

Annual Shareholder Report

December 31, 2020



Share Class Primary Service

Federated Hermes Quality Bond Fund II

(formerly, Federated Quality Bond Fund II)

A Portfolio of Federated Hermes Insurance Series

(formerly, Federated Insurance Series)

Dear Valued Shareholder,

I am pleased to present the Annual Shareholder Report for your fund covering the period from January 1, 2020 through December 31, 2020.

While Covid-19 continues to present challenges to our lives, families and businesses, I want you to know that Federated Hermes remains dedicated to helping you successfully navigate the markets ahead. You can count on us for the insights, investment management knowledge and client service that you have come to expect. Please refer to our website, [FederatedInvestors.com](https://www.federatedinvestors.com), for timely updates on this and other economic and market matters.

Thank you for investing with us. I 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

CONTENTS

Management’s Discussion of Fund Performance 1

Portfolio of Investments Summary Table 4

Portfolio of Investments 5

Financial Highlights 16

Statement of Assets and Liabilities 18

Statement of Operations 19

Statement of Changes in Net Assets..... 20

Notes to Financial Statements..... 21

Report of Independent Registered Public Accounting Firm..... 27

Shareholder Expense Example 28

Board of Trustees and Trust Officers 29

Evaluation and Approval of Advisory Contract..... 33

Liquidity Risk Management Program–Annual Evaluation of Adequacy and Effectiveness..... 38

Voting Proxies on Fund Portfolio Securities 39

Quarterly Portfolio Schedule 39

Management's Discussion of Fund Performance (unaudited)

The total return of Federated Hermes Quality Bond Fund II (the "Fund"), based on net asset value for the 12-month reporting period ended December 31, 2020, was 8.12% for the Primary Shares and 7.86% for the Service Shares. The total return of the Fund's broad-based benchmark, the Bloomberg Barclays U.S. Intermediate Credit Index (BBICI),¹ was 7.08% during the same period. The 8.12% total return of the Fund's Primary Shares consisted of 3.35% of taxable dividends and 4.77% of appreciation in the net asset value of shares. The Fund's total return for the most recently completed fiscal year reflected actual cash flows, transaction costs and other expenses, which were not reflected in the total return of the BBICI.

During the reporting period, the most significant factors affecting the Fund's performance relative to the BBICI were: (a) individual security selection, (b) the selection of various industries and sectors of the corporate bond market,² and (c) overall interest rate-sensitivity of the portfolio, as measured by the effective duration³ of the Fund.

The following discussion will focus on the performance of the Fund's Primary Shares relative to the BBICI.

MARKET OVERVIEW

The calendar year began on a calm note as the December 2019 agreement to a Phase I trade deal between the U.S. and China eliminated another round of tariffs and lowered tensions between the two major trade partners. In addition, the Federal Reserve (the "Fed") made it clear that it was in no hurry to raise its benchmark funds rate. With this good news and expectations for continued positive economic growth, the option-adjusted spread on the BBICI hit the current cycle low of 63 basis points in late January and then again in mid-February. The 10-year U.S. Treasury note ended January at 1.87%.

However, bubbling under the surface as first quarter 2020 progressed, warnings about potential global business disruptions rose and then exploded due to the global spread of the novel coronavirus known as Covid-19. Investors rapidly reassessed their portfolios, seeking safety and liquidity in high-quality assets, causing credit markets to nearly seize. The Fed acted swiftly, lowering its federal funds target rate during two emergency March meetings to the current 0.00-0.25% range and adopting a range of liquidity facilities to support financial and credit markets. Congress at the same time approved more than \$2 trillion of immediate fiscal stimulus to fight an economy that rapidly plunged into recession amid widespread shelter-at-home orders, causing the unemployment rate to soar from a 50-year low of 3.5% in February to 14.7% in April.

The unprecedented Fed and fiscal stimulus helped stabilize the economy, as the second quarter's record quarterly contraction in gross domestic product (GDP) was followed by the third quarter's record expansion. Still, the recovery from the impacts of the coronavirus certainly fluctuated during the reporting period. Infection and death rates began to decline in late spring, rise again in mid-summer, decline again in the fall and, as the calendar year-end approached, to spike again to record levels. Unlike in the spring, however, market reaction was relatively subdued despite a new wave of targeted shutdowns that threatened the recovery. This in part was explained by several Covid-19 vaccines that appeared to be highly efficacious and were ultimately approved, with distribution beginning by calendar year-end.

The gradual end to most election uncertainties after the November 2nd presidential election also helped ease market volatility. Despite efforts by President Donald Trump to challenge the outcome, it appeared by calendar year-end that former Vice President Joe Biden won the election and would be inaugurated as the nation's 46th president on January 20, 2021. Still unknown as of the end of the period was whether Democrats would control both chambers of Congress, a fate that would be determined by two U.S. Senate runoff elections in Georgia in early January 2021.

In another year of roller-coaster volatility, the 10-year U.S. Treasury yield started the period at 1.91%, dipped to 0.51% in August and closed the period at 0.92%. The option-adjusted spread of the BBICI started the period at 64 basis points, climbing to roughly 333 basis points in March at the height of the risk-off trade, before gradually trending down to close the period where it started, at 62 basis points.

SECTOR/INDUSTRY AND SECURITY SELECTION

During the reporting period, individual security selection was the largest driver of positive performance relative to the BBICI. Security selection was particularly strong in the Consumer Cyclical, Energy, Communications and Consumer Non-Cyclical sectors. Insurance and Banking were detractors with weaker selection. Specific credits that contributed the most to Fund performance included: General Electric, Kroger, Charter Communications, Discovery and Advance Autoparts. Specific credits that most negatively affected Fund performance included HSBC PLC, Chevron and PNC.

The decision to overweight or underweight positions to specific corporate sectors and/or ratings quality was the secondary driver of Fund performance relative to the BBICI. In total for the year, sector allocation was a positive contributor. Overweight positions to Consumer Non-Cyclical and Communications and an underweight position to Supranationals, which underperformed the benchmark, added to Fund performance. An overweight position to the Transportation sector, which underperformed the benchmark, was a detractor to performance.

DURATION AND DERIVATIVES MANAGEMENT

Duration had a slight negative impact on performance because, on average, the Fund maintained slightly less interest-rate sensitivity relative to the BBICI throughout the year. Derivatives, which were U.S. Treasury futures⁴ that were used to adjust duration targets, had a negative effect on Fund performance during the reporting period.

1 Please see the footnotes to the line graphs under "Fund Performance and Growth of a \$10,000 Investment" below for the definition of, and more information about, the BBICI.

2 Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

3 Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

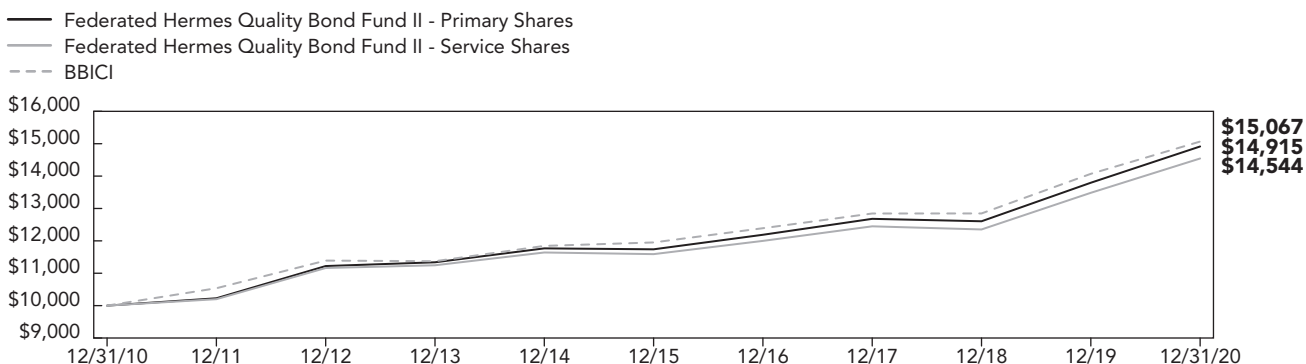
4 The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional instruments.

FUND PERFORMANCE AND GROWTH OF A \$10,000 INVESTMENT

The graph below illustrates the hypothetical investment of \$10,000¹ in the Federated Hermes Quality Bond Fund II from December 31, 2010 to December 31, 2020, compared to the Bloomberg Barclays U.S. Intermediate Credit Index (BBICI).² The Average Annual Total Returns table below shows returns for each class averaged over the stated periods.

GROWTH OF A \$10,000 INVESTMENT

Growth of \$10,000 as of December 31, 2020



Average Annual Total Returns for the Period Ended 12/31/2020

	1 Year	5 Years	10 Years
Primary Shares	8.12%	4.91%	4.08%
Service Shares	7.86%	4.65%	3.82%
BBICI	7.08%	4.74%	4.18%

Performance data quoted represents past performance which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance of a variable investment option changes over time and current performance may be lower or higher than what is stated. For current to the most recent month end performance, contact your insurance company. The performance information presented does not include the charges and expenses imposed by the insurance company under the variable insurance product contract. The inclusion of such charges would lower performance. Please refer to the variable insurance product prospectus for a complete listing of these expenses. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. Variable investment options are not obligations of or guaranteed by any bank and are not federally insured.

- 1 The Fund's performance assumes the reinvestment of all dividends and distributions. The BBICI has been adjusted to reflect reinvestment of dividends on securities in the index.
- 2 The BBICI measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. The index only includes securities with maturity between one and ten years. It is composed of the Bloomberg Barclays U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. The index is not adjusted to reflect sales loads, expenses or other fees that the Securities and Exchange Commission requires to be reflected in the Fund's performance. The index is unmanaged and, unlike the Fund, is not affected by cash flows. It is not possible to invest directly in an index.

