

Semi-Annual Shareholder Report

June 30, 2021



Share Class	Primary	Service
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Federated Hermes Managed Volatility Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

We are pleased to present the Semi-Annual Shareholder Report for your fund covering the period from January 1, 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 Tables (unaudited)

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

Portfolio Composition	Percentage of Total Net Assets
Domestic Fixed-Income Securities	42.6%
Domestic Equity Securities	38.3%
International Equity Securities	2.7%
Federated Hermes High Income Bond Fund II, Class P	3.3%
Bank Loan Core Fund	2.2%
Emerging Markets Core Fund	1.7%
Project and Trade Finance Core Fund	1.6%
Federated Hermes Short-Intermediate Government Fund, Institutional Shares ²	0.0%
Cash Equivalents ³	8.3%
Derivative Contracts ⁴	0.7%
Other Assets and Liabilities—Net ⁵	(1.4)%
TOTAL	100%

At June 30, 2021, the Fund's sector composition⁶ of the Fund's equity holdings was as follows:

Sector Composition of Equity Holdings	Percentage of Equity Securities
Health Care	21.0%
Financials	18.7%
Information Technology	12.3%
Industrials	10.9%
Communication Services	8.3%
Consumer Staples	6.4%
Consumer Discretionary	5.5%
Real Estate	4.9%
Energy	4.5%
Utilities	4.2%
Materials	3.3%
TOTAL	100%

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

2 Represents less than 0.1%.

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

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

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

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

Portfolio of Investments

June 30, 2021 (unaudited)

Shares or Principal Amount		Value
	COMMON STOCKS—41.1%	
	Communication Services—3.4%	
1,193	Activision Blizzard, Inc.	\$ 113,860
311	¹ Alphabet, Inc., Class A	759,397
132	¹ Alphabet, Inc., Class C	330,834
3,759	¹ Altice USA, Inc.	128,332
20,660	AT&T, Inc.	594,595
75,000	¹ BBTV Holdings, Inc.	483,422
10,420	Comcast Corp., Class A	594,148
1,527	Electronic Arts, Inc.	219,629
13,045	Interpublic Group of Cos., Inc.	423,832
10,297	Lumen Technologies, Inc.	139,936
77	Nexstar Media Group, Inc., Class A	11,387
28,037	Sirius XM Radio, Inc.	183,362
184	¹ Take-Two Interactive Software, Inc.	32,572
2,062	¹ Twitter, Inc.	141,886
22,257	Verizon Communications, Inc.	1,247,060
20,000	¹ VerticalScope Holdings, Inc.	375,121
8,307	Walt Disney Co.	1,460,121
	TOTAL	7,239,494
	Consumer Discretionary—2.3%	
223	¹ Aptiv PLC	35,085
64	¹ AutoZone, Inc.	95,502
212	¹ Bright Horizons Family Solutions, Inc.	31,187
1,550	Brunswick Corp.	154,411
16	Columbia Sportswear Co.	1,574
1,056	Darden Restaurants, Inc.	154,165
57	¹ Deckers Outdoor Corp.	21,892
3	Domino's Pizza, Inc.	1,399
790	¹ DoorDash, Inc.	140,881
1,706	Foot Locker, Inc.	105,141
37,802	¹ Ford Motor Co.	561,738
1,927	¹ General Motors Co.	114,021
2,530	Genuine Parts Co.	319,969
2,331	¹ Hilton Worldwide Holdings, Inc.	281,165
1,523	L Brands, Inc.	109,747
2,132	¹ LKQ Corp.	104,937
2,458	McDonald's Corp.	567,773
548	¹ Mohawk Industries, Inc.	105,320
273	¹ O'Reilly Automotive, Inc.	154,575
18,700	¹ Pet Valu Holdings Ltd.	403,387
1,754	Polaris, Inc., Class A	240,228
1,952	¹ QuantumScape Corp.	57,116
4,772	¹ Tapestry, Inc.	207,487
864	Target Corp.	208,863
1,557	Toll Brothers, Inc.	90,010
1,765	Travel + Leisure Co.	104,929
12,000	¹ Vasta Platform Ltd.	97,440

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Consumer Discretionary—continued	
2,417	Yum! Brands, Inc.	\$ 278,028
	TOTAL	4,747,970
	Consumer Staples—2.6%	
647	Altria Group, Inc.	30,849
1,450	Casey's General Stores, Inc.	282,228
419	Clorox Co.	75,382
268	Costco Wholesale Corp.	106,040
1,869	¹ Darling Ingredients, Inc.	126,158
1,879	Hershey Foods Corp.	327,284
7,071	Kraft Heinz Co./The	288,355
9,209	Mondelez International, Inc.	575,010
3,469	PepsiCo, Inc.	514,002
2,048	Philip Morris International, Inc.	202,977
11,416	Procter & Gamble Co.	1,540,361
7,746	The Coca-Cola Co.	419,136
3,455	Tyson Foods, Inc., Class A	254,841
5,569	WalMart, Inc.	785,340
	TOTAL	5,527,963
	Energy—1.8%	
10,130	Antero Midstream Corp.	105,251
4,653	APA Corp.	100,644
4,087	Chevron Corp.	428,072
5,642	Cimarex Energy Co.	408,763
3,052	Diamondback Energy, Inc.	286,552
1,538	¹ EQT Corp.	34,236
14,218	Exxon Mobil Corp.	896,872
7,775	Halliburton Co.	179,758
18,363	Kinder Morgan, Inc.	334,758
13,844	Marathon Oil Corp.	188,555
279	Marathon Petroleum Corp.	16,857
6,899	¹ NOV, Inc.	105,693
4,311	Occidental Petroleum Corp.	134,805
3,720	ONEOK, Inc.	206,981
4,016	Schlumberger Ltd.	128,552
5,694	Targa Resources, Inc.	253,098
2,786	Williams Cos., Inc.	73,968
	TOTAL	3,883,415
	Financials—7.7%	
1,378	Affiliated Managers Group	212,501
23,934	AGNC Investment Corp.	404,245
2,276	Allstate Corp.	296,881
2,756	American Express Co.	455,374
1,570	American International Group, Inc.	74,732
896	Ameriprise Financial, Inc.	222,997
16,903	Annaly Capital Management, Inc.	150,099
19,114	Bank of America Corp.	788,070
6,545	Bank of New York Mellon Corp.	335,300
6,330	¹ Berkshire Hathaway, Inc., Class B	1,759,234
396	BlackRock, Inc.	346,488
8,745	¹ Brighthouse Financial, Inc.	398,247

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Financials—continued	
762	Charles Schwab Corp.	\$ 55,481
4,017	Chubb Ltd.	638,462
13,049	Citigroup, Inc.	923,217
1,355	CME Group, Inc.	288,181
13,787	Equitable Holdings, Inc.	419,814
208	FactSet Research Systems	69,807
480	Goldman Sachs Group, Inc.	182,174
1,077	¹ Guild Holdings Co.	16,521
31,995	Huntington Bancshares, Inc.	456,569
729	Intercontinental Exchange, Inc.	86,532
3,068	Janus Henderson Group PLC	119,069
12,241	Jefferies Financial Group, Inc.	418,642
13,773	JPMorgan Chase & Co.	2,142,252
9,659	KeyCorp	199,458
2,246	Lincoln National Corp.	141,139
2,593	Loews Corp.	141,708
5,660	MetLife, Inc.	338,751
4,372	MGIC Investment Corp.	59,459
891	Morgan Stanley	81,696
75	Morningstar, Inc.	19,283
3,800	New Residential Investment Corp.	40,242
1,635	Northern Trust Corp.	189,039
30,000	¹ Oportun Financial Corp.	600,900
2,180	Popular, Inc.	163,609
2,222	Progressive Corp., OH	218,223
3,315	Prudential Financial, Inc.	339,688
22,149	Regions Financial Corp.	446,967
264	Santander Consumer USA Holdings, Inc.	9,589
9,628	SLM Corp.	201,610
4,779	State Street Corp.	393,216
1,705	The Travelers Cos., Inc.	255,256
11,527	Truist Financial Corp.	639,749
2,951	U.S. Bancorp	168,119
1,445	Virtu Financial, Inc.	39,925
7,208	Wells Fargo & Co.	326,450
	TOTAL	16,274,965
	Health Care—8.6%	
4,957	Abbott Laboratories	574,665
1,239	¹ Alexion Pharmaceuticals, Inc.	227,617
1,916	Anthem, Inc.	731,529
1,674	Becton Dickinson & Co.	407,100
580	¹ Biogen, Inc.	200,837
881	¹ Boston Scientific Corp.	37,672
14,116	Bristol-Myers Squibb Co.	943,231
1,535	¹ Centene Corp.	111,948
1,426	Cerner Corp.	111,456
1,331	¹ Certara, Inc.	37,707
13,702	¹ Change Healthcare, Inc.	315,694
619	Chemed Corp.	293,716
1,301	CIGNA Corp.	308,428

