value 1/1/2021	Ending Account Value 6/30/2021	Expenses Paid During Period
Actual:			
Primary Shares	\$1,000	\$1,037.00	\$4.09
Service Shares	\$1,000	\$1,034.60	\$5.35
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,020.78	\$4.06
Service Shares	\$1,000	\$1,019.54	\$5.31

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

Primary Shares	0.81%
Service Shares	1.06%

Evaluation and Approval of Advisory Contract – May 2021

FEDERATED HERMES HIGH INCOME BOND FUND II (THE “FUND”)

At its meetings in May 2021 (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”) (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

Information Received and Review Process

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation presenting on the topics discussed below. The Board considered the CCO’s independent written evaluation (the “CCO Fee Evaluation Report”), along with other information, in evaluating the reasonableness of the Fund’s management fee and in determining to approve the continuation of the Contract. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

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

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: the Adviser’s investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund’s short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund’s particular investment program and a group of its peer funds and/or its benchmark, as appropriate) and comments on the reasons for the Fund’s performance; the Fund’s investment objectives; the Fund’s expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders; the entrepreneurial and other risks assumed by the Adviser in sponsoring and managing the Fund; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund’s relationship to the other funds advised by Federated Hermes (each, a “Federated Hermes Fund” and, collectively, the “Federated Hermes Funds”), which include a comprehensive array of funds with different investment objectives, policies and strategies, and 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; compliance and audit reports concerning the Federated Hermes Funds and Federated Hermes’ affiliates that service them (including communications from regulatory agencies), as well as Federated Hermes’ responses to any issues raised therein; and relevant developments in the mutual fund industry and how the Federated Hermes Funds and/or Federated Hermes may be responding to them. The Board noted that its evaluation process is evolutionary and that the criteria considered and the emphasis placed on relevant criteria may change in recognition of changing circumstances in the mutual fund marketplace.

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees in determining to approve the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser’s fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by an adviser to a fund and its shareholders (including the performance of the fund, its benchmark,

and comparable funds); (2) an adviser's cost of providing the services (including the profitability to an adviser of providing advisory services to a fund); (3) the extent to which an adviser may realize "economies of scale" as a fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with a fund and its shareholders or the family of funds; (4) any "fall-out" benefits that accrue to an adviser because of its relationship with a fund (including research services received from brokers that execute fund trades and any fees paid to affiliates of an adviser for services rendered to a fund); (5) comparative fee and expense structures (including a comparison of fees paid to an adviser with those paid by similar funds both internally and externally as well as management fees charged to institutional and other advisory clients of the 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 an adviser's services and fees). The Board noted that the Securities and Exchange Commission ("SEC") disclosure requirements regarding the basis for a fund board's approval of the fund's investment advisory contract generally align with the factors listed above. The Board was guided by these factors in its review of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the Federated Hermes Funds.

In addition to considering the above-referenced factors, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contract. In particular, the Board recognized that many shareholders have invested in the Fund 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 in the marketplace there are a range of investment options available to the Fund's shareholders and such shareholders, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

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

Nature, Extent and Quality of Services

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

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted the significant acquisition of Hermes Fund Managers Limited by Federated Hermes in 2018, which has deepened the organization's investment management expertise and capabilities and expanded the investment process for all of the Federated Hermes Funds to have access to analytical resources related to environmental, social and governance ("ESG") factors and issuer engagement on ESG matters.

The Board considered the quality of the Adviser's communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Fund and other Federated Hermes Funds. In this regard, the Board took into account the Adviser's communications with the Board in light of the market volatility amidst the pandemic. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds' officers.

The Board received and evaluated information regarding the Adviser's regulatory and compliance environment. The Board considered the Adviser's compliance program, compliance history, and reports from the CCO about the Adviser's 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, in particular, the compliance-related resources devoted by the Adviser and its affiliates in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including the Adviser's commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' 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 to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the designation of the Federated Hermes Funds' investment advisers as the administrators of the Federated Hermes Funds' liquidity risk management program.

The Board also considered discussions with Federated Hermes regarding the implementation of its business continuity plans and recognized steps taken by Federated Hermes to continue to provide the same nature, extent and quality of services to the Federated Hermes Funds during the pandemic. 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, including changes associated with the pandemic.

Based on these considerations, the Board concluded that the nature, extent and quality of the Adviser's investment management and related services warrant the continuation of the Contract.

Fund Investment Performance

In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks, as disclosed in the Fund's prospectus. The Board also considered detailed investment reports on, and the Adviser's analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports include, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant investment categories and the Fund's benchmark index, portfolio attribution information and commentary on the effect of current and recent market conditions.

The Board also reviewed comparative information regarding the performance of other mutual funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"), noting the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered, in evaluating such comparisons, that 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.