Portfolio of Investments Summary Table (unaudited)

At December 31, 2020, the Fund's portfolio composition¹ was as follows:

Security Type	Percentage of Total Net Assets
Corporate Debt Securities	96.9%
Mortgage-Backed Securities ^{2,3}	0.0%
Securities Lending Collateral ⁴	2.4%
Cash Equivalents ⁵	2.3%
Derivative Contracts ^{3,6}	0.0%
Other Assets and Liabilities—Net ⁷	(1.6)%
TOTAL	100%

- 1 See the Fund's Prospectus and Statement of Additional Information for a description of these security types.
- 2 For purposes of this table, mortgage-backed securities include mortgage-backed securities guaranteed by Government Sponsored Entities.
- 3 Represents less than 0.1%.
- 4 Represents cash collateral received for portfolio securities on loan that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements.
- 5 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements other than those representing cash collateral for securities lending.
- 6 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.
- 7 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

Portfolio of Investments

December 31, 2020

Principal Amount		Value
	CORPORATE BONDS—96.9%	
	Basic Industry - Chemicals—0.8%	
\$ 640,000	FMC Corp., Sr. Unsecd. Note, 3.950%, 2/1/2022	\$ 658,588
215,000	Nutrition & Biosciences, Inc., Sr. Unsecd. Note, 144A, 1.230%, 10/1/2025	217,382
500,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	583,197
	TOTAL	1,459,167
	Basic Industry - Metals & Mining—0.9%	
230,000	Carpenter Technology Corp., Sr. Unsecd. Note, 4.450%, 3/1/2023	240,981
1,000,000	Reliance Steel & Aluminum Co., Sr. Unsecd. Note, 4.500%, 4/15/2023	1,079,177
320,000	Southern Copper Corp., Sr. Unsecd. Note, 3.500%, 11/8/2022	337,319
	TOTAL	1,657,477
	Capital Goods - Aerospace & Defense—3.2%	
600,000	Airbus Group SE, Sr. Unsecd. Note, 144A, 3.150%, 4/10/2027	650,403
280,000	BAE Systems Holdings, Inc., Sr. Unsecd. Note, 144A, 3.850%, 12/15/2025	317,872
200,000	BAE Systems PLC, Sr. Unsecd. Note, 144A, 3.400%, 4/15/2030	226,813
200,000	Boeing Co., Sr. Unsecd. Note, 1.875%, 6/15/2023	203,578
600,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	624,192
584,000	¹ Boeing Co., Sr. Unsecd. Note, 2.950%, 2/1/2030	604,576
519,000	¹ Embraer Overseas Ltd., Sr. Unsecd. Note, 144A, 5.696%, 9/16/2023	554,038
275,000	General Dynamics Corp., Sr. Unsecd. Note, 3.250%, 4/1/2025	303,772
410,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	460,100
145,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, Series WI, 3.844%, 5/1/2025	161,587
600,000	Leidos, Inc., Sr. Unsecd. Note, 144A, 2.300%, 2/15/2031	612,044
335,000	Leidos, Inc., Unsecd. Note, 144A, 3.625%, 5/15/2025	374,979
320,000	Raytheon Technologies Corp., Sr. Unsecd. Note, 3.100%, 11/15/2021	325,818
460,000	² Textron Financial Corp., Jr. Sub. Note, 144A, 1.956% (3-month USLIBOR +1.735%), 2/15/2042	336,582
295,000	Textron, Inc., Sr. Unsecd. Note, 4.300%, 3/1/2024	324,266
	TOTAL	6,080,620
	Capital Goods - Building Materials—1.2%	
165,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	183,290
800,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	855,177
285,000	Carrier Global Corp., Sr. Unsecd. Note, 2.700%, 2/15/2031	306,566
300,000	Masco Corp., Sr. Unsecd. Note, 2.000%, 10/1/2030	305,657
300,000	Masco Corp., Sr. Unsecd. Note, 3.500%, 11/15/2027	340,856
275,000	Masco Corp., Unsecd. Note, 4.450%, 4/1/2025	316,523
	TOTAL	2,308,069
	Capital Goods - Construction Machinery—1.1%	
195,000	CNH Industrial Capital America LLC, Sr. Unsecd. Note, 1.950%, 7/2/2023	200,802
500,000	CNH Industrial Capital America LLC, Sr. Unsecd. Note, 4.375%, 4/5/2022	522,656
595,000	¹ CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	671,044
750,000	Deere & Co., Sr. Unsecd. Note, 2.600%, 6/8/2022	771,718
	TOTAL	2,166,220
	Capital Goods - Diversified Manufacturing—3.8%	
750,000	CK Hutchison Holdings Ltd., Sr. Unsecd. Note, 144A, 2.750%, 3/29/2023	782,202
225,000	General Electric Co., Sr. Unsecd. Note, 4.350%, 5/1/2050	273,646
205,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	212,229
400,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.950%, 6/1/2030	423,783
585,000	Lennox International, Inc., Sr. Unsecd. Note, 1.700%, 8/1/2027	595,621
1,000,000	Lennox International, Inc., Sr. Unsecd. Note, 3.000%, 11/15/2023	1,055,023
210,000	Otis Worldwide Corp., Sr. Unsecd. Note, Series WI, 2.565%, 2/15/2030	225,744

Principal Amount		Value
	CORPORATE BONDS—continued	
	Capital Goods - Diversified Manufacturing—continued	
\$ 430,000	Roper Technologies, Inc., Sr. Unsecd. Note, 2.000%, 6/30/2030	\$ 439,634
250,000	Roper Technologies, Inc., Sr. Unsecd. Note, 3.650%, 9/15/2023	271,339
875,000	Roper Technologies, Inc., Sr. Unsecd. Note, 3.800%, 12/15/2026	1,011,883
800,000	United Technologies Corp., Sr. Unsecd. Note, 4.125%, 11/16/2028	953,944
235,000	Wabtec Corp., Sr. Unsecd. Note, 3.200%, 6/15/2025	253,741
400,000	Xylem, Inc., Sr. Unsecd. Note, 1.950%, 1/30/2028	421,853
250,000	Xylem, Inc., Sr. Unsecd. Note, 2.250%, 1/30/2031	263,490
	TOTAL	7,184,132
	Capital Goods - Packaging—0.3%	
500,000	WestRock Co., Sr. Unsecd. Note, Series WI, 3.750%, 3/15/2025	557,591
	Communications - Cable & Satellite—1.9%	
1,000,000	CCO Safari II LLC, 4.908%, 7/23/2025	1,162,538
300,000	Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sec. Fac. Bond, 2.800%, 4/1/2031	317,326
400,000	Comcast Corp., Sr. Unsecd. Note, 2.350%, 1/15/2027	430,716
300,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	339,064
750,000	¹ Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	862,035
400,000	Time Warner Cable, Inc., Sr. Unsecd. Note, 8.375%, 3/15/2023	467,813
	TOTAL	3,579,492
	Communications - Media & Entertainment—1.9%	
300,000	British Sky Broadcasting Group PLC, 144A, 3.750%, 9/16/2024	334,281
132,000	Discovery Communications LLC, Sr. Unsecd. Note, 2.950%, 3/20/2023	139,151
400,000	Discovery Communications LLC, Sr. Unsecd. Note, 3.625%, 5/15/2030	458,504
500,000	Fox Corp, Sr. Unsecd. Note, 3.500%, 4/8/2030	568,544
400,000	Fox Corp, Sr. Unsecd. Note, Series WI, 4.709%, 1/25/2029	485,591
270,000	Omnicom Group, Inc., Sr. Unsecd. Note, 4.200%, 6/1/2030	324,521
750,000	ViacomCBS, Inc., Sr. Unsecd. Note, 3.700%, 8/15/2024	822,621
310,000	ViacomCBS, Inc., Sr. Unsecd. Note, 4.950%, 1/15/2031	388,687
	TOTAL	3,521,900
	Communications - Telecom Wireless—1.7%	
600,000	American Tower Corp., Sr. Unsecd. Note, 3.500%, 1/31/2023	636,643
300,000	Crown Castle International Corp., 3.150%, 7/15/2023	319,302
180,000	Crown Castle International Corp., Sr. Unsecd. Note, 2.250%, 1/15/2031	186,847
250,000	Crown Castle International Corp., Sr. Unsecd. Note, 3.300%, 7/1/2030	280,120
200,000	Crown Castle International Corp., Sr. Unsecd. Note, 4.450%, 2/15/2026	231,520
450,000	T-Mobile USA, Inc., Sec. Fac. Bond, 144A, 3.875%, 4/15/2030	521,667
450,000	T-Mobile USA, Inc., Term Loan - 1st Lien, 144A, 3.750%, 4/15/2027	512,910
395,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	451,867
	TOTAL	3,140,876
	Communications - Telecom Wirelines—2.5%	
300,000	AT&T, Inc., Sr. Unsecd. Note, 2.300%, 6/1/2027	320,130
877,000	AT&T, Inc., Sr. Unsecd. Note, 2.550%, 12/1/2033	903,753
250,000	AT&T, Inc., Sr. Unsecd. Note, 2.750%, 6/1/2031	267,313
450,000	AT&T, Inc., Sr. Unsecd. Note, 3.400%, 5/15/2025	500,253
250,000	Telefonica SA, Company Guarantee, 7.045%, 6/20/2036	373,306
300,000	Verizon Communications, Inc., Sr. Unsecd. Note, 0.850%, 11/20/2025	302,430
300,000	Verizon Communications, Inc., Sr. Unsecd. Note, 1.750%, 1/20/2031	298,866
175,000	Verizon Communications, Inc., Sr. Unsecd. Note, 3.150%, 3/22/2030	196,305
600,000	Verizon Communications, Inc., Sr. Unsecd. Note, 4.150%, 3/15/2024	664,404
735,000	Verizon Communications, Inc., Sr. Unsecd. Note, 5.150%, 9/15/2023	828,925
	TOTAL	4,655,685