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Health Care—continued	
22,500	¹ Codex DNA, Inc.	\$ 495,000
33,333	¹ Convey Holding Parent, Inc.	379,330
15,000	¹ CVRx, Inc.	420,000
2,567	CVS Health Corp.	214,190
2,091	Danaher Corp.	561,141
309	Dentsply Sirona, Inc.	19,547
80,000	¹ Dialogue Health Technologies, Inc.	735,721
10,325	Gilead Sciences, Inc.	710,979
263	Hill-Rom Holdings, Inc.	29,874
3,389	¹ Hologic, Inc.	226,114
4,090	¹ Ionis Pharmaceuticals, Inc.	163,150
789	¹ IQVIA Holdings, Inc.	191,190
10,606	Johnson & Johnson	1,747,232
1,215	¹ Laboratory Corp. of America Holdings	335,158
2,506	McKesson Corp.	479,247
2,034	Medtronic PLC	252,480
9,148	Merck & Co., Inc.	711,440
1,692	¹ Molina Healthcare, Inc.	428,178
11,368	Pfizer, Inc.	445,171
746	¹ PRA Health Sciences, Inc.	123,247
989	¹ Quidel Corp.	126,711
89,446	^{1,2} Recursion Pharmaceuticals, Inc.	2,766,091
152	ResMed, Inc.	37,471
5,453	¹ SAGE Therapeutics, Inc.	309,785
10,000	¹ Singular Genomics Systems, Inc.	274,800
9	STERIS PLC	1,857
28	¹ Tandem Diabetes Care, Inc.	2,727
849	Thermo Fisher Scientific, Inc.	428,295
2,347	UnitedHealth Group, Inc.	939,833
1,638	¹ Vertex Pharmaceuticals, Inc.	330,270
99	¹ Waters Corp.	34,215
	TOTAL	18,222,044
	Industrials—4.5%	
2,779	3M Co.	551,993
2,890	¹ AECOM	182,995
459	AGCO Corp.	59,844
626	¹ Alaska Air Group, Inc.	37,754
55	¹ AMERCO	32,417
509	¹ Boeing Co.	121,936
1,789	Caterpillar, Inc.	389,340
685	¹ Clean Harbors, Inc.	63,801
3,348	CSX Corp.	107,404
1,653	Curtiss Wright Corp.	196,310
5,344	¹ Dun & Bradstreet Holdings, Inc.	114,201
1,330	Eaton Corp. PLC	197,079
453	Emerson Electric Co.	43,597
1,472	FedEx Corp.	439,142
18,618	¹ First Advantage Corp.	370,684
4,183	General Electric Co.	56,303
3,778	Honeywell International, Inc.	828,704

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Industrials—continued	
1,697	¹ Ingersoll-Rand, Inc.	\$ 82,831
2,958	ITT Corp.	270,923
1,338	Jacobs Engineering Group, Inc.	178,516
6,873	Johnson Controls International PLC	471,694
2,483	L3Harris Technologies, Inc.	536,700
1,952	Manpower, Inc.	232,112
378	¹ Mastec, Inc.	40,106
2,360	Norfolk Southern Corp.	626,368
484	Northrop Grumman Corp.	175,900
3,287	OshKosh Truck Corp.	409,692
1,460	Parker-Hannifin Corp.	448,381
2,665	Pentair PLC	179,861
283	Quanta Services, Inc.	25,631
1,357	Raytheon Technologies Corp.	115,766
3,363	Ryder System, Inc.	249,972
683	¹ Stericycle, Inc.	48,869
1,083	Textron, Inc.	74,478
3,520	Toro Co.	386,778
2,555	Trane Technologies PLC	470,478
78	¹ Transdigm Group, Inc.	50,489
605	¹ United Rentals, Inc.	193,001
2,023	Waste Management, Inc.	283,442
742	Xylem, Inc.	89,010
	TOTAL	9,434,502
	Information Technology—5.1%	
1,761	Accenture PLC	519,125
180	¹ C3.AI, Inc.	11,255
4,902	¹ Cirrus Logic, Inc.	417,258
10,736	Cisco Systems, Inc.	569,008
539	Citrix Systems, Inc.	63,209
7,374	Cognizant Technology Solutions Corp.	510,723
4,331	¹ Dell Technologies, Inc.	431,671
2,689	Fidelity National Information Services, Inc.	380,951
3,224	¹ Fiserv, Inc.	344,613
22,979	Hewlett Packard Enterprise Co.	335,034
13,050	HP, Inc.	393,979
48,340	¹ IBEX LTD	943,597
3,765	IBM Corp.	551,911
24,850	¹ Intapp, Inc.	695,800
21,909	Intel Corp.	1,229,971
125,000	¹ LifeSpeak, Inc.	1,008,390
1,498	¹ Lumentum Holdings, Inc.	122,881
570	¹ Manhattan Associates, Inc.	82,559
1,950	McAfee Corp.	54,639
2,127	¹ Micron Technology, Inc.	180,752
4,660	NortonLifeLock, Inc.	126,845
1,620	NXP Semiconductors NV	333,266
3,042	¹ ON Semiconductor Corp.	116,448
4,003	Oracle Corp.	311,594
3,984	¹ Pure Storage, Inc.	77,808

Shares or Principal Amount		Value
	COMMON STOCKS—continued	
	Information Technology—continued	
2,191	¹ Salesforce.com, Inc.	\$ 535,196
495	¹ Snowflake, Inc.	119,691
30,000	¹ Zeta Global Holdings Corp.	252,000
	TOTAL	10,720,174
	Materials—1.4%	
836	Ardagh Group SA	20,499
1,744	Avery Dennison Corp.	366,658
6,408	¹ Axalta Coating Systems Ltd.	195,380
3,717	CF Industries Holdings, Inc.	191,240
630	Corteva, Inc.	27,940
6,815	DuPont de Nemours, Inc.	527,549
1,153	Eagle Materials, Inc.	163,853
7,907	Freeport-McMoRan, Inc.	293,429
5,100	Louisiana-Pacific Corp.	307,479
3,323	Newmont Corp.	210,612
2,372	Olin Corp.	109,729
8,037	WestRock Co.	427,729
	TOTAL	2,842,097
	Real Estate—2.0%	
15,549	¹ CBRE Group, Inc.	1,333,016
1,614	Duke Realty Corp.	76,423
1,711	Extra Space Storage, Inc.	280,296
1,364	First Industrial Realty Trust	71,242
2,799	¹ Howard Hughes Corp.	272,790
181	Iron Mountain, Inc.	7,660
1,609	Jones Lang LaSalle, Inc.	314,495
3,457	Kilroy Realty Corp.	240,745
4,004	Kimco Realty Corp.	83,483
5,420	ProLogis, Inc.	647,853
1,382	Public Storage	415,554
163	SBA Communications, Corp.	51,948
318	Welltower, Inc.	26,426
13,819	Weyerhaeuser Co.	475,650
	TOTAL	4,297,581
	Utilities—1.7%	
16,985	AES Corp.	442,799
3,993	CMS Energy Corp.	235,906
3,617	DTE Energy Co.	468,763
6,694	Duke Energy Corp.	660,832
12,019	MDU Resources Group, Inc.	376,675
12,539	NextEra Energy, Inc.	918,858
3,639	Public Service Enterprises Group, Inc.	217,394
5,586	Southern Co.	338,009
	TOTAL	3,659,236
	TOTAL COMMON STOCKS (IDENTIFIED COST \$64,549,648)	86,849,441
	CORPORATE BONDS—18.8%	
	Basic Industry - Chemicals—0.1%	
\$ 75,000	Albemarle Corp., 4.150%, 12/1/2024	82,155
75,000	Albemarle Corp., Sr. Unsecd. Note, 5.450%, 12/1/2044	95,028