For the one-year, three-year and five-year periods ended December 31, 2020, the Fund's performance was above the median of the Performance Peer Group.

Following such evaluation and full deliberations, the Board concluded that the performance of the Fund supported renewal of the Contract.

Fund Expenses

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the "Expense Peer Group"). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged by other advisers for managing funds with comparable investment programs, the Board noted that it found the use of such comparisons to be relevant to its deliberations. The Board focused on comparisons with other similar mutual funds more heavily than non-mutual fund products or services because such comparisons are believed to be more relevant. The Board considered that other mutual 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 mutual funds' fees and expenses, therefore, appears to be a relevant indicator of what consumers have found to be reasonable in the marketplace in which the Fund competes.

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

The Board also received and considered information about the fees charged by Federated Hermes for providing advisory services to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-mutual fund clients (such as institutional separate accounts) and third-party unaffiliated mutual funds for which the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-mutual 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, addressing different administrative responsibilities, and addressing different degrees of risk associated with management; and (vi) 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 mutual fund business versus managing a discrete pool of assets as a sub-adviser to another institution's mutual 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 mutual 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.

Following such evaluation and full deliberations, the Board concluded that the fees and expenses of the Fund are reasonable and supported renewal of the Contract.

Profitability and Other Benefits

The Board also received financial information about Federated Hermes, including information regarding the compensation and ancillary (or "fall-out") benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. This information covered not only the fees under the Federated Hermes Funds' investment advisory contracts, but also fees received by Federated Hermes' affiliates for providing other services to the Federated Hermes Funds under separate contracts (e.g., for serving as the Federated Hermes Funds' administrator and distributor). In this regard, the Board considered that certain of 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 any indirect benefit that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds. In addition, the Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, the Adviser and its affiliates frequently waived fees and/or reimbursed expenses and have disclosed to Federated Hermes Fund shareholders and/or reported to the Board their intention to do so (or continue to do so) in the future. Moreover, the Board received and considered regular reports from Federated Hermes throughout the year as to the institution, adjustment or elimination of these voluntary waivers and/or reimbursements.

The Board received and considered information furnished by Federated Hermes, as requested by the CCO, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses 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 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. The allocation information, including the CCO's view that cost allocations on a fund-by-fund basis may be unreliable, was considered in the evaluation by the Board. In

addition, the Board considered the CCO's view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contract are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable.

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 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 calculating 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 personnel and processes for the portfolio management (including market data on which portfolio managers make investment decisions), trading operations, issuer engagement (including with respect to ESG matters), shareholder services, compliance, business continuity, internal audit and risk management functions, as well as systems technology (including technology relating to cybersecurity) and use of data. The Board noted that Federated Hermes' investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments (as well as the benefits of any economies of scale, should they exist) are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that the Adviser and its affiliates have frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and that such waivers and 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 also considered reports on adviser-paid fees (commonly referred to as "revenue sharing") that were provided to the Board throughout the year and in connection with the May Meetings. The Board considered the beliefs of Federated Hermes and the CCO that this information should be viewed to determine if there was an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, and should not be viewed to determine the appropriateness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines on this subject, which is compounded by the lack of any common industry practice or general pattern with respect to structuring fund advisory fees with "breakpoints" that serve to reduce the fees as a fund attains a certain size.

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 was reasonable; and (ii) the CCO's recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contract by the CCO. The CCO also recognized that the Board's evaluation of the Federated Hermes Funds' advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative. With respect to the factors that were deemed to be relevant, the Board's determination to approve the continuation of the Contract reflects its view that Federated Hermes' performance and actions provided a satisfactory basis to support the determination to approve the continuation of the existing arrangement.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

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

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

At its meetings in May 2021, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2020 through March 31, 2021 (the “Period”). The Report addressed the operation of the Program and assessed its adequacy and effectiveness, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund and each Federated Hermes Fund’s access to other available funding sources such as the Federated Hermes Funds’ interfund lending facility, redemptions in-kind and committed lines of credit. There were no material changes to the Program during the Period. The Report summarized the operation of the Program and the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that the Fund did not utilize alternative funding sources during the Period;
- the periodic classifications of the Fund’s investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund’s reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund’s investments and the results of an evaluation of the services performed by the vendor in support of this process;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period and the procedures for monitoring this limit; and
- liquidity events during the Period, including the impact on liquidity caused by extended non-U.S. market closures and the March-April 2020 market conditions, and the fact that there were no specific liquidity events during the Period that materially affected the Fund’s liquidity risk.

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

Voting Proxies on Fund Portfolio Securities

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

Quarterly Portfolio Schedule

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

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

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

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

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

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Federated Hermes High Income Bond Fund II
Federated Hermes Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561

Contact us at **FederatedInvestors.com**
or call 1-800-341-7400.

Federated Securities Corp., Distributor

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