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Automotive—3.6%	
\$ 700,000	Daimler Finance NA LLC, Sr. Unsecd. Note, 144A, 3.250%, 8/1/2024	\$ 759,606
500,000	Fiat Chrysler Automobiles NV, Sr. Unsecd. Note, 5.250%, 4/15/2023	536,875
250,000	Ford Motor Co., Sr. Unsecd. Note, 4.346%, 12/8/2026	266,610
250,000	Ford Motor Credit Co. LLC, Sr. Unsecd. Note, 3.336%, 3/18/2021	250,938
920,000	General Motors Co., Sr. Unsecd. Note, 4.000%, 4/1/2025	1,019,663
250,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	303,433
500,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 3.200%, 7/6/2021	505,418
300,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.000%, 10/6/2026	337,932
355,000	Hyundai Capital America, Sr. Unsecd. Note, 144A, 2.375%, 2/10/2023	366,226
1,025,000	¹ Nissan Motor Acceptance Corp., Sr. Unsecd. Note, 144A, 2.650%, 7/13/2022	1,049,498
500,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 1.250%, 11/24/2025	504,399
650,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/12/2021	670,031
300,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 4.250%, 11/13/2023	330,236
	TOTAL	6,900,865
	Consumer Cyclical - Retailers—4.2%	
1,000,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	1,151,572
470,000	Alimentation Couche-Tard, Inc., 144A, 2.950%, 1/25/2030	514,361
665,000	AutoNation, Inc., Sr. Unsecd. Note, 4.750%, 6/1/2030	800,726
275,000	Costco Wholesale Corp., Sr. Unsecd. Note, 1.375%, 6/20/2027	283,553
250,000	CVS Health Corp., Sr. Unsecd. Note, 1.300%, 8/21/2027	251,208
1,290,000	CVS Health Corp., Sr. Unsecd. Note, 4.300%, 3/25/2028	1,536,422
200,000	Dollar General Corp., Sr. Unsecd. Note, 4.150%, 11/1/2025	229,592
600,000	Dollar Tree, Inc., Sr. Unsecd. Note, 3.700%, 5/15/2023	642,448
500,000	Dollar Tree, Inc., Sr. Unsecd. Note, 4.000%, 5/15/2025	564,719
500,000	Home Depot, Inc., Sr. Unsecd. Note, 2.125%, 9/15/2026	539,446
320,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 1.750%, 3/15/2031	321,028
370,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2030	446,341
580,000	Tractor Supply Co., Sr. Unsecd. Note, 1.750%, 11/1/2030	583,885
	TOTAL	7,865,301
	Consumer Cyclical - Services—2.0%	
500,000	Alibaba Group Holding Ltd., Sr. Unsecd. Note, 3.400%, 12/6/2027	559,863
170,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.150%, 8/22/2027	193,792
400,000	Booking Holdings, Inc., Sr. Unsecd. Note, 4.625%, 4/13/2030	497,347
750,000	Cintas Corp. No. 2, Sr. Unsecd. Note, 3.700%, 4/1/2027	864,530
325,000	IHS Markit Ltd., Sr. Unsecd. Note, 4.125%, 8/1/2023	353,881
135,000	IHS Markit Ltd., Sr. Unsecd. Note, Series 5YR, 3.625%, 5/1/2024	147,466
500,000	Visa, Inc., Sr. Unsecd. Note, 2.800%, 12/14/2022	523,242
530,000	Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025	594,845
	TOTAL	3,734,966
	Consumer Non-Cyclical - Food/Beverage—5.0%	
250,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.150%, 1/23/2025	284,764
750,000	¹ Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.750%, 1/23/2029	925,491
515,000	Coca-Cola Femsa S.A.B. de C.V., Sr. Unsecd. Note, 2.750%, 1/22/2030	556,198
385,000	Conagra Brands, Inc., Sr. Unsecd. Note, 1.375%, 11/1/2027	388,712
1,000,000	Constellation Brands, Inc., Sr. Unsecd. Note, 4.650%, 11/15/2028	1,219,497
340,000	¹ Danone SA, Sr. Unsecd. Note, 144A, 2.947%, 11/2/2026	373,914
380,000	¹ Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	424,025
500,000	Grupo Bimbo S.A.B. de CV, Sr. Unsecd. Note, 144A, 3.875%, 6/27/2024	549,046
660,000	Grupo Bimbo S.A.B. de CV, Sr. Unsecd. Note, 144A, 4.500%, 1/25/2022	686,640
85,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 3.200%, 5/1/2030	96,341
700,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 4.057%, 5/25/2023	761,023

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Food/Beverage—continued	
\$ 450,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 4.417%, 5/25/2025	\$ 519,028
1,000,000	McCormick & Co., Inc., Sr. Unsecd. Note, 3.150%, 8/15/2024	1,084,984
380,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 2.650%, 10/3/2021	383,459
210,000	¹ Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 3.000%, 10/15/2030	222,590
240,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 3.350%, 2/1/2022	243,429
60,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2027	66,751
600,000	Smucker (J.M.) Co., Sr. Unsecd. Note, 2.375%, 3/15/2030	636,047
	TOTAL	9,421,939
	Consumer Non-Cyclical - Health Care—2.6%	
275,000	Agilent Technologies, Inc., Sr. Unsecd. Note, 2.100%, 6/4/2030	285,987
210,000	Agilent Technologies, Inc., Sr. Unsecd. Note, 2.750%, 9/15/2029	229,417
940,000	Agilent Technologies, Inc., Sr. Unsecd. Note, 3.875%, 7/15/2023	1,011,997
205,000	Alcon Finance Corp., Sr. Unsecd. Note, 144A, 2.600%, 5/27/2030	218,598
350,000	Alcon Finance Corp., Sr. Unsecd. Note, 144A, 3.000%, 9/23/2029	382,083
250,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.700%, 6/6/2027	286,957
740,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.734%, 12/15/2024	820,719
160,000	Dentsply Sirona, Inc., Sr. Unsecd. Note, 3.250%, 6/1/2030	178,316
235,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	257,075
470,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, Series 5YR, 2.200%, 11/15/2024	498,304
450,000	PerkinElmer, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2029	508,074
250,000	Thermo Fisher Scientific, Inc., Sr. Unsecd. Note, 2.950%, 9/19/2026	278,837
50,000	Thermo Fisher Scientific, Inc., Sr. Unsecd. Note, 4.133%, 3/25/2025	56,864
	TOTAL	5,013,228
	Consumer Non-Cyclical - Pharmaceuticals—5.0%	
210,000	Abbott Laboratories, Sr. Unsecd. Note, 3.400%, 11/30/2023	227,706
453,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	530,944
580,000	AbbVie, Inc., Sr. Unsecd. Note, 2.950%, 11/21/2026	642,091
455,000	AbbVie, Inc., Sr. Unsecd. Note, 3.200%, 11/21/2029	510,435
300,000	AbbVie, Inc., Sr. Unsecd. Note, 3.600%, 5/14/2025	334,487
67,000	AbbVie, Inc., Sr. Unsecd. Note, 4.750%, 3/15/2045	87,764
235,000	AstraZeneca PLC, 0.700%, 4/8/2026	233,883
600,000	AstraZeneca PLC, Sr. Unsecd. Note, 3.125%, 6/12/2027	675,713
1,000,000	Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 3.875%, 12/15/2023	1,090,284
200,000	Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 4.250%, 12/15/2025	228,868
235,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	245,590
600,000	Biogen, Inc., Sr. Unsecd. Note, 4.050%, 9/15/2025	687,858
320,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 3.400%, 7/26/2029	372,652
200,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 5.000%, 8/15/2045	289,669
310,000	Eli Lilly & Co., Sr. Unsecd. Note, 3.375%, 3/15/2029	359,952
220,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 3.650%, 3/1/2026	250,055
500,000	Merck & Co., Inc., Sr. Unsecd. Note, 3.400%, 3/7/2029	581,824
670,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 1.750%, 9/15/2030	660,555
240,000	Royalty Pharma PLC, 144A, 1.200%, 9/2/2025	243,889
900,000	Teva Pharmaceutical Finance Netherlands III BV, Sr. Unsecd. Note, 2.200%, 7/21/2021	899,437
300,000	Teva Pharmaceutical Finance Netherlands III BV, Sr. Unsecd. Note, 3.150%, 10/1/2026	288,940
	TOTAL	9,442,596
	Consumer Non-Cyclical - Supermarkets—0.5%	
610,000	Kroger Co., Bond, 6.900%, 4/15/2038	922,005
	Consumer Non-Cyclical - Tobacco—1.2%	
800,000	Altria Group, Inc., Sr. Unsecd. Note, 4.400%, 2/14/2026	929,053
200,000	BAT Capital Corp., Sr. Unsecd. Note, 3.215%, 9/6/2026	220,500

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Tobacco—continued	
\$ 290,000	BAT International Finance PLC, Sr. Unsecd. Note, 144A, 3.950%, 6/15/2025	\$ 326,387
300,000	Reynolds American, Inc., Sr. Unsecd. Note, 4.450%, 6/12/2025	341,767
360,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	484,470
	TOTAL	2,302,177
	Energy - Independent—1.8%	
250,000	Canadian Natural Resources Ltd., Sr. Unsecd. Note, 2.050%, 7/15/2025	262,471
420,000	Canadian Natural Resources Ltd., Sr. Unsecd. Note, 2.950%, 1/15/2023	439,373
500,000	¹ Cimarex Energy Co., Sr. Unsecd. Note, 3.900%, 5/15/2027	551,321
250,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 6/1/2024	272,912
215,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 3/15/2029	244,957
475,000	Marathon Oil Corp., Sr. Unsecd. Note, 3.850%, 6/1/2025	509,594
100,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 2.900%, 8/15/2024	96,400
1,000,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.450%, 7/15/2024	957,500
	TOTAL	3,334,528
	Energy - Integrated—2.0%	
500,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.796%, 9/21/2025	567,007
500,000	BP Capital Markets PLC, Sr. Unsecd. Note, 3.994%, 9/26/2023	547,830
500,000	Chevron Corp., Sr. Unsecd. Note, 1.141%, 5/11/2023	510,674
530,000	CNPC Hong Kong Overseas Capital Ltd., Company Guarantee, 144A, 5.950%, 4/28/2041	767,350
585,000	Husky Energy, Inc., 4.000%, 4/15/2024	627,487
240,000	¹ Husky Energy, Inc., Sr. Unsecd. Note, 4.400%, 4/15/2029	267,277
175,000	Petroleos Mexicanos, Sr. Unsecd. Note, 4.875%, 1/18/2024	184,075
325,000	Shell International Finance B.V., Sr. Unsecd. Note, 2.875%, 5/10/2026	359,890
	TOTAL	3,831,590
	Energy - Midstream—3.2%	
265,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.400%, 2/15/2031	276,935
500,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	573,465
565,000	Energy Transfer Partners LP, Sr. Unsecd. Note, 4.900%, 2/1/2024	618,896
470,000	Energy Transfer Partners LP, Sr. Unsecd. Note, Series 5Y, 4.200%, 9/15/2023	507,050
500,000	Kinder Morgan Energy Partners LP, 4.250%, 9/1/2024	557,663
290,000	MPLX LP, Sr. Unsecd. Note, 1.750%, 3/1/2026	300,271
350,000	¹ MPLX LP, Sr. Unsecd. Note, 3.375%, 3/15/2023	370,891
395,000	¹ MPLX LP, Sr. Unsecd. Note, 4.125%, 3/1/2027	455,769
500,000	MPLX LP, Sr. Unsecd. Note, Series WI, 3.500%, 12/1/2022	525,343
345,000	¹ ONEOK, Inc., Sr. Unsecd. Note, 4.000%, 7/13/2027	385,080
600,000	TC Pipelines, LP, Sr. Unsecd. Note, 3.900%, 5/25/2027	675,524
540,000	Texas Eastern Transmission LP, Sr. Unsecd. Note, 144A, 2.800%, 10/15/2022	558,443
300,000	Williams Partners LP, Sr. Unsecd. Note, 3.900%, 1/15/2025	332,922
	TOTAL	6,138,252
	Energy - Oil Field Services—0.2%	
300,000	Schlumberger Holdings Corp., Sr. Unsecd. Note, 144A, 4.000%, 12/21/2025	341,267
	Energy - Refining—0.5%	
185,000	Phillips 66, Sr. Unsecd. Note, 1.300%, 2/15/2026	188,288
215,000	Valero Energy Corp., 7.500%, 4/15/2032	300,597
335,000	Valero Energy Corp., Sr. Unsecd. Note, 6.625%, 6/15/2037	445,625
	TOTAL	934,510
	Financial Institution - Banking—20.1%	
1,250,000	American Express Co., Sr. Unsecd. Note, 3.000%, 10/30/2024	1,365,737
935,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	1,014,008
1,250,000	Bank of America Corp., Sr. Unsecd. Note, 3.705%, 4/24/2028	1,423,344
700,000	Bank of America Corp., Sr. Unsecd. Note, Series GMTN, 2.816%, 7/21/2023	727,100