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Basic Industry - Chemicals—continued	
\$ 100,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	\$ 114,872
	TOTAL	292,055
	Basic Industry - Metals & Mining—0.3%	
200,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.875%, 3/17/2031	204,771
56,000	Carpenter Technology Corp., Sr. Unsecd. Note, 4.450%, 3/1/2023	58,548
75,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	75,307
40,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 3.875%, 4/27/2051	41,990
225,000	Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023	238,351
50,000	Worthington Industries, Inc., Sr. Unsecd. Note, 4.300%, 8/1/2032	56,807
25,000	Worthington Industries, Inc., Sr. Unsecd. Note, 4.550%, 4/15/2026	27,988
	TOTAL	703,762
	Capital Goods - Aerospace & Defense—0.7%	
250,000	Airbus Group SE, Sr. Unsecd. Note, 144A, 3.150%, 4/10/2027	268,972
100,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	103,459
185,000	Boeing Co., Sr. Unsecd. Note, 2.950%, 2/1/2030	189,619
75,000	Boeing Co., Sr. Unsecd. Note, 3.625%, 2/1/2031	80,745
40,000	Boeing Co., Sr. Unsecd. Note, 3.950%, 8/1/2059	41,965
75,000	Boeing Co., Sr. Unsecd. Note, 4.508%, 5/1/2023	79,981
75,000	Boeing Co., Sr. Unsecd. Note, 4.875%, 5/1/2025	84,074
60,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	65,642
40,000	Leidos, Inc., Sr. Unsecd. Note, 144A, 3.625%, 5/15/2025	43,668
150,000	Leidos, Inc., Sr. Unsecd. Note, 144A, 4.375%, 5/15/2030	170,580
200,000	Textron, Inc., Sr. Unsecd. Note, 3.650%, 3/15/2027	221,831
	TOTAL	1,350,536
	Capital Goods - Building Materials—0.3%	
20,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	21,767
35,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	37,252
165,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.550%, 10/1/2027	179,690
85,000	Carrier Global Corp., Sr. Unsecd. Note, 2.700%, 2/15/2031	87,660
40,000	Carrier Global Corp., Sr. Unsecd. Note, 2.722%, 2/15/2030	41,505
125,000	Carrier Global Corp., Sr. Unsecd. Note, 3.577%, 4/5/2050	132,859
100,000	Masco Corp., Sr. Unsecd. Note, 4.500%, 5/15/2047	121,982
	TOTAL	622,715
	Capital Goods - Construction Machinery—0.2%	
270,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	299,539
150,000	John Deere Capital Corp., Sr. Unsecd. Note, Series MTN, 3.450%, 3/7/2029	168,775
	TOTAL	468,314
	Capital Goods - Diversified Manufacturing—0.4%	
35,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	35,665
35,000	Honeywell International, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2050	36,062
250,000	Lennox International, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2023	262,242
165,000	Valmont Industries, Inc., 5.250%, 10/1/2054	205,322
55,000	Valmont Industries, Inc., Sr. Unsecd. Note, 5.000%, 10/1/2044	66,823
40,000	Wabtec Corp., Sr. Unsecd. Note, 3.200%, 6/15/2025	42,572
70,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	70,594
	TOTAL	719,280
	Capital Goods - Packaging—0.1%	
200,000	Packaging Corp., of America, Sr. Unsecd. Note, 3.650%, 9/15/2024	216,245
	Communications - Cable & Satellite—0.4%	
100,000	CCO Safari II LLC, 6.484%, 10/23/2045	137,952

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Communications - Cable & Satellite—continued	
\$ 50,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 2.800%, 4/1/2031	\$ 51,174
50,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 3.850%, 4/1/2061	49,196
85,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Term Loan - 1st Lien, 3.900%, 6/1/2052	86,797
225,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	247,534
75,000	Comcast Corp., Sr. Unsecd. Note, 3.400%, 4/1/2030	82,862
100,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	112,110
100,000	Time Warner Cable, Inc., Company Guarantee, 5.500%, 9/1/2041	124,125
	TOTAL	891,750
	Communications - Media & Entertainment—0.6%	
115,000	Alphabet, Inc., Sr. Unsecd. Note, 1.900%, 8/15/2040	104,800
200,000	British Sky Broadcasting Group PLC, 144A, 3.750%, 9/16/2024	218,703
60,000	Fox Corp., Sr. Unsecd. Note, Series WI, 5.576%, 1/25/2049	81,207
200,000	Grupo Televisa S.A., Sr. Unsecd. Note, 5.000%, 5/13/2045	239,447
70,000	Interpublic Group of Cos., Inc., Sr. Unsecd. Note, 2.400%, 3/1/2031	70,328
165,000	Interpublic Group of Cos., Inc., Sr. Unsecd. Note, 3.375%, 3/1/2041	171,469
85,000	Omnicom Group, Inc., Sr. Unsecd. Note, 2.450%, 4/30/2030	86,495
35,000	Omnicom Group, Inc., Sr. Unsecd. Note, 3.600%, 4/15/2026	38,695
75,000	ViacomCBS, Inc., Sr. Unsecd. Note, 4.200%, 6/1/2029	86,685
125,000	ViacomCBS, Inc., Sr. Unsecd. Note, 4.950%, 1/15/2031	150,817
40,000	Walt Disney Co., Sr. Unsecd. Note, 3.600%, 1/13/2051	45,460
45,000	Walt Disney Co., Sr. Unsecd. Note, 3.800%, 5/13/2060	53,186
	TOTAL	1,347,292
	Communications - Telecom Wireless—0.5%	
200,000	America Movil S.A.B. de C.V., Sr. Unsecd. Note, 2.875%, 5/7/2030	211,605
85,000	American Tower Corp., 2.950%, 1/15/2051	81,394
100,000	American Tower Corp., Sr. Unsecd. Note, 5.000%, 2/15/2024	110,946
150,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.250%, 1/15/2051	149,620
40,000	T-Mobile USA, Inc., Sec. Fac. Bond, 4.500%, 4/15/2050	47,679
125,000	T-Mobile USA, Inc., Sr. Sub. Note, 3.000%, 2/15/2041	123,771
125,000	T-Mobile USA, Inc., Sec. Fac. Bond, 3.875%, 4/15/2030	140,156
75,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	83,780
100,000	Vodafone Group PLC, Sr. Unsecd. Note, 5.250%, 5/30/2048	132,007
	TOTAL	1,080,958
	Communications - Telecom Wirelines—0.8%	
100,000	AT&T, Inc., Sr. Unsecd. Note, 1.700%, 3/25/2026	101,075
125,000	AT&T, Inc., Sr. Unsecd. Note, 3.500%, 6/1/2041	130,077
125,000	AT&T, Inc., Sr. Unsecd. Note, 3.650%, 6/1/2051	130,101
303,000	AT&T, Inc., Sr. Unsecd. Note, 144A, 3.800%, 12/1/2057	316,265
250,000	Deutsche Telekom International Finance BV, Sr. Unsecd. Note, 144A, 3.600%, 1/19/2027	275,262
200,000	Telefonica Emisiones SAU, Sr. Unsecd. Note, 5.213%, 3/8/2047	250,164
230,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.400%, 3/22/2041	243,602
100,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.125%, 8/15/2046	118,293
159,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.672%, 3/15/2055	205,018
	TOTAL	1,769,857
	Consumer Cyclical - Automotive—0.6%	
100,000	American Honda Finance Corp., Sr. Unsecd. Note, Series MTN, 0.875%, 7/7/2023	100,950
150,000	Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.350%, 2/22/2023	156,918
150,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	177,675
75,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 1.500%, 6/10/2026	74,599

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Automotive—continued	
\$ 125,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	\$ 126,983
125,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.000%, 10/6/2026	138,094
245,000	Toyota Motor Credit Corp., Sr. Unsecd. Note, Series GMTN, 2.700%, 1/11/2023	253,986
250,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 1.250%, 11/24/2025	248,677
	TOTAL	1,277,882
	Consumer Cyclical - Retailers—0.7%	
95,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, 1.750%, 10/1/2027	94,384
125,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	139,668
200,000	Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 3.800%, 1/25/2050	215,125
70,000	AutoNation, Inc., Sr. Unsecd. Note, 4.750%, 6/1/2030	82,882
15,000	AutoZone, Inc., Sr. Unsecd. Note, 3.625%, 4/15/2025	16,428
90,000	AutoZone, Inc., Sr. Unsecd. Note, 4.000%, 4/15/2030	102,450
200,000	CVS Health Corp., Sr. Unsecd. Note, 4.250%, 4/1/2050	237,556
60,000	CVS Health Corp., Sr. Unsecd. Note, 4.300%, 3/25/2028	68,984
200,000	Dollar Tree, Inc., Sr. Unsecd. Note, 3.700%, 5/15/2023	211,415
40,000	Home Depot, Inc., Sr. Unsecd. Note, 2.950%, 6/15/2029	43,725
200,000	Home Depot, Inc., Sr. Unsecd. Note, 3.300%, 4/15/2040	219,521
65,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 1.750%, 3/15/2031	62,459
40,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2030	46,125
	TOTAL	1,540,722
	Consumer Cyclical - Services—0.3%	
125,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.875%, 8/22/2037	149,309
75,000	Booking Holdings, Inc., Sr. Unsecd. Note, 4.625%, 4/13/2030	89,627
100,000	Expedia Group, Inc., Sr. Unsecd. Note, 144A, 6.250%, 5/1/2025	116,404
125,000	Expedia Group, Inc., Sr. Unsecd. Note, Series WI, 2.950%, 3/15/2031	126,925
125,000	IHS Markit Ltd., Sr. Unsecd. Note, 4.750%, 8/1/2028	147,838
	TOTAL	630,103
	Consumer Non-Cyclical - Food/Beverage—0.9%	
40,000	Anheuser-Busch InBev Finance, Inc., 4.900%, 2/1/2046	49,741
300,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.500%, 6/1/2050	365,713
85,000	Conagra Brands, Inc., Sr. Unsecd. Note, 1.375%, 11/1/2027	83,000
150,000	Constellation Brands, Inc., Sr. Unsecd. Note, 3.750%, 5/1/2050	166,448
40,000	Flowers Foods, Inc., Sr. Unsecd. Note, 2.400%, 3/15/2031	40,111
175,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	190,712
200,000	Grupo Bimbo S.A.B. de CV, 144A, 4.875%, 6/27/2044	240,090
220,000	International Flavors & Fragrances, Inc., Sr. Unsecd. Note, 144A, 2.300%, 11/1/2030	219,032
175,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 4.375%, 6/1/2046	198,631
70,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 3.000%, 10/15/2030	70,663
150,000	Sysco Corp., Sr. Unsecd. Note, 4.450%, 3/15/2048	179,629
	TOTAL	1,803,770
	Consumer Non-Cyclical - Health Care—0.3%	
110,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.794%, 5/20/2050	123,540
29,000	Becton Dickinson & Co., Sr. Unsecd. Note, 4.685%, 12/15/2044	36,151
115,000	Danaher Corp., Sr. Unsecd. Note, 2.600%, 10/1/2050	110,205
135,000	Dentsply Sirona, Inc., Sr. Unsecd. Note, 3.250%, 6/1/2030	144,547
40,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	41,886
80,000	PerkinElmer, Inc., Sr. Unsecd. Note, 2.550%, 3/15/2031	82,142
100,000	PerkinElmer, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2029	108,389
10,000	Stryker Corp., Sr. Unsecd. Note, 3.500%, 3/15/2026	11,046
	TOTAL	657,906