Principal
Amount

Value

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 250,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 0.981%, 9/25/2025	\$ 252,860
750,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 2.456%, 10/22/2025	799,818
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.248%, 10/21/2027	559,701
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 4.271%, 7/23/2029	595,504
310,000	¹ Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.100%, 10/24/2024	330,587
300,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 2.661%, 5/16/2023	309,287
550,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.250%, 9/11/2024	604,563
600,000	¹ Capital One Financial Corp., Sr. Unsecd. Note, 3.050%, 3/9/2022	618,377
350,000	Capital One Financial Corp., Sr. Unsecd. Note, 3.200%, 1/30/2023	368,956
500,000	Citigroup, Inc., 4.125%, 7/25/2028	585,060
500,000	Citigroup, Inc., Sr. Unsecd. Note, 2.572%, 6/3/2031	533,080
750,000	Citigroup, Inc., Sr. Unsecd. Note, 2.876%, 7/24/2023	779,241
730,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	823,681
500,000	Citigroup, Inc., Sr. Unsecd. Note, 3.700%, 1/12/2026	568,843
500,000	Citigroup, Inc., Sr. Unsecd. Note, 4.075%, 4/23/2029	586,568
500,000	Citizens Bank N.A., Sr. Unsecd. Note, Series BKNT, 3.750%, 2/18/2026	568,398
90,000	Citizens Financial Group, Inc., Sr. Unsecd. Note, 2.500%, 2/6/2030	95,707
660,000	Citizens Financial Group, Inc., Sub. Note, 144A, 4.150%, 9/28/2022	697,153
300,000	Comerica, Inc., 3.800%, 7/22/2026	341,301
500,000	Compass Bank, Birmingham, Sub. Note, Series BKNT, 3.875%, 4/10/2025	560,918
140,000	¹ Fifth Third Bancorp, Sr. Unsecd. Note, 2.375%, 1/28/2025	149,134
250,000	Fifth Third Bank, Sr. Unsecd. Note, Series BKNT, 2.250%, 2/1/2027	266,882
685,000	FNB Corp. (PA), Sr. Unsecd. Note, 2.200%, 2/24/2023	698,377
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.000%, 4/26/2022	504,077
1,250,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.500%, 11/16/2026	1,404,221
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 4.223%, 5/1/2029	593,309
500,000	Goldman Sachs Group, Inc., Sub. Note, 4.250%, 10/21/2025	573,723
1,000,000	HSBC USA, Inc., Sr. Unsecd. Note, 3.500%, 6/23/2024	1,096,951
240,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 2.550%, 2/4/2030	257,558
1,000,000	JPMorgan Chase & Co., 3.250%, 9/23/2022	1,052,028
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.045%, 11/19/2026	505,774
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.782%, 2/1/2028	575,099
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 4.452%, 12/5/2029	610,192
1,000,000	JPMorgan Chase & Co., Sub. Note, 3.375%, 5/1/2023	1,069,083
500,000	JPMorgan Chase & Co., Sub. Note, 3.875%, 9/10/2024	560,063
750,000	Morgan Stanley, Sec. Fac. Bond, 2.750%, 5/19/2022	774,679
250,000	Morgan Stanley, Sr. Unsecd. Note, 2.188%, 4/28/2026	264,226
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 3.625%, 1/20/2027	1,148,316
165,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.699%, 1/22/2031	179,240
500,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 3.125%, 1/23/2023	527,815
250,000	Morgan Stanley, Sub. Note, 5.000%, 11/24/2025	299,268
1,000,000	Morgan Stanley, Sub. Note, Series MTN, 4.100%, 5/22/2023	1,085,600
408,000	MUFG Americas Holdings Corp., Sr. Unsecd. Note, 3.000%, 2/10/2025	445,995
250,000	MUFG Americas Holdings Corp., Sr. Unsecd. Note, 3.500%, 6/18/2022	261,421
250,000	MUFG Union Bank, N.A., Sr. Unsecd. Note, Series BKNT, 3.150%, 4/1/2022	258,247
330,000	Regions Financial Corp., Sr. Unsecd. Note, 2.250%, 5/18/2025	350,247
230,000	Regions Financial Corp., Sr. Unsecd. Note, 3.800%, 8/14/2023	249,610
250,000	State Street Corp., Sr. Unsecd. Note, 2.653%, 5/15/2023	257,911
700,000	State Street Corp., Sr. Unsecd. Note, 3.300%, 12/16/2024	777,011
250,000	Synovus Bank GA, Sr. Unsecd. Note, 2.289%, 2/10/2023	253,254
475,000	Truist Bank, Sr. Unsecd. Note, Series BKNT, 2.150%, 12/6/2024	503,610

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 500,000	Truist Bank, Sr. Unsecd. Note, Series BKNT, 3.000%, 2/2/2023	\$ 526,402
200,000	Truist Bank, Sub. Note, Series BKNT, 3.300%, 5/15/2026	223,909
245,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 2.750%, 4/1/2022	252,122
250,000	US Bancorp, Sr. Unsecd. Note, Series MTN, 1.375%, 7/22/2030	250,669
750,000	US Bancorp, Sub. Note, Series MTN, 3.600%, 9/11/2024	829,854
500,000	Wells Fargo & Co., Series MTN, 3.500%, 3/8/2022	518,458
750,000	Wells Fargo & Co., Sr. Unsecd. Note, 2.188%, 4/30/2026	790,324
620,000	Wells Fargo & Co., Sr. Unsecd. Note, 3.000%, 10/23/2026	687,639
250,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.406%, 10/30/2025	264,393
500,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.572%, 2/11/2031	529,520
500,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 3.584%, 5/22/2028	566,904
	TOTAL	38,102,907
	Financial Institution - Broker/Asset Mgr/Exchange—1.7%	
370,000	Eaton Vance Corp., Sr. Unsecd. Note, 3.625%, 6/15/2023	398,747
220,000	Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026	248,472
200,000	Jefferies Group LLC, Sr. Unsecd. Note, 6.500%, 1/20/2043	275,092
245,000	Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028	292,952
595,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	730,593
193,000	¹ Raymond James Financial, Inc., Sr. Unsecd. Note, 5.625%, 4/1/2024	222,908
390,000	Stifel Financial Corp., 4.250%, 7/18/2024	438,536
500,000	TD Ameritrade Holding Corp., Sr. Unsecd. Note, 3.625%, 4/1/2025	556,541
	TOTAL	3,163,841
	Financial Institution - Finance Companies—1.4%	
550,000	¹ AerCap Ireland Capital Ltd / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.625%, 10/15/2027	623,289
500,000	Discover Financial Services, Sr. Unsecd. Note, 3.850%, 11/21/2022	532,082
250,000	Discover Financial Services, Sr. Unsecd. Note, 4.100%, 2/9/2027	288,147
950,000	GE Capital Funding LLC, Sr. Unsecd. Note, 144A, 4.400%, 5/15/2030	1,120,174
	TOTAL	2,563,692
	Financial Institution - Insurance - Health—0.8%	
300,000	CIGNA Corp., Sr. Unsecd. Note, 3.750%, 7/15/2023	324,377
650,000	CIGNA Corp., Sr. Unsecd. Note, 4.375%, 10/15/2028	785,819
405,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.750%, 7/15/2025	461,629
	TOTAL	1,571,825
	Financial Institution - Insurance - Life—0.9%	
350,000	AIA Group Ltd., Sr. Unsecd. Note, 144A, 3.600%, 4/9/2029	394,321
200,000	AIG Global Funding, Sec. Fac. Bond, 144A, 2.300%, 7/1/2022	205,511
800,000	American International Group, Inc., Sr. Unsecd. Note, 4.125%, 2/15/2024	886,052
172,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 8.875%, 6/1/2039	286,166
	TOTAL	1,772,050
	Financial Institution - Insurance - P&C—0.8%	
250,000	¹ Chubb INA Holdings, Inc., Sr. Unsecd. Note, 2.700%, 3/13/2023	263,419
300,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 3.350%, 5/15/2024	327,791
250,000	CNA Financial Corp., Sr. Unsecd. Note, 3.450%, 8/15/2027	283,513
95,000	¹ CNA Financial Corp., Sr. Unsecd. Note, 3.900%, 5/1/2029	113,145
300,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	522,627
	TOTAL	1,510,495
	Financial Institution - REIT - Apartment—1.0%	
395,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	442,880
115,000	Camden Property Trust, Sr. Unsecd. Note, 2.800%, 5/15/2030	127,852
500,000	Mid-America Apartment Communities LP, Sr. Unsecd. Note, 3.750%, 6/15/2024	545,093
320,000	Mid-America Apartment Communities LP, Sr. Unsub. Note, 1.700%, 2/15/2031	319,362

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - REIT - Apartment—continued	
\$ 500,000	UDR, Inc., Sr. Unsecd. Note, Series MTN, 2.950%, 9/1/2026	\$ 549,357
	TOTAL	1,984,544
	Financial Institution - REIT - Healthcare—1.2%	
445,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	445,753
710,000	Physicians Realty Trust, Sr. Unsecd. Note, 4.300%, 3/15/2027	785,281
155,000	Welltower, Inc., Sr. Unsecd. Note, 2.700%, 2/15/2027	170,883
375,000	Welltower, Inc., Sr. Unsecd. Note, 2.750%, 1/15/2031	400,408
500,000	Welltower, Inc., Sr. Unsecd. Note, 3.100%, 1/15/2030	547,735
	TOTAL	2,350,060
	Financial Institution - REIT - Office—0.9%	
640,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.000%, 1/15/2024	704,949
250,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.900%, 12/15/2030	318,612
480,000	Boston Properties LP, Sr. Unsecd. Note, 3.200%, 1/15/2025	525,163
80,000	Boston Properties LP, Sr. Unsecd. Note, 3.250%, 1/30/2031	88,301
	TOTAL	1,637,025
	Financial Institution - REIT - Other—0.6%	
320,000	ProLogis LP, Sr. Unsecd. Note, 4.375%, 2/1/2029	393,239
275,000	WP Carey, Inc., Sr. Unsecd. Note, 2.400%, 2/1/2031	286,059
450,000	¹ WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	499,876
	TOTAL	1,179,174
	Financial Institution - REIT - Retail—0.6%	
250,000	¹ Kimco Realty Corp., Sr. Unsecd. Note, 1.900%, 3/1/2028	258,285
410,000	Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 3/1/2024	433,245
250,000	¹ Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 10/1/2030	269,621
100,000	Kimco Realty Corp., Sr. Unsecd. Note, 3.400%, 11/1/2022	105,065
	TOTAL	1,066,216
	Sovereign—0.4%	
510,000	Inter-American Development Bank, Series MTN, 6.750%, 7/15/2027	681,508
	Supranational—0.2%	
320,000	Corp Andina De Fomento, Sr. Unsecd. Note, 4.375%, 6/15/2022	337,203
	Technology—7.3%	
500,000	Adobe, Inc., Sr. Unsecd. Note, 3.250%, 2/1/2025	551,023
500,000	¹ Apple, Inc., Sr. Unsecd. Note, 0.550%, 8/20/2025	502,579
315,000	Apple, Inc., Sr. Unsecd. Note, 1.125%, 5/11/2025	324,140
650,000	Apple, Inc., Sr. Unsecd. Note, 2.400%, 5/3/2023	682,018
125,000	Apple, Inc., Sr. Unsecd. Note, 4.450%, 5/6/2044	171,724
340,000	Automatic Data Processing, Inc., 3.375%, 9/15/2025	382,962
280,000	Broadcom Corp., Sr. Unsecd. Note, Series WI, 3.875%, 1/15/2027	314,781
666,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	763,137
135,000	Broadcom, Inc., Sr. Unsecd. Note, 4.700%, 4/15/2025	154,737
650,000	Dell International LLC / EMC Corp., Sec. Fac. Bond, 144A, 5.850%, 7/15/2025	781,290
350,000	Dell International LLC / EMC Corp., Term Loan - 1st Lien, 144A, 6.200%, 7/15/2030	455,425
480,000	Equifax, Inc., Sr. Unsecd. Note, 2.600%, 12/1/2024	514,580
80,000	Equifax, Inc., Sr. Unsecd. Note, Series SY, 3.950%, 6/15/2023	86,484
83,000	Fidelity National Information Services, Inc., Sr. Unsecd. Note, 3.875%, 6/5/2024	91,463
600,000	¹ Fidelity National Information Services, Inc., Sr. Unsecd. Note, 5.000%, 10/15/2025	712,137
250,000	Fiserv, Inc., Sr. Unsecd. Note, 2.650%, 6/1/2030	270,664
230,000	Fiserv, Inc., Sr. Unsecd. Note, 2.750%, 7/1/2024	247,054
500,000	Fiserv, Inc., Sr. Unsecd. Note, 4.200%, 10/1/2028	596,279
670,000	Ingram Micro, Inc., Sr. Unsecd. Note, 5.000%, 8/10/2022	691,420
175,000	Intel Corp., Sr. Unsecd. Note, 3.400%, 3/25/2025	194,765

Principal Amount		Value
	CORPORATE BONDS—continued	
	Technology—continued	
\$ 500,000	Intel Corp., Sr. Unsecd. Note, 3.700%, 7/29/2025	\$ 565,998
460,000	Keysight Technologies, Inc., 4.550%, 10/30/2024	520,567
100,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 3.000%, 10/30/2029	110,478
310,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	371,961
105,000	Micron Technology, Inc., Sr. Unsecd. Note, 2.497%, 4/24/2023	109,497
250,000	Micron Technology, Inc., Sr. Unsecd. Note, 4.640%, 2/6/2024	278,511
750,000	Microsoft Corp., Sr. Unsecd. Note, 2.400%, 8/8/2026	818,454
190,000	Molex Electronics Technologies LLC, Unsecd. Note, 144A, 3.900%, 4/15/2025	196,770
750,000	Oracle Corp., Sr. Unsecd. Note, 3.400%, 7/8/2024	821,171
310,000	Qualcomm, Inc., Sr. Unsecd. Note, 2.600%, 1/30/2023	325,207
260,000	Total System Services, Inc., Sr. Unsecd. Note, 4.450%, 6/1/2028	308,808
195,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 9/12/2022	206,595
600,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	721,199
	TOTAL	13,843,878
	Technology Services—0.1%	
90,000	Global Payments, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2030	97,937
	Transportation - Airlines—0.3%	
275,000	Southwest Airlines Co., Sr. Unsecd. Note, 4.750%, 5/4/2023	298,975
215,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.250%, 5/4/2025	249,151
	TOTAL	548,126
	Transportation - Railroads—0.8%	
2,537	Burlington Northern Santa Fe Corp., Pass Thru Cert., Series 99-2, 7.570%, 1/2/2021	2,538
850,000	Kansas City Southern Industries, Inc., Sr. Unsecd. Note, 3.000%, 5/15/2023	886,016
500,000	Union Pacific Corp., Sr. Unsecd. Note, 2.150%, 2/5/2027	531,759
	TOTAL	1,420,313
	Transportation - Services—1.5%	
550,000	FedEx Corp., Sr. Unsecd. Note, 3.100%, 8/5/2029	615,019
215,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 1.200%, 11/15/2025	216,992
250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.375%, 2/1/2022	256,657
300,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.450%, 7/1/2024	327,025
250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 4.450%, 1/29/2026	289,703
280,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 2.800%, 3/1/2022	287,292
150,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 3.450%, 11/15/2021	153,599
590,000	United Parcel Service, Inc., Sr. Unsecd. Note, 3.900%, 4/1/2025	666,839
	TOTAL	2,813,126
	Utility - Electric—4.2%	
310,000	¹ AEP Texas, Inc., Sr. Unsecd. Note, 3.850%, 10/1/2025	348,870
125,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 2.300%, 3/1/2030	130,731
380,000	American Electric Power Co., Inc., Sr. Unsecd. Note, Series F, 2.950%, 12/15/2022	396,957
500,000	Berkshire Hathaway Energy Co., 3.500%, 2/1/2025	550,898
130,000	Berkshire Hathaway Energy Co., Sr. Unsecd. Note, 144A, 4.050%, 4/15/2025	147,397
560,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	604,755
400,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 1.710%, 1/24/2028	400,198
500,000	¹ EDP Finance BV, Sr. Unsecd. Note, 144A, 3.625%, 7/15/2024	546,053
470,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 2.875%, 5/25/2022	485,085
380,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 4.625%, 9/14/2025	442,644
385,000	Exelon Corp., Sr. Unsecd. Note, 4.050%, 4/15/2030	456,034
250,000	¹ Exelon Generation Co. LLC, Sr. Unsecd. Note, 3.250%, 6/1/2025	273,216
240,000	Fortis, Inc. / Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	264,435
600,000	National Rural Utilities Cooperative Finance Corp., Sec. Fac. Bond, 2.400%, 4/25/2022	615,656
140,000	National Rural Utilities Cooperative Finance Corp., Sr. Unsecd. Note, 2.950%, 2/7/2024	149,871