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Pharmaceuticals—0.6%	
\$ 83,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	\$ 93,780
75,000	Astrazeneca Finance LLC, Sr. Unsecd. Note, 2.250%, 5/28/2031	76,241
65,000	AstraZeneca PLC, Sr. Unsecd. Note, 2.375%, 6/12/2022	66,244
200,000	Bayer US Finance LLC, Sr. Unsecd. Note, 144A, 3.375%, 10/8/2024	214,972
120,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	120,426
125,000	Biogen, Inc., Sr. Unsecd. Note, 3.150%, 5/1/2050	123,029
40,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 4.250%, 10/26/2049	50,609
91,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 2.800%, 9/15/2050	83,043
125,000	Royalty Pharma PLC, Sr. Unsecd. Note, 144A, 3.550%, 9/2/2050	124,641
200,000	Zoetis, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2050	207,025
	TOTAL	1,160,010
	Consumer Non-Cyclical - Tobacco—0.3%	
150,000	Altria Group, Inc., Sr. Unsecd. Note, 5.950%, 2/14/2049	192,278
125,000	Bat Capital Corp., Sr. Unsecd. Note, Series WI, 4.540%, 8/15/2047	133,175
115,000	Philip Morris International, Inc., Sr. Unsecd. Note, 2.100%, 5/1/2030	114,624
105,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	138,364
	TOTAL	578,441
	Energy - Independent—0.3%	
130,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 3/15/2029	147,932
135,000	Hess Corp., Sr. Unsecd. Note, 5.600%, 2/15/2041	168,750
150,000	Marathon Oil Corp., Sr. Unsecd. Note, 4.400%, 7/15/2027	170,062
125,000	Pioneer Natural Resources, Inc., Sr. Unsecd. Note, 2.150%, 1/15/2031	122,661
	TOTAL	609,405
	Energy - Integrated—0.3%	
115,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 1.749%, 8/10/2030	112,349
85,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 2.520%, 9/19/2022	87,101
35,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.119%, 5/4/2026	37,987
105,000	Chevron Corp., Sr. Unsecd. Note, 3.078%, 5/11/2050	108,854
100,000	Husky Energy, Inc., 4.000%, 4/15/2024	107,099
200,000	Suncor Energy, Inc., Sr. Unsecd. Note, 3.750%, 3/4/2051	216,742
	TOTAL	670,132
	Energy - Midstream—0.7%	
155,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.400%, 2/15/2031	164,667
40,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	46,090
35,000	Eastern Energy Gas Holdings, Sr. Unsecd. Note, Series B, 3.000%, 11/15/2029	36,760
115,000	Eastern Energy Gas Holdings, Sr. Unsecd. Note, Series C, 3.900%, 11/15/2049	124,545
70,000	Energy Transfer Operating, Sr. Unsecd. Note, 5.000%, 5/15/2050	81,064
15,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	16,325
160,000	Energy Transfer Partners LP, Sr. Unsecd. Note, Series 10Y, 4.950%, 6/15/2028	185,221
200,000	Enterprise Products Operating LLC, Sr. Unsecd. Note, 3.700%, 1/31/2051	214,968
75,000	Kinder Morgan Energy Partners LP, Sr. Unsecd. Note, 6.375%, 3/1/2041	104,171
75,000	Kinder Morgan, Inc., 5.050%, 2/15/2046	91,396
115,000	ONEOK, Inc., Sr. Unsecd. Note, 4.950%, 7/13/2047	135,300
165,000	Williams Partners LP, Sr. Unsecd. Note, 4.900%, 1/15/2045	199,907
	TOTAL	1,400,414
	Energy - Refining—0.2%	
75,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.750%, 9/15/2044	89,021
75,000	Phillips 66, Sr. Unsecd. Note, 4.875%, 11/15/2044	93,399
180,000	Valero Energy Corp., Sr. Unsecd. Note, 2.150%, 9/15/2027	183,061
	TOTAL	365,481

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—2.6%	
\$ 140,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	\$ 152,436
150,000	Bank of America Corp., Sr. Unsecd. Note, 2.687%, 4/22/2032	154,420
450,000	Bank of America Corp., Sr. Unsecd. Note, 3.419%, 12/20/2028	490,427
100,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 1.922%, 10/24/2031	97,556
100,000	Bank of America Corp., Sub. Note, Series MTN, 4.000%, 1/22/2025	109,794
200,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.200%, 8/16/2023	207,213
180,000	Citigroup, Inc., Sr. Unsecd. Note, 3.352%, 4/24/2025	191,897
170,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	185,712
275,000	Citigroup, Inc., Sr. Unsecd. Note, 3.668%, 7/24/2028	303,574
250,000	Citizens Bank N.A., Sr. Unsecd. Note, Series BKNT, 3.750%, 2/18/2026	276,907
40,000	FNB Corp., (PA), Sr. Unsecd. Note, 2.200%, 2/24/2023	40,648
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	486,038
475,000	HSBC Holdings PLC, Sr. Unsecd. Note, 3.900%, 5/25/2026	528,663
120,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.953% (Secured Overnight Financing Rate 1.065%), 2/4/2032	116,635
75,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.580%, 4/22/2032	77,027
600,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.509%, 1/23/2029	661,796
325,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.772%, 1/24/2029	365,003
40,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.794%, 2/13/2032	38,469
125,000	Morgan Stanley, Sr. Unsecd. Note, Series MTN, 1.928% (Secured Overnight Financing Rate 1.020%), 4/28/2032	121,624
250,000	Synovus Bank GA, Sr. Unsecd. Note, 2.289%, 2/10/2023	251,979
75,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 3.750%, 12/6/2023	80,707
135,000	Wells Fargo & Co., Sr. Unsecd. Note, 2.188%, 4/30/2026	140,213
450,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	496,075
	TOTAL	5,574,813
	Financial Institution - Broker/Asset Mgr/Exchange—0.2%	
140,000	Jefferies Group LLC, Sr. Unsecd. Note, 2.750%, 10/15/2032	140,857
150,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	179,619
125,000	Stifel Financial Corp., Sr. Unsecd. Note, 4.000%, 5/15/2030	138,850
	TOTAL	459,326
	Financial Institution - Finance Companies—0.1%	
200,000	GE Capital International Funding, Inc., Sr. Unsecd. Note, 4.418%, 11/15/2035	240,048
	Financial Institution - Insurance - Life—0.6%	
200,000	AIA Group Ltd., Sr. Unsecd. Note, 144A, 3.600%, 4/9/2029	221,806
275,000	American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024	299,625
150,000	Lincoln National Corp., Sr. Unsecd. Note, 3.625%, 12/12/2026	166,319
100,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 4.900%, 4/1/2077	130,219
100,000	MetLife, Inc., Sr. Unsecd. Note, 4.050%, 3/1/2045	119,782
70,000	Pacific Life Insurance Co., Sub. Note, 144A, 4.300%, 10/24/2067	80,515
150,000	Prudential Financial, Inc., Sr. Unsecd. Note, Series MTN, 4.600%, 5/15/2044	192,518
	TOTAL	1,210,784
	Financial Institution - Insurance - P&C—0.4%	
30,000	Chubb INA Holdings, Inc., 3.350%, 5/3/2026	32,963
100,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 1.375%, 9/15/2030	95,193
90,000	Hartford Financial Services Group, Inc., Sr. Unsecd. Note, 3.600%, 8/19/2049	98,948
115,000	Liberty Mutual Group, Inc., Sr. Unsecd. Note, 144A, 3.951%, 10/15/2050	128,479
200,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	348,751
90,000	Travelers Cos., Inc., Sr. Unsecd. Note, 2.550%, 4/27/2050	87,115
	TOTAL	791,449
	Financial Institution - REIT - Apartment—0.4%	
250,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	274,482

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - REIT - Apartment—continued	
\$ 95,000	Camden Property Trust, Sr. Unsecd. Note, 2.800%, 5/15/2030	\$ 100,835
250,000	Mid-America Apartment Communities LP, 4.000%, 11/15/2025	277,887
200,000	UDR, Inc., Sr. Unsecd. Note, Series GMTN, 3.500%, 1/15/2028	218,777
	TOTAL	871,981
	Financial Institution - REIT - Healthcare—0.3%	
150,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	145,110
200,000	Physicians Realty Trust, Sr. Unsecd. Note, 3.950%, 1/15/2028	219,849
100,000	Welltower, Inc., Sr. Unsecd. Note, 2.800%, 6/1/2031	103,431
150,000	Welltower, Inc., Sr. Unsecd. Note, 4.250%, 4/1/2026	169,378
	TOTAL	637,768
	Financial Institution - REIT - Office—0.4%	
130,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 1.875%, 2/1/2033	123,119
625,000	Boston Properties LP, Sr. Unsecd. Note, 3.650%, 2/1/2026	689,357
	TOTAL	812,476
	Financial Institution - REIT - Other—0.1%	
50,000	WP Carey, Inc., Sr. Unsecd. Note, 2.400%, 2/1/2031	49,837
120,000	WP Carey, Inc., Sr. Unsecd. Note, 3.850%, 7/15/2029	133,011
100,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	109,282
	TOTAL	292,130
	Financial Institution - REIT - Retail—0.1%	
250,000	Regency Centers LP, Sr. Unsecd. Note, 4.125%, 3/15/2028	281,139
	Technology—1.2%	
150,000	Apple, Inc., Sr. Unsecd. Note, 2.375%, 2/8/2041	145,714
118,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	132,862
100,000	Broadcom, Inc., Sr. Unsecd. Note, 4.150%, 11/15/2030	112,252
75,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.419%, 4/15/2033	78,849
60,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.750%, 2/15/2051	62,733
175,000	Dell International LLC / EMC Corp., 5.850%, 7/15/2025	205,469
100,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	105,344
200,000	Experian Finance PLC., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2029	227,157
185,000	Fiserv, Inc., Sr. Unsecd. Note, 3.500%, 7/1/2029	203,746
80,000	Fiserv, Inc., Sr. Unsecd. Note, 3.800%, 10/1/2023	85,653
120,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 3.000%, 10/30/2029	126,989
100,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	116,208
200,000	Micron Technology, Inc., Sr. Unsecd. Note, 4.975%, 2/6/2026	230,092
200,000	Microsoft Corp., Sr. Unsecd. Note, 3.125%, 11/3/2025	218,315
200,000	Oracle Corp., Sr. Unsecd. Note, 3.600%, 4/1/2050	205,704
100,000	Oracle Corp., Sr. Unsecd. Note, 3.650%, 3/25/2041	106,202
100,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	113,560
25,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 5.500%, 6/15/2045	33,681
85,000	Vontier Corp., Sr. Unsecd. Note, 144A, 1.800%, 4/1/2026	84,635
	TOTAL	2,595,165
	Technology Services—0.1%	
100,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	99,133
60,000	Global Payments, Inc., Sr. Unsecd. Note, 1.200%, 3/1/2026	59,475
45,000	Global Payments, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2030	46,943
80,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	81,375
	TOTAL	286,926
	Transportation - Airlines—0.2%	
40,000	Southwest Airlines Co., Sr. Unsecd. Note, 4.750%, 5/4/2023	42,923

Shares or Principal Amount		Value
	CORPORATE BONDS—continued	
	Transportation - Airlines—continued	
\$ 100,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.125%, 6/15/2027	\$ 117,713
130,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.250%, 5/4/2025	148,405
	TOTAL	309,041
	Transportation - Railroads—0.2%	
75,000	Burlington Northern Santa Fe Corp., Sr. Unsecd. Note, 3.000%, 4/1/2025	80,843
210,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.500%, 5/1/2050	221,951
100,000	Union Pacific Corp., Sr. Unsecd. Note, 2.400%, 2/5/2030	103,450
	TOTAL	406,244
	Transportation - Services—0.4%	
65,000	FedEx Corp., Sr. Unsecd. Note, 3.250%, 5/15/2041	66,932
100,000	FedEx Corp., Sr. Unsecd. Note, 4.050%, 2/15/2048	115,061
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, 144A, 1.650%, 7/15/2026	79,697
80,000	GXO Logistics, Inc., Sr. Unsecd. Note, 144A, 2.650%, 7/15/2031	79,458
200,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 2.700%, 3/14/2023	206,588
200,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.400%, 3/1/2023	209,059
	TOTAL	756,795
	Utility - Electric—1.5%	
165,000	Ameren Corp., Sr. Unsecd. Note, 1.750%, 3/15/2028	163,427
100,000	Berkshire Hathaway Energy Co., Sr. Unsecd. Note, 3.750%, 11/15/2023	106,897
100,000	Black Hills Corp., Sr. Unsecd. Note, 2.500%, 6/15/2030	101,962
65,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	68,961
200,000	Duke Energy Corp., Sr. Unsecd. Note, 2.650%, 9/1/2026	211,278
125,000	Duke Energy Corp., Sr. Unsecd. Note, 3.750%, 9/1/2046	133,916
125,000	Emera US Finance LP, Sr. Unsecd. Note, 3.550%, 6/15/2026	136,678
125,000	Emera US Finance LP, Sr. Unsecd. Note, 4.750%, 6/15/2046	148,716
200,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 4.625%, 9/14/2025	226,928
100,000	Enel Finance International SA, Company Guarantee, 144A, 6.000%, 10/7/2039	140,305
175,000	EverSource Energy, Sr. Unsecd. Note, Series N, 3.800%, 12/1/2023	187,928
100,000	Exelon Corp., Sr. Unsecd. Note, 4.700%, 4/15/2050	126,602
100,000	FirstEnergy Transmission LLC, Sr. Unsecd. Note, 144A, 4.550%, 4/1/2049	117,685
93,000	Fortis, Inc. / Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	99,858
190,000	Kansas City Power and Light Co., Sr. Unsecd. Note, 4.200%, 3/15/2048	229,877
50,000	National Rural Utilities Cooperative Finance Corp., Sr. Sub. Note, 5.250%, 4/20/2046	54,220
200,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 2.250%, 6/1/2030	201,729
65,000	NiSource Finance Corp., Sr. Unsecd. Note, 4.375%, 5/15/2047	78,040
300,000	PPL Capital Funding, Inc., Sr. Unsecd. Note, 3.100%, 5/15/2026	322,940
125,000	Puget Energy, Inc., Sec. Fac. Bond, 144A, 2.379%, 6/15/2028	126,476
225,000	Southern Co., Jr. Sub. Note, Series B, 4.000%, 1/15/2051	238,500
	TOTAL	3,222,923
	Utility - Natural Gas—0.4%	
225,000	Enbridge Energy Partners LP, Sr. Unsecd. Note, 5.500%, 9/15/2040	290,658
40,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	40,308
145,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	167,955
120,000	Southern Natural Gas, Sr. Unsecd. Note, 144A, 4.800%, 3/15/2047	148,692
190,000	TransCanada PipeLines Ltd., Sr. Secd. Note, 5.100%, 3/15/2049	249,781
	TOTAL	897,394
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$36,500,287)	39,803,432