Principal Amount		Value
	CORPORATE BONDS—continued	
	Utility - Electric—continued	
\$ 300,000	NextEra Energy Capital Holdings, Inc., Sr. Unsec'd. Note, 3.550%, 5/1/2027	\$ 341,926
500,000	NiSource Finance Corp., Sr. Unsec'd. Note, 3.490%, 5/15/2027	567,543
590,000	PPL Capital Funding, Inc., Sr. Unsec'd. Note, 4.200%, 6/15/2022	616,214
250,000	Southern Co., Sr. Unsec'd. Note, 3.250%, 7/1/2026	280,583
378,000	Wisconsin Energy Corp., Sr. Unsec'd. Note, 3.550%, 6/15/2025	421,680
	TOTAL	8,040,746
	Utility - Natural Gas—0.8%	
205,000	Dominion Energy Gas Holdings LLC, Sr. Unsec'd. Note, Series A, 2.500%, 11/15/2024	219,520
600,000	National Fuel Gas Co., Sr. Unsec'd. Note, 3.750%, 3/1/2023	630,164
395,000	National Fuel Gas Co., Sr. Unsec'd. Note, 5.500%, 1/15/2026	456,013
250,000	Sempra Energy, Sr. Unsec'd. Note, 2.900%, 2/1/2023	262,458
	TOTAL	1,568,155
	Utility - Natural Gas Distributor—0.2%	
450,000	Southern Co. Gas Capital, Sr. Unsec'd. Note, 2.450%, 10/1/2023	473,055
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$167,010,691)	183,220,329
	MORTGAGE-BACKED SECURITIES—0.0%	
	Federal Home Loan Mortgage Corporation—0.0%	
567	Federal Home Loan Mortgage Corp., Pool C01051, 8.000%, 9/1/2030	666
	Government National Mortgage Association—0.0%	
745	Government National Mortgage Association, Pool 1512, 7.500%, 12/20/2023	790
1,663	Government National Mortgage Association, Pool 2630, 6.500%, 8/20/2028	1,868
2,293	Government National Mortgage Association, Pool 2631, 7.000%, 8/20/2028	2,582
3,149	Government National Mortgage Association, Pool 2658, 6.500%, 10/20/2028	3,546
5,293	Government National Mortgage Association, Pool 2701, 6.500%, 1/20/2029	5,956
3,555	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	4,053
690	Government National Mortgage Association, Pool 3039, 6.500%, 2/20/2031	789
2,600	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	3,003
9,241	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	10,682
6,361	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	7,387
13,698	Government National Mortgage Association, Pool 3261, 6.500%, 7/20/2032	15,928
904	Government National Mortgage Association, Pool 516688, 8.000%, 8/15/2029	1,056
	TOTAL	57,640
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$50,793)	58,306
	REPURCHASE AGREEMENTS—4.7%	
4,322,000	Interest in \$1,000,000,000 joint repurchase agreement 0.08%, dated 12/31/2020 under which Bank of Montreal will repurchase securities provided as collateral for \$1,000,008,889 on 1/4/2021. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency and U.S. Treasury securities with various maturities to 5/20/2069 and the market value of those underlying securities was \$1,022,038,963.	4,322,000
4,559,143	Interest in \$1,000,000,000 joint repurchase agreement 0.08%, dated 12/31/2020 under which Bank of Montreal will repurchase securities provided as collateral for \$1,000,008,889 on 1/4/2021. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency and U.S. Treasury securities with various maturities to 5/20/2069 and the market value of those underlying securities was \$1,022,038,963. (purchased with proceeds from securities lending collateral)	4,559,143
	TOTAL REPURCHASE AGREEMENTS (IDENTIFIED COST \$8,881,143)	8,881,143
	TOTAL INVESTMENT IN SECURITIES—101.6% (IDENTIFIED COST \$175,942,627) ³	192,159,778
	OTHER ASSETS AND LIABILITIES - NET—(1.6)% ⁴	(2,945,944)
	TOTAL NET ASSETS—100%	\$189,213,834

At December 31, 2020, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized Appreciation
Long Future:				
⁵ United States Treasury Notes 10-Year Long Futures	40	\$5,523,125	March 2021	\$ 8,349
Short Futures:				
⁵ United States Treasury Long Bond Short Futures	35	\$6,061,562	March 2021	\$56,622
⁵ United States Treasury Ultra Bond Short Futures	3	\$ 640,688	March 2021	\$12,438
NET UNREALIZED APPRECIATION ON FUTURES CONTRACTS				\$77,409

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

- 1 All or a portion of these securities are temporarily on loan to unaffiliated broker/dealers.
- 2 Floating/variable note with current rate and current maturity or next reset date shown.
- 3 The cost of investments for federal tax purposes amounts to \$175,942,775.
- 4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.
- 5 Non-income-producing security.

Note: The categories of investments are shown as a percentage of total net assets at December 31, 2020.

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 December 31, 2020, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Debt Securities:				
Corporate Bonds	\$ —	\$183,220,329	\$—	\$183,220,329
Mortgage-Backed Securities	—	58,306	—	58,306
Repurchase Agreements	—	8,881,143	—	8,881,143
TOTAL SECURITIES	\$ —	\$192,159,778	\$—	\$192,159,778
Other Financial Instruments:¹				
Assets	\$77,409	\$ —	\$—	\$ 77,409
TOTAL OTHER FINANCIAL INSTRUMENTS	\$77,409	\$ —	\$—	\$ 77,409

- 1 Other financial instruments are futures contracts.

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

- BKNT —Bank Notes
- GMTN—Global Medium Term Note
- LIBOR—London Interbank Offered Rate
- MTN —Medium Term Note
- REIT —Real Estate Investment Trust

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$11.31	\$10.65	\$11.05	\$10.98	\$10.97
Income From Investment Operations:					
Net investment income (loss) ¹	0.28	0.31	0.30	0.31	0.34
Net realized and unrealized gain (loss)	0.58	0.68	(0.37)	0.12	0.07
TOTAL FROM INVESTMENT OPERATIONS	0.86	0.99	(0.07)	0.43	0.41
Less Distributions:					
Distributions from net investment income	(0.32)	(0.33)	(0.33)	(0.36)	(0.40)
Distributions from net realized gain	(0.03)	(0.00) ²	—	—	—
TOTAL DISTRIBUTIONS	(0.35)	(0.33)	(0.33)	(0.36)	(0.40)
Net Asset Value, End of Period	\$11.82	\$11.31	\$10.65	\$11.05	\$10.98
Total Return³	8.12%	9.44%	(0.59)%	4.04%	3.82%
Ratios to Average Net Assets:					
Net expenses ⁴	0.74%	0.74%	0.74%	0.74%	0.73%
Net investment income	2.50%	2.79%	2.83%	2.81%	3.10%
Expense waiver/reimbursement ⁵	0.07%	0.08%	0.08%	0.06%	0.07%
Supplemental Data:					
Net assets, end of period (000 omitted)	\$170,912	\$167,625	\$162,812	\$185,026	\$188,831
Portfolio turnover	24%	21%	19%	27%	26%

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

2 Represents less than \$0.01.

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.

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

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

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$11.28	\$10.62	\$11.01	\$10.94	\$10.93
Income From Investment Operations:					
Net investment income (loss) ¹	0.26	0.28	0.27	0.28	0.31
Net realized and unrealized gain (loss)	0.57	0.68	(0.36)	0.12	0.07
TOTAL FROM INVESTMENT OPERATIONS	0.83	0.96	(0.09)	0.40	0.38
Less Distributions:					
Distributions from net investment income	(0.29)	(0.30)	(0.30)	(0.33)	(0.37)
Distributions from net realized gain	(0.03)	(0.00) ²	—	—	—
TOTAL DISTRIBUTIONS	(0.32)	(0.30)	(0.30)	(0.33)	(0.37)
Net Asset Value, End of Period	\$11.79	\$11.28	\$10.62	\$11.01	\$10.94
Total Return³	7.86%	9.17%	(0.78)%	3.75%	3.53%

Ratios to Average Net Assets:

Net expenses ⁴	0.99%	0.99%	0.99%	0.99%	0.98%
Net investment income	2.25%	2.54%	2.58%	2.56%	2.86%
Expense waiver/reimbursement ⁵	0.07%	0.08%	0.07%	0.06%	0.07%

Supplemental Data:

Net assets, end of period (000 omitted)	\$18,302	\$18,776	\$19,344	\$22,596	\$23,920
Portfolio turnover	24%	21%	19%	27%	26%

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

2 Represents less than \$0.01.

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.

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

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

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

December 31, 2020

Assets:

Investment in securities, at value including \$4,437,458 of securities loaned (identified cost \$175,942,627)	\$192,159,778
Cash	118,766
Due from broker (Note 2)	135,020
Income receivable	1,513,503
Receivable for shares sold	91,692
TOTAL ASSETS	194,018,759

Liabilities:

Payable for investments purchased	118,494
Payable for shares redeemed	37,420
Payable for variation margin on futures contracts	9,865
Payable for collateral due to broker for securities lending	4,559,143
Payable to adviser (Note 5)	2,734
Payable for administrative fee (Note 5)	403
Payable for distribution services fee (Note 5)	3,894
Accrued expenses (Note 5)	72,972
TOTAL LIABILITIES	4,804,925

Net assets for 16,008,292 shares outstanding \$189,213,834

Net Assets Consist of:

Paid-in capital	\$166,794,627
Total distributable earnings (loss)	22,419,207
TOTAL NET ASSETS	\$189,213,834

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

Primary Shares:

\$170,911,549 ÷ 14,456,169 shares outstanding, no par value, unlimited shares authorized \$ 11.82

Service Shares:

\$18,302,285 ÷ 1,552,123 shares outstanding, no par value, unlimited shares authorized \$ 11.79

See Notes which are an integral part of the Financial Statements

Statement of Operations

Year Ended December 31, 2020

Investment Income:

Interest	\$ 6,020,032
Net income on securities loaned (Note 2)	4,822
TOTAL INCOME	6,024,854

Expenses:

Investment adviser fee (Note 5)	1,115,484
Administrative fee (Note 5)	146,012
Custodian fees	10,633
Transfer agent fees	16,991
Directors'/Trustees' fees (Note 5)	2,051
Auditing fees	25,490
Legal fees	9,647
Portfolio accounting fees	96,237
Distribution services fee (Note 5)	46,300
Printing and postage	71,545
Miscellaneous (Note 5)	27,601
TOTAL EXPENSES	1,567,991

Waiver :

Waiver of investment adviser fee (Note 5)	(136,819)
Net expenses	1,431,172
Net investment income	4,593,682

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

Net realized gain on investments	1,638,683
Net realized loss on futures contracts	(56,098)
Net change in unrealized appreciation of investments	8,220,187
Net change in unrealized appreciation of futures contracts	26,355
Net realized and unrealized gain (loss) on investments and futures contracts	9,829,127
Change in net assets resulting from operations	\$14,422,809

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

Year Ended December 31	2020	2019
Increase (Decrease) in Net Assets		
Operations:		
Net investment income (loss)	\$ 4,593,682	\$ 5,110,075
Net realized gain (loss)	1,582,585	556,588
Net change in unrealized appreciation/depreciation	8,246,542	10,915,627
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	14,422,809	16,582,290
Distributions to Shareholders:		
Primary Shares	(5,129,491)	(4,859,559)
Service Shares	(531,201)	(520,306)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(5,660,692)	(5,379,865)
Share Transactions:		
Proceeds from sale of shares	16,225,144	11,736,570
Net asset value of shares issued to shareholders in payment of distributions declared	5,660,688	5,379,862
Cost of shares redeemed	(27,834,646)	(24,074,695)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(5,948,814)	(6,958,263)
Change in net assets	2,813,303	4,244,162
Net Assets:		
Beginning of period	186,400,531	182,156,369
End of period	\$189,213,834	\$186,400,531

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

December 31, 2020

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 Quality Bond Fund II (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Primary Shares and Service Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. The investment objective of the Fund is to provide current income.