Shares or Principal Amount		Value
	U.S. TREASURIES—13.8%	
	Treasury Inflation-Indexed Note—1.6%	
\$ 931,506	U.S. Treasury Inflation-Protected Note, 0.125%, 4/15/2026	\$ 1,013,592
1,128,160	U.S. Treasury Inflation-Protected Note, 0.125%, 1/15/2031	1,241,325
1,038,450	U.S. Treasury Inflation-Protected Note, 0.250%, 2/15/2050	1,170,162
11,268	U.S. Treasury Inflation-Protected Note, 1.000%, 2/15/2046	14,653
	TOTAL	3,439,732
	U.S. Treasury Bond—1.5%	
150,000	United States Treasury Bond, 1.375%, 11/15/2040	134,556
760,000	United States Treasury Bond, 1.625%, 11/15/2050	680,762
20,000	United States Treasury Bond, 2.750%, 11/15/2047	22,712
1,000	United States Treasury Bond, 3.000%, 11/15/2044	1,175
900,000	United States Treasury Bond, 3.000%, 2/15/2049	1,075,018
1,100,000	United States Treasury Bond, 3.125%, 5/15/2048	1,338,660
	TOTAL	3,252,883
	U.S. Treasury Note—10.7%	
1,350,000	United States Treasury Note, 0.125%, 11/30/2022	1,349,299
2,000,000	United States Treasury Note, 0.125%, 4/30/2023	1,996,413
1,000,000	United States Treasury Note, 0.125%, 6/30/2023	997,539
4,000,000	United States Treasury Note, 0.250%, 5/15/2024	3,978,125
5,700,000	United States Treasury Note, 0.500%, 3/15/2023	5,728,885
900,000	United States Treasury Note, 0.625%, 8/15/2030	838,313
400,000	United States Treasury Note, 0.875%, 11/15/2030	380,291
2,500,000	United States Treasury Note, 1.500%, 9/15/2022	2,541,314
900,000	United States Treasury Note, 1.750%, 12/31/2024	936,395
2,400,000	United States Treasury Note, 1.750%, 11/15/2029	2,476,555
900,000	United States Treasury Note, 2.125%, 11/30/2024	947,892
50,000	United States Treasury Note, 2.250%, 11/15/2027	53,474
40,000	United States Treasury Note, 2.875%, 5/31/2025	43,422
300,000	United States Treasury Note, 2.875%, 5/15/2028	333,222
	TOTAL	22,601,139
	TOTAL U.S. TREASURIES (IDENTIFIED COST \$28,810,003)	29,293,754
	COMMERCIAL MORTGAGE-BACKED SECURITIES—0.6%	
	Agency Commercial Mortgage-Backed Securities—0.3%	
233,159	FHLMC REMIC, Series K105, Class A1, 1.536%, 3/25/2053	234,936
290,000	FREMF Mortgage Trust 2015-K49 REMIC, Class B, 3.848%, 10/25/2048	314,738
	TOTAL	549,674
	Commercial Mortgage—0.3%	
85,000	Bank, Class A4, 3.488%, 11/15/2050	94,267
200,000	Benchmark Mortgage Trust 2020-B19, Class A5, 1.850%, 9/15/2053	197,738
50,000	Commercial Mortgage Trust 2015-DC1, Class AM, 3.724%, 2/10/2048	53,463
200,000	Fontainebleau Miami Beach Trust, Class B, 3.447%, 12/10/2036	210,313
100,000	JPMDB Commercial Mortgage Securities Trust 2016-C4, Class A3, 3.141%, 12/15/2049	108,354
	TOTAL	664,135
	TOTAL COMMERCIAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$1,166,960)	1,213,809
	FOREIGN GOVERNMENTS/AGENCIES—0.3%	
	Sovereign—0.3%	
200,000	Colombia, Government of, Sr. Unsecd. Note, 4.500%, 3/15/2029	217,980
200,000	Mexico, Government of, 3.750%, 1/11/2028	217,738

Shares or Principal Amount		Value
	FOREIGN GOVERNMENTS/AGENCIES—continued	
	Sovereign—continued	
\$ 100,000	Poland, Government of, 4.000%, 1/22/2024	\$ 108,836
	TOTAL FOREIGN GOVERNMENTS/AGENCIES (IDENTIFIED COST \$513,250)	544,554
	MORTGAGE-BACKED SECURITIES—0.0%	
	Government National Mortgage Association—0.0%	
4,838	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	5,503
2,889	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	3,326
8,250	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	9,482
9,467	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	10,933
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$25,427)	29,244
	ADJUSTABLE RATE MORTGAGE—0.0%	
	Federal National Mortgage Association—0.0%	
2,363	³ Federal National Mortgage Association ARM, 2.323%, 9/1/2037 (IDENTIFIED COST \$2,380)	2,495
	INVESTMENT COMPANIES—18.6%	
470,084	Bank Loan Core Fund	4,555,117
358,432	Emerging Markets Core Fund	3,681,097
1,088,958	Federated Hermes High Income Bond Fund II, Class P	6,882,216
1,055	Federated Hermes Short-Intermediate Government Fund, Institutional Shares	11,759
2,109,946	Mortgage Core Fund	20,867,364
381,209	Project and Trade Finance Core Fund	3,381,320
	TOTAL INVESTMENT COMPANIES (IDENTIFIED COST \$36,445,822)	39,378,873
	REPURCHASE AGREEMENT—5.6%	
\$11,854,000	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 \$11,854,000)	11,854,000
	TOTAL INVESTMENT IN SECURITIES—98.8% (IDENTIFIED COST \$179,867,777) ⁴	208,969,602
	OTHER ASSETS AND LIABILITIES - NET—1.2% ⁵	2,577,723
	TOTAL NET ASSETS—100%	\$211,547,325

At June 30, 2021, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation (Depreciation)
Long Futures:				
¹ S&P 500 E-Mini Long Futures	426	\$91,347,180	September 2021	\$1,693,201
¹ United States Treasury Notes 2-Year Long Futures	35	\$ 7,711,211	September 2021	\$ (10,973)
¹ United States Treasury Notes 5-Year Long Futures	33	\$ 4,073,180	September 2021	\$ (7,035)
Short Futures:				
¹ United States Treasury Notes 10-Year Short Futures	262	\$34,715,000	September 2021	\$ (150,528)
¹ United States Treasury Notes 10-Year Ultra Short Futures	12	\$ 1,766,437	September 2021	\$ (29,441)
¹ United States Treasury Ultra Bond Short Futures	9	\$ 1,734,188	September 2021	\$ (9,927)
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$1,485,297

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

An affiliated company is a company in which the Fund, alone or in combination with other funds, has ownership of at least 5% of the voting shares. Transactions with affiliated companies during the period ended June 30, 2021, were as follows:

	Value as of 12/31/2020	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation/ Depreciation	Net Realized Gain/ (Loss)	Value as of 6/30/2021	Shares Held as of 6/30/2021	Dividend Income
Affiliated Issuers no longer in the portfolio at period end	\$440,720	\$119,835	\$(375,176)	\$(188,150)	\$2,771	\$—	—	\$—
TOTAL OF AFFILIATED COMPANIES TRANSACTIONS	\$440,720	\$119,835	\$(375,176)	\$(188,150)	\$2,771	\$—	—	\$—

Affiliated fund holdings are investment companies which are managed by Federated Global Investment Management Corp., Federated Investment Management Company and Federated Equity Management Company of Pennsylvania (collectively, the “Co-Advisers”) or an affiliate of the Co-Advisers. Transactions with affiliated fund holdings during the period ended June 30, 2021, were as follows:

Affiliates	Value as of 12/31/2020	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation/ Depreciation	Net Realized Gain/ (Loss)	Value as of 6/30/2021	Shares Held as of 6/30/2021	Dividend Income
Bank Loan Core Fund	\$ 10,204,299	\$3,229,603	\$ (9,000,000)	\$ 305,086	\$ (183,871)	\$ 4,555,117	470,084	\$ 229,587
Emerging Markets Core Fund	\$ 13,049,717	\$ 351,231	\$ (9,500,000)	\$ (688,537)	\$ 468,686	\$ 3,681,097	358,432	\$ 351,172
Federated Hermes High Income Bond Fund II, Class P	\$ 22,114,880	\$1,094,705	\$(16,000,000)	\$ (709,983)	\$ 382,614	\$ 6,882,216	1,088,958	\$1,094,704
Federated Hermes Short-Intermediate Government Fund, Institutional Shares	\$ 11,925	\$ 55	\$ —	\$ (221)	\$ —	\$ 11,759	1,055	\$ 56
Mortgage Core Fund	\$ 74,360,167	\$ 865,562	\$(53,000,000)	\$(2,845,663)	\$1,487,298	\$20,867,364	2,109,946	\$ 865,533
Project and Trade Finance Core Fund	\$ 10,223,086	\$ 111,626	\$ (7,000,000)	\$ 204,443	\$ (157,835)	\$ 3,381,320	381,209	\$ 111,622
TOTAL OF AFFILIATED TRANSACTIONS	\$129,964,074	\$5,652,782	\$(94,500,000)	\$(3,734,875)	\$1,996,892	\$39,378,873	4,409,684	\$2,652,674

1 Non-income-producing security.

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

3 Floating/adjustable note with current rate and current maturity or next reset date shown. Adjustable rate mortgage security coupons are based on the weighted average note rates of the underlying mortgages less the guarantee and servicing fees. These securities do not indicate an index and spread in their description above.

4 The cost of investments for federal tax purposes amounts to \$179,857,787.

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

Note: The categories of investments are shown as a percentage of total net assets at 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
Equity Securities:				
Common Stocks				
Domestic	\$ 78,317,329	\$ —	\$2,766,091	\$ 81,083,420
International	5,766,021	—	—	5,766,021
Debt Securities:				
Corporate Bonds	—	39,803,432	—	39,803,432
U.S. Treasuries	—	29,293,754	—	29,293,754
Commercial Mortgage-Backed Securities	—	1,213,809	—	1,213,809
Foreign Governments/Agencies	—	544,554	—	544,554
Mortgage-Backed Securities	—	29,244	—	29,244
Adjustable Rate Mortgage	—	2,495	—	2,495
Investment Companies ¹	35,997,553	—	—	39,378,873
Repurchase Agreement	—	11,854,000	—	11,854,000
TOTAL SECURITIES	\$120,080,903	\$82,741,288	\$2,766,091	\$208,969,602
Other Financial Instruments:²				
Assets	\$ 1,693,201	\$ —	\$ —	\$ 1,693,201
Liabilities	(207,904)	—	—	(207,904)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ 1,485,297	\$ —	\$ —	\$ 1,485,297

1 As permitted by U.S. generally accepted accounting principles (GAAP), an Investment Company valued at \$3,381,320 is measured at fair value using the net asset value (NAV) per share practical expedient and has not been categorized in the chart above but is included in the Total column. The amount included herein is intended to permit reconciliation of the fair value classifications to the amounts presented on the Statement of Assets and Liabilities. The price of shares redeemed of Project and Trade Finance Core Fund may be determined as of the closing NAV of the fund up to twenty-four days after receipt of a shareholder redemption request.

2 Other financial instruments are futures contracts.

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

ARM —Adjustable Rate Mortgage
BKNT —Bank Notes
FHLMC—Federal Home Loan Mortgage Corporation
FREMF—Freddie Mac Multifamily K-Deals
GMTN —Global Medium Term Note
MTN —Medium Term Note
REIT —Real Estate Investment Trust
REMIC —Real Estate Mortgage Investment Conduit

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	\$11.09	\$11.30	\$9.60	\$10.80	\$9.52	\$9.29
Income From Investment Operations:						
Net investment income (loss) ¹	0.09	0.19	0.24	0.23	0.29	0.34
Net realized and unrealized gain (loss)	1.08	(0.13)	1.68	(1.13)	1.39	0.34
TOTAL FROM INVESTMENT OPERATIONS	1.17	0.06	1.92	(0.90)	1.68	0.68
Less Distributions:						
Distributions from net investment income	(0.21)	(0.27)	(0.22)	(0.30)	(0.40)	(0.45)
Net Asset Value, End of Period	\$12.05	\$11.09	\$11.30	\$9.60	\$10.80	\$9.52
Total Return²	10.70%	0.93%	20.23%	(8.49)%	18.11%	7.69%
Ratios to Average Net Assets:						
Net expenses ³	0.91% ⁴	0.92%	0.91%	0.89%	0.83%	0.79% ⁵
Net investment income	1.61% ⁴	1.82%	2.28%	2.26%	2.91%	3.72%
Expense waiver/reimbursement ⁶	0.02% ⁴	0.01%	0.02%	0.03%	0.09%	0.14%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$209,950	\$586,281	\$651,498	\$632,957	\$621,804	\$563,745
Portfolio turnover	31%	61%	47%	96%	71%	90%

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 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio was 0.79% for the year ended December 31, 2016, after taking into account these expense reductions.

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

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,		Period Ended 12/31/2018 ¹
		2020	2019	
Net Asset Value, Beginning of Period	\$11.09	\$11.27	\$9.59	\$10.08
Income From Investment Operations:				
Net investment income (loss) ²	0.08	0.16	0.21	0.13
Net realized and unrealized gain (loss)	1.08	(0.12)	1.68	(0.62)
TOTAL FROM INVESTMENT OPERATIONS	1.16	0.04	1.89	(0.49)
Less Distributions:				
Distributions from net investment income	(0.19)	(0.22)	(0.21)	—
Net Asset Value, End of Period	\$12.06	\$11.09	\$11.27	\$9.59
Total Return³	10.55%	0.71%	19.92%	(4.86)%

Ratios to Average Net Assets:

Net expenses ⁴	1.16% ⁵	1.17%	1.16%	1.15% ⁵
Net investment income	1.36% ⁵	1.57%	2.03%	1.91% ⁵
Expense waiver/reimbursement ⁶	0.02% ⁵	0.01%	0.02%	0.02% ⁵

Supplemental Data:

Net assets, end of period (000 omitted)	\$1,597	\$39,680	\$44,161	\$44,037
Portfolio turnover	31%	61%	47%	96% ⁷

1 Reflects operations for the period from April 26, 2018 (date of initial investment) to December 31, 2018.

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

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

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

5 Computed on an annualized basis.

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

7 Portfolio turnover is calculated at the Fund level. Percentage indicated was calculated for the year ended December 31, 2018.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

June 30, 2021 (unaudited)

Assets:

Investment in securities, at value including \$39,378,873 of investment in affiliated holdings* (identified cost \$179,867,777)	\$208,969,602
Due from broker (Note 2)	2,000
Income receivable	570,257
Income receivable from affiliated holdings	232,698
Receivable for investments sold	268,091
Receivable for shares sold	6,580
Receivable for variation margin on futures contracts	5,215,448
TOTAL ASSETS	215,264,676

Liabilities:

Payable for investments purchased	3,512,463
Payable for shares redeemed	28,125
Payable to bank	23,516
Payable for investment adviser fee (Note 5)	3,351
Payable for administrative fee (Note 5)	796
Payable for distribution services fee (Note 5)	7,339
Accrued expenses (Note 5)	141,761
TOTAL LIABILITIES	3,717,351

Net assets for 17,561,552 shares outstanding	\$211,547,325
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Net Assets Consist of:

Paid-in capital	\$122,519,637
Total distributable earnings (loss)	89,027,688
TOTAL NET ASSETS	\$211,547,325

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

Primary Shares:

\$209,949,851 ÷ 17,429,043 shares outstanding, no par value, unlimited shares authorized	\$ 12.05
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Service Shares:

\$1,597,474 ÷ 132,509 shares outstanding, no par value, unlimited shares authorized	\$ 12.06
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* See information listed after the Fund's Portfolio of Investments.

See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended June 30, 2021 (unaudited)

Investment Income:

Dividends (including \$2,652,674 received from affiliated holdings* and net of foreign taxes withheld of \$1,609)	\$ 5,017,980
Interest	2,762,486
TOTAL INCOME	7,780,466

Expenses:

Investment adviser fee (Note 5)	2,320,701
Administrative fee (Note 5)	308,976
Custodian fees	24,139
Transfer agent fees	22,267
Directors'/Trustees' fees (Note 5)	2,117
Auditing fees	16,285
Legal fees	8,040
Portfolio accounting fees	93,533
Distribution services fee (Note 5)	48,439
Printing and postage	57,012
Miscellaneous (Note 5)	19,201
TOTAL EXPENSES	2,920,710
Reimbursement of investment adviser fee (Note 5)	(64,812)
Net expenses	2,855,898
Net investment income	4,924,568

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

Net realized gain on investments (including net realized gain of \$1,999,663 on sales of investments in affiliated companies and holdings*)	97,536,963
Net realized loss on foreign currency transactions	(12,724)
Net realized gain on foreign exchange contracts	3,168
Net realized gain on futures contracts	15,160,907
Net realized loss on written options	(377,687)
Net change in unrealized appreciation of investments (including net change in unrealized appreciation of \$(3,923,025) of investments in affiliated companies and holdings*)	(53,259,260)
Net change in unrealized appreciation of translation of assets and liabilities in foreign currency	(467)
Net change in unrealized appreciation of futures contracts	(1,423,757)
Net realized and unrealized gain (loss) on investments, foreign currency transactions, foreign exchange contracts, futures contracts and written options	57,627,143
Change in net assets resulting from operations	\$ 62,551,711

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

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 6/30/2021	Year Ended 12/31/2020
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 4,924,568	\$ 11,152,803
Net realized gain (loss)	112,310,627	(23,999,039)
Net change in unrealized appreciation/depreciation	(54,683,484)	14,979,672
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	62,551,711	2,133,436
Distributions to Shareholders:		
Primary Shares	(10,815,186)	(14,937,718)
Service Shares	(645,526)	(827,265)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(11,460,712)	(15,764,983)
Share Transactions:		
Proceeds from sale of shares	5,852,230	29,845,467
Net asset value of shares issued to shareholders in payment of distributions declared	11,460,710	15,764,983
Cost of shares redeemed	(482,817,862)	(101,676,772)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(465,504,922)	(56,066,322)
Change in net assets	(414,413,923)	(69,697,869)
Net Assets:		
Beginning of period	625,961,248	695,659,117
End of period	\$ 211,547,325	\$ 625,961,248

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 Managed Volatility Fund II (the “Fund”), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder’s interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Primary Shares and Service Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. The investment objective of the Fund is to achieve high current income and moderate capital appreciation. The Co-Advisers each are registered as a “commodity pool operator” with respect to operation of the Fund.

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 GAAP.

Investment Valuation

In calculating its NAV, the Fund generally values investments as follows:

- Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price in their principal exchange or market.
- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Fund’s Trustees.
- 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, the Co-Advisers and certain of the Co-Advisers’ 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 Co-Advisers based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the 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 Co-Advisers determine 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 Co-Advisers and their affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Positive or negative inflation adjustments on Treasury Inflation-Protected Securities are included in interest income. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense reimbursement of \$64,812 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.

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

When-Issued and Delayed-Delivery Transactions

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

Futures Contracts

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

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

The average notional value of long and short futures contracts held by the Fund throughout the period was \$172,384,556 and \$13,726,393, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Foreign Exchange Contracts

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

At June 30, 2021, the Fund had no outstanding foreign exchange contracts.