Prior to April 28, 2020, the names of the Trust and Fund were Federated Insurance Series and Federated Quality Bond Fund II, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation

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

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by the Fund's Board of Trustees (the "Trustees").
- 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.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs.
- 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 Procedures

The Trustees have ultimate responsibility for determining the fair value of investments for which market quotations are not readily available. The Trustees have appointed a Valuation Committee comprised of officers of the Fund, Federated Investment Management Company (the "Adviser") and certain of the Adviser's affiliated companies to assist in determining fair value and in overseeing the calculation of the NAV. The Trustees have also authorized the use of pricing services recommended by the Valuation Committee to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Trustees. The Trustees periodically review and approve the fair valuations made by the Valuation Committee and any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

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

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

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

Repurchase Agreements

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

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

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

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. 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 waiver of \$136,819 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 and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended December 31, 2020, 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 December 31, 2020, tax years 2017 through 2020 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed-Delivery Transactions

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

Futures Contracts

The Fund purchases and sells financial futures contracts to manage duration risk and yield curve risk. 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 \$7,932,173 and \$6,257,546, respectively. This is based on amounts held as of each month-end throughout the fiscal period.

Securities Lending

The Fund participates in a securities lending program providing for the lending of corporate bonds to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements. Investments in money market funds may include funds with a "floating" NAV that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if the investee fund's NAV decreases, result in the Fund recognizing losses and being required to cover the decrease in the value of the cash collateral. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. In accordance with the Fund's securities lending agreement, the market value of securities on loan is determined each day at the close of business and any additional collateral required to cover the value of securities on loan is delivered to the Fund on the next business day. Earnings on collateral are allocated between the borrower of the security, the securities lending agent, as a fee for its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

As of December 31, 2020, securities subject to this type of arrangement and related collateral were as follows:

Market Value of Securities Loaned	Collateral Received
\$4,437,458	\$4,559,143

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

	Liabilities	
	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Payable for variation margin on futures contracts	\$(77,409)

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

The Effect of Derivative Instruments on the Statement of Operations for the Year Ended December 31, 2020

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

	Futures Contracts
Interest rate contracts	\$(56,098)

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

	Futures Contracts
Interest rate contracts	\$26,355

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:

	Year Ended 12/31/2020		Year Ended 12/31/2019	
	Shares	Amount	Shares	Amount
Primary Shares:				
Shares sold	1,321,059	\$ 15,137,018	1,017,072	\$ 11,219,212
Shares issued to shareholders in payment of distributions declared	507,368	5,129,490	456,297	4,859,559
Shares redeemed	(2,197,120)	(24,859,601)	(1,939,194)	(21,305,622)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(368,693)	\$ (4,593,093)	(465,825)	\$ (5,226,851)

	Year Ended 12/31/2020		Year Ended 12/31/2019	
	Shares	Amount	Shares	Amount
Service Shares:				
Shares sold	97,027	\$ 1,088,126	47,093	\$ 517,358
Shares issued to shareholders in payment of distributions declared	52,594	531,198	48,900	520,303
Shares redeemed	(262,468)	(2,975,045)	(252,919)	(2,769,073)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(112,847)	\$ (1,355,721)	(156,926)	\$ (1,731,412)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(481,540)	\$ (5,948,814)	(622,751)	\$ (6,958,263)

4. FEDERAL TAX INFORMATION

The tax character of distributions as reported on the Statement of Changes in Net Assets for the years ended December 31, 2020 and 2019, was as follows:

	2020	2019
Ordinary income	\$5,262,359	\$5,379,865
Long-term capital gains	\$ 398,333	\$ —

As of December 31, 2020, the components of distributable earnings on a tax-basis were as follows:

Undistributed ordinary income	\$ 4,862,730
Net unrealized appreciation	\$16,217,003
Undistributed long-term capital gains	\$ 1,339,474

The difference between book-basis and tax-basis net unrealized appreciation is attributable to differing treatments for deferral of losses on wash sales and mark-to-market of futures contracts.

At December 31, 2020, the cost of investments for federal tax purposes was \$175,942,775. The net unrealized appreciation of investments for federal tax purposes was \$16,217,003. This consists of net unrealized appreciation from investments for those securities having an excess of value over cost of \$16,409,569 and net unrealized depreciation from investments for those securities having an excess of cost over value of \$192,566. The amounts presented are inclusive of derivative contracts.

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.60% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee. For the year ended December 31, 2020, the Adviser voluntarily waived \$136,819 of its fee.

Administrative Fee

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

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

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the year ended December 31, 2020, the annualized fee paid to FAS was 0.079% 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 Primary Shares and 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 the following percentages of average daily net assets annually, to compensate FSC:

	Percentage of Average Daily Net Assets of Class
Primary Shares	0.25%
Service Shares	0.25%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the year ended December 31, 2020, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$46,300

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the year ended December 31, 2020, the Fund's Primary Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Expense Limitation

The Adviser and certain of its affiliates (which may include FSC and FAS) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.74% and 0.99% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2021; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Directors'/Trustees' and Miscellaneous Fees

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

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the year ended December 31, 2020, were as follows:

Purchases	\$44,076,703
Sales	\$51,540,527

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 24, 2020. 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 an upfront fee, and 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 December 31, 2020, the Fund had no outstanding loans. During the year ended December 31, 2020, 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 December 31, 2020, there were no outstanding loans. During the year ended December 31, 2020, 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, 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.

10. FEDERAL TAX INFORMATION (UNAUDITED)

For the year ended December 31, 2020, the amount of long-term capital gains designated by the Fund was \$398,333.

Report of Independent Registered Public Accounting Firm

TO THE BOARD OF TRUSTEES OF THE FEDERATED HERMES INSURANCE SERIES AND SHAREHOLDERS OF FEDERATED HERMES QUALITY BOND FUND II:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Federated Hermes Quality Bond Fund II (formerly, Federated Quality Bond Fund II) (the “Fund”), a portfolio of Federated Hermes Insurance Series (formerly, Federated Insurance Series), as of December 31, 2020, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the “financial statements”) and the financial highlights for each of the years in the five-year period ended December 31, 2020. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2020, by correspondence with the custodian and brokers, or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

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

Boston, Massachusetts
February 16, 2021

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 July 1, 2020 to December 31, 2020.

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 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 7/1/2020	Ending Account Value 12/31/2020	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$1,033.20	\$3.78
Service Shares	\$1,000	\$1,031.50	\$5.06
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,021.42	\$3.76
Service Shares	\$1,000	\$1,020.16	\$5.03

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 184/366 (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	0.74%
Service Shares	0.99%

Board of Trustees and Trust Officers

The Board of Trustees is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Fund. Where required, the tables separately list Trustees who are "interested persons" of the Fund (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Unless otherwise noted, the address of each person listed is 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. The address of all Independent Trustees listed is 4000 Ericsson Drive, Warrendale, PA 15086-7561; Attention: Mutual Fund Board. As of December 31, 2020, the Trust comprised six portfolio(s), and the Federated Hermes Fund Family consisted of 41 investment companies (comprising 163 portfolios). Unless otherwise noted, each Officer is elected annually. Unless otherwise noted, each Trustee oversees all portfolios in the Federated Hermes Fund Family and serves for an indefinite term. The Fund's Statement of Additional Information includes additional information about Trust Trustees and is available, without charge and upon request, by calling 1-800-341-7400.

INTERESTED TRUSTEES BACKGROUND

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held and Previous Position(s)
J. Christopher Donahue* Birth Date: April 11, 1949 TRUSTEE Indefinite Term Began serving: September 1993	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of the Funds in the Federated Hermes Fund Family; President, Chief Executive Officer and Director, Federated Hermes, Inc.; Chairman and Trustee, Federated Investment Management Company; Trustee, Federated Investment Counseling; Chairman and Director, Federated Global Investment Management Corp.; Chairman and Trustee, Federated Equity Management Company of Pennsylvania; Trustee, Federated Shareholder Services Company; Director, Federated Services Company. Previous Positions: President, Federated Investment Counseling; President and Chief Executive Officer, Federated Investment Management Company, Federated Global Investment Management Corp. and Passport Research, Ltd; Chairman, Passport Research, Ltd.
Thomas R. Donahue* Birth Date: October 20, 1958 TRUSTEE Indefinite Term Began serving: May 2016	Principal Occupations: Director or Trustee of certain of the funds in the Federated Hermes Fund Family; Chief Financial Officer, Treasurer, Vice President and Assistant Secretary, Federated Hermes, Inc.; Chairman and Trustee, Federated Administrative Services; Chairman and Director, Federated Administrative Services, Inc.; Trustee and Treasurer, Federated Advisory Services Company; Director or Trustee and Treasurer, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, and Federated Investment Management Company; Director, MDTA LLC; Director, Executive Vice President and Assistant Secretary, Federated Securities Corp.; Director or Trustee and Chairman, Federated Services Company and Federated Shareholder Services Company; and Director and President, FII Holdings, Inc. Previous Positions: Director, Federated Hermes, Inc.; Assistant Secretary, Federated Investment Management Company, Federated Global Investment Management Company and Passport Research, LTD; Treasurer, Passport Research, LTD; Executive Vice President, Federated Securities Corp.; and Treasurer, FII Holdings, Inc.

* Family relationships and reasons for "interested" status: J. Christopher Donahue and Thomas R. Donahue are brothers. Both are "interested" due to their beneficial ownership of shares of Federated Hermes, Inc. and the positions they hold with Federated Hermes, Inc. and its subsidiaries.