The average value at settlement date payable of foreign exchange contracts purchased by the Fund throughout the period was \$102. This is based on the contracts held as of each month-end throughout the six-month fiscal period.

Foreign Currency Translation

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

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

Option Contracts

The Fund buys or sells put and call options to manage market risks. The seller ("writer") of an option receives a payment or premium, from the buyer, which the writer keeps regardless of whether the buyer exercises the option. When the Fund writes a put or call option, an amount equal to the premium received is recorded as a liability and subsequently marked to market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. The Fund, as a writer of an option, bears the market risk of an unfavorable change in the price of the underlying reference instrument. When the Fund purchases a put or call option, an amount equal to the premium paid is recorded as an increase to the cost of the investment and subsequently marked to market to reflect the current value of the option purchased. Premiums paid for purchasing options which expire are treated as realized losses. Premiums received/paid for writing/purchasing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying reference instrument to determine the realized gain or loss. The risk associated with purchasing put and call options is limited to the premium paid. Options can trade on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. This protects investors against potential defaults by the counterparty.

At June 30, 2021, the Fund had no outstanding purchased and written option contracts.

The average market value of purchased put and call options held by the Fund throughout the period was \$287,400 and \$209,025, respectively. This is based on amounts held as of each month-end throughout the six-month period.

The average market value of written put and call options held by the Fund throughout the period was \$142,786 and \$31,243, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the Trustees.

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Assets	
	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Receivable for variation margin on futures contracts	\$ (207,904) ¹
Equity contracts	Receivable for variation margin on futures contracts	\$1,693,201 ¹
Total derivatives not accounted for as hedging instruments under ASC Topic 815		\$1,485,297

¹ Includes net cumulative appreciation of futures contracts as reported in the footnotes to the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended June 30, 2021

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

	Futures Contracts	Foreign Exchange Contracts	Purchased Options Contracts ¹	Written Options Contracts	Total
Interest rate contracts	\$ (118,746)	\$ —	\$ —	\$ —	\$ (118,746)
Equity contracts	15,279,653	—	1,041,149	(377,687)	15,943,115
Foreign exchange contracts	—	3,168	—	—	3,168
TOTAL	\$15,160,907	\$3,168	\$1,041,149	\$(377,687)	\$15,827,537

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

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

	Futures Contracts
Interest rate contracts	\$ (163,245)
Equity contracts	(1,260,512)
TOTAL	\$(1,423,757)

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	485,298	\$ 5,636,804	2,708,594	\$ 27,733,700
Shares issued to shareholders in payment of distributions declared	954,562	10,815,186	1,577,373	14,937,718
Shares redeemed	(36,898,354)	(440,659,030)	(9,062,173)	(95,024,537)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(35,458,494)	\$(424,207,040)	(4,776,206)	\$(52,353,119)

	Six Months Ended 6/30/2021		Year Ended 12/31/2020	
Service Shares:	Shares	Amount	Shares	Amount
Shares sold	18,241	\$ 215,426	209,920	\$ 2,111,767
Shares issued to shareholders in payment of distributions declared	56,874	645,524	87,172	827,265
Shares redeemed	(3,521,249)	(42,158,832)	(635,596)	(6,652,235)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(3,446,134)	\$ (41,297,882)	(338,504)	\$ (3,713,203)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(38,904,628)	\$(465,504,922)	(5,114,710)	\$(56,066,322)

4. FEDERAL TAX INFORMATION

At June 30, 2021, the cost of investments for federal tax purposes was \$179,857,787. The net unrealized appreciation of investments for federal tax purposes was \$30,597,112. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$32,396,034 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$1,798,922. The amounts presented are inclusive of derivative contracts.

As of December 31, 2020, the Fund had a capital loss carryforward of \$49,218,351 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
\$14,831,773	\$34,386,578	\$49,218,351

At December 31, 2020, for federal income tax purposes, the Fund had \$452,291 in straddle loss deferrals.

As a result of the tax-free transfer of assets from Federated Managed Tail Risk Fund II, certain capital loss carryforwards listed above may be limited.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The co-advisory agreement between the Fund and the Co-Advisers provides for an annual fee equal to 0.75% of the Fund's average daily net assets.

The Co-Advisers have agreed to reimburse the Fund for certain investment adviser fees as a result of transactions in other affiliated investment companies. For the six months ended June 30, 2021, the Co-Advisers reimbursed \$64,812.

Administrative Fee

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

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

In addition to the fees described above, the Fund agrees to pay FAS an annual Administrative Service Charge of \$125,000 for administrative and compliance services related to commodities Futures Trading Commission Rule 4.5. For the six months ended June 30, 2021, the annualized fee paid to FAS was 0.100% 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	\$48,439

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended June 30, 2021, FSC did not retain any fees paid by the Fund.

Expense Limitation

The Co-Advisers and certain of their affiliates (which may include FAS and FSC) on their own initiative agreed to waive certain amounts of their respective fees and/or reimburse expenses up to but not including June 1, 2021 so that 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) would not exceed 0.95% and 1.20% respectively.

Interfund Transactions

During the six months ended June 30, 2021, the Fund engaged in sale transactions with funds that have a common investment adviser (or affiliated investment advisers), common Directors/Trustees and/or common Officers. These sale transactions complied with Rule 17a-7 under the Act and amounted to \$76,440. Net realized gain recognized on these transactions was \$22,284.

Directors'/Trustees' and Miscellaneous Fees

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

6. INVESTMENT TRANSACTIONS

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

Purchases	\$144,635,169
Sales	\$563,865,248

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	\$1,107.00	\$4.75
Service Shares	\$1,000	\$1,105.50	\$6.06
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,020.28	\$4.56
Service Shares	\$1,000	\$1,019.04	\$5.81

- 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	0.91%
Service Shares	1.16%

Evaluation and Approval of Advisory Contract – May 2021

FEDERATED HERMES MANAGED VOLATILITY 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 Global Investment Management Corp., Federated Investment Management Company and Federated Equity Management Company of Pennsylvania (the “Adviser”), under which they will serve as co-advisers to the Fund (the “Co-Advisers”), for an additional one-year term (the “Contract”). The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangements. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

Information Received and Review Process

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation 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 Co-Advisers’ 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 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 Co-Advisers and their affiliates. The Board also considered the preferences and expectations of Fund shareholders; the entrepreneurial and other risks assumed by the Co-Advisers 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. Also, in weighing these factors, the Board considered the aggregate advisory fee paid by the Fund for the services of all Co-Advisers in addition to considering the allocation of that aggregate fee among the Co-Advisers and the rationale for that allocation. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the 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 Contracts, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board's determination to approve the continuation of the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The 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 Co-Advisers and the resources of the Co-Advisers and their 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 Co-Advisers and their affiliates. In particular, the Board considered the services provided by the Co-Advisers in the aggregate, to the extent that the Co-Advisers collaborate in the implementation of the Fund's strategy, as well as separately, to the extent to which specific services provided by a Co-Adviser are distinguishable and subject to meaningful assessment. The Board considered the Co-Advisers' personnel, investment philosophy and process, investment research capabilities and resources, trade 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 Co-Advisers' 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 Co-Advisers are executing the Fund's investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted the 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 Co-Advisers' 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 Co-Advisers' 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 Co-Advisers' regulatory and compliance environment. The Board considered the Co-Advisers' compliance program, compliance history, and reports from the CCO about the Co-Advisers' 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 Co-Advisers and their affiliates in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including the Co-Advisers' 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 Co-Advisers' 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 considered detailed investment reports on, and the Co-Advisers' analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports 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 Co-Advisers 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. In this connection, the Board considered that the longevity and experience of the Fund's portfolio management team and their extensive bottom-up approach to investing may limit the utility of comparisons to other equity mutual funds.

For the periods ended December 31, 2020, the Fund's performance for the five-year period was above the median of the Performance Peer Group, and the Fund's performance fell below the median of the Performance Peer Group for the one-year and three-year periods. The Board discussed the Fund's performance with the Co-Advisers and recognized the efforts being taken by the Co-Advisers in the context of other factors considered relevant by the Board.

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 any of the Co-Advisers or their 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 Fund to remain competitive in the marketplace, the Co-Advisers and their 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 considered that the Contract provides for payment of a single advisory fee by the Fund for all services provided by the Co-Advisers. The Board further considered that the Contract permits the Co-Advisers to allocate the advisory fee in a manner commensurate with the services they provide to the Fund. Throughout the year, as well as in connection with its May Meetings, the Board considered the fee allocation and the Co-Advisers' analysis as to whether the allocation of fees among the Co-Advisers continued to be a reasonable proxy for and measurement of the level of resources and services provided by each Co-Adviser toward the management of the Fund. The Board considered Federated Hermes' previous reductions in contractual management fees to certain Federated Hermes Funds during the prior year, including in response to the CCO's recommendations in the prior year's CCO Fee Evaluation Report.

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 Co-Advisers and their 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 arrangements.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Managed Volatility Fund II (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of 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.

Notes



Federated Hermes Managed Volatility 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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