INDEPENDENT TRUSTEES BACKGROUND

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
John T. Collins Birth Date: January 24, 1947 TRUSTEE Indefinite Term Began serving: October 2013	Principal Occupations: Director or Trustee, and Chair of the Board of Directors or Trustees, of the Federated Hermes Fund Family; formerly, Chairman and CEO, The Collins Group, Inc. (a private equity firm) (Retired). Other Directorships Held: Chairman of the Board of Directors, Director, KLX Energy Services Holdings, Inc. (oilfield services); former Director of KLX Corp. (aerospace). Qualifications: Mr. Collins has served in several business and financial management roles and directorship positions throughout his career. Mr. Collins previously served as Chairman and CEO of The Collins Group, Inc. (a private equity firm) and as a Director of KLX Corp. Mr. Collins serves as Chairman Emeriti, Bentley University. Mr. Collins previously served as Director and Audit Committee Member, Bank of America Corp.; Director, FleetBoston Financial Corp.; and Director, Beth Israel Deaconess Medical Center (Harvard University Affiliate Hospital).

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
G. Thomas Hough Birth Date: February 28, 1955 TRUSTEE Indefinite Term Began serving: August 2015	<p>Principal Occupations: Director or Trustee, Chair of the Audit Committee of the Federated Hermes Fund Family; formerly, Vice Chair, Ernst & Young LLP (public accounting firm) (Retired).</p> <p>Other Directorships Held: Director, Chair of the Audit Committee, Equifax, Inc.; Director, Member of the Audit Committee, Haverly Furniture Companies, Inc.; formerly, Director, Member of Governance and Compensation Committees, Publix Super Markets, Inc.</p> <p>Qualifications: Mr. Hough has served in accounting, business management and directorship positions throughout his career. Mr. Hough most recently held the position of Americas Vice Chair of Assurance with Ernst & Young LLP (public accounting firm). Mr. Hough serves on the President's Cabinet and Business School Board of Visitors for the University of Alabama. Mr. Hough previously served on the Business School Board of Visitors for Wake Forest University, and he previously served as an Executive Committee member of the United States Golf Association.</p>
Maureen Lally-Green Birth Date: July 5, 1949 TRUSTEE Indefinite Term Began serving: August 2009	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Adjunct Professor Emerita of Law, Duquesne University School of Law; formerly, Dean of the Duquesne University School of Law and Professor of Law and Interim Dean of the Duquesne University School of Law; formerly, Associate General Secretary and Director, Office of Church Relations, Diocese of Pittsburgh.</p> <p>Other Directorships Held: Director, CNX Resources Corporation (formerly known as CONSOL Energy Inc.).</p> <p>Qualifications: Judge Lally-Green has served in various legal and business roles and directorship positions throughout her career. Judge Lally-Green previously held the position of Dean of the School of Law of Duquesne University (as well as Interim Dean). Judge Lally-Green previously served as a member of the Superior Court of Pennsylvania and as a Professor of Law, Duquesne University School of Law. Judge Lally-Green was appointed by the Supreme Court of Pennsylvania to serve on the Supreme Court's Board of Continuing Judicial Education and the Supreme Court's Appellate Court Procedural Rules Committee. Judge Lally-Green also currently holds the positions on not for profit or for profit boards of directors as follows: Director and Chair, UPMC Mercy Hospital; Regent, Saint Vincent Seminary; Member, Pennsylvania State Board of Education (public); Director, Catholic Charities, Pittsburgh; and Director CNX Resources Corporation (formerly known as CONSOL Energy Inc.). Judge Lally-Green has held the positions of: Director, Auberle; Director, Epilepsy Foundation of Western and Central Pennsylvania; Director, Ireland Institute of Pittsburgh; Director, Saint Thomas More Society; Director and Chair, Catholic High Schools of the Diocese of Pittsburgh, Inc.; Director, Pennsylvania Bar Institute; Director, St. Vincent College; Director and Chair, North Catholic High School, Inc.; and Director and Vice Chair, Our Campaign for the Church Alive!, Inc.</p>
Thomas M. O'Neill Birth Date: June 14, 1951 TRUSTEE Indefinite Term Began serving: August 2006	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Sole Proprietor, Navigator Management Company (investment and strategic consulting).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. O'Neill has served in several business, mutual fund and financial management roles and directorship positions throughout his career. Mr. O'Neill serves as Director, Medicines for Humanity and Director, The Golisano Children's Museum of Naples, Florida. Mr. O'Neill previously served as Chief Executive Officer and President, Managing Director and Chief Investment Officer, Fleet Investment Advisors; President and Chief Executive Officer, Aeltus Investment Management, Inc.; General Partner, Hellman, Jordan Management Co., Boston, MA; Chief Investment Officer, The Putnam Companies, Boston, MA; Credit Analyst and Lending Officer, Fleet Bank; Director and Consultant, EZE Castle Software (investment order management software); and Director, Midway Pacific (lumber).</p>
Madelyn A. Reilly Birth Date: February 2, 1956 TRUSTEE Indefinite Term Began serving: November 2020	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Senior Vice President for Legal Affairs, General Counsel and Secretary of the Board of Trustees, Duquesne University.</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Ms. Reilly has served in various business and legal management roles throughout her career. Ms. Reilly previously served as Director of Risk Management and Associate General Counsel, Duquesne University. Prior to her work at Duquesne University, Ms. Reilly served as Assistant General Counsel of Compliance and Enterprise Risk as well as Senior Counsel of Environment, Health and Safety, PPG Industries.</p>
P. Jerome Richey Birth Date: February 23, 1949 TRUSTEE Indefinite Term Began serving: October 2013	<p>Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; Management Consultant; Retired; formerly, Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh and Executive Vice President and Chief Legal Officer, CONSOL Energy Inc. (now split into two separate publicly traded companies known as CONSOL Energy Inc. and CNX Resources Corp.).</p> <p>Other Directorships Held: None.</p> <p>Qualifications: Mr. Richey has served in several business and legal management roles and directorship positions throughout his career. Mr. Richey most recently held the positions of Senior Vice Chancellor and Chief Legal Officer, University of Pittsburgh. Mr. Richey previously served as Chairman of the Board, Epilepsy Foundation of Western Pennsylvania and Chairman of the Board, World Affairs Council of Pittsburgh. Mr. Richey previously served as Chief Legal Officer and Executive Vice President, CONSOL Energy Inc. and CNX Gas Company; and Board Member, Ethics Counsel and Shareholder, Buchanan Ingersoll & Rooney PC (a law firm).</p>

Name Birth Date Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years, Other Directorships Held, Previous Position(s) and Qualifications
John S. Walsh Birth Date: November 28, 1957 TRUSTEE Indefinite Term Began serving: January 1999	Principal Occupations: Director or Trustee of the Federated Hermes Fund Family; President and Director, Heat Wagon, Inc. (manufacturer of construction temporary heaters); President and Director, Manufacturers Products, Inc. (distributor of portable construction heaters); President, Portable Heater Parts, a division of Manufacturers Products, Inc. Other Directorships Held: None. Qualifications: Mr. Walsh has served in several business management roles and directorship positions throughout his career. Mr. Walsh previously served as Vice President, Walsh & Kelly, Inc. (paving contractors).

OFFICERS

Name Birth Date Address Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
Lori A. Hensler Birth Date: January 6, 1967 TREASURER Officer since: April 2013	Principal Occupations: Principal Financial Officer and Treasurer of the Federated Hermes Fund Family; Senior Vice President, Federated Administrative Services; Financial and Operations Principal for Federated Securities Corp.; and Assistant Treasurer, Federated Investors Trust Company. Ms. Hensler has received the Certified Public Accountant designation. Previous Positions: Controller of Federated Hermes, Inc.; Senior Vice President and Assistant Treasurer, Federated Investors Management Company; Treasurer, Federated Investors Trust Company; Assistant Treasurer, Federated Administrative Services, Federated Administrative Services, Inc., Federated Securities Corp., Edgewood Services, Inc., Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company, Passport Research, Ltd., and Federated MDTA, LLC; Financial and Operations Principal for Federated Securities Corp., Edgewood Services, Inc. and Southpointe Distribution Services, Inc.
Peter J. Germain Birth Date: September 3, 1959 CHIEF LEGAL OFFICER, SECRETARY AND EXECUTIVE VICE PRESIDENT Officer since: January 2005	Principal Occupations: Mr. Germain is Chief Legal Officer, Secretary and Executive Vice President of the Federated Hermes Fund Family. He is General Counsel, Chief Legal Officer, Secretary and Executive Vice President, Federated Hermes, Inc.; Trustee and Senior Vice President, Federated Investors Management Company; Trustee and President, Federated Administrative Services; Director and President, Federated Administrative Services, Inc.; Director and Vice President, Federated Securities Corp.; Director and Secretary, Federated Private Asset Management, Inc.; Secretary, Federated Shareholder Services Company; and Secretary, Retirement Plan Service Company of America. Mr. Germain joined Federated Hermes, Inc. in 1984 and is a member of the Pennsylvania Bar Association. Previous Positions: Deputy General Counsel, Special Counsel, Managing Director of Mutual Fund Services, Federated Hermes, Inc.; Senior Vice President, Federated Services Company; and Senior Corporate Counsel, Federated Hermes, Inc.
John B. Fisher Birth Date: May 16, 1956 PRESIDENT Officer since: November 2004	Principal Occupations: Principal Executive Officer and President of certain of the Funds in the Federated Hermes Fund Family; Director or Trustee of certain of the Funds in the Federated Hermes Fund Family; Vice President, Federated Hermes, Inc.; President, Director/Trustee and CEO, Federated Advisory Services Company, Federated Equity Management Company of Pennsylvania, Federated Global Investment Management Corp., Federated Investment Counseling, Federated Investment Management Company; President and CEO of Passport Research, Ltd.; President of some of the Funds in the Federated Fund Complex and Director, Federated Investors Trust Company. Previous Positions: President and Director of the Institutional Sales Division of Federated Securities Corp.; President and Director of Federated Investment Counseling; Director, Edgewood Securities Corp.; Director, Federated Services Company; Director, Federated Hermes, Inc.; Chairman and Director, Southpointe Distribution Services, Inc. and President, Technology, Federated Services Company.
Stephen Van Meter Birth Date: June 5, 1975 CHIEF COMPLIANCE OFFICER AND SENIOR VICE PRESIDENT Officer since: July 2015	Principal Occupations: Senior Vice President and Chief Compliance Officer of the Federated Hermes Fund Family; Vice President and Chief Compliance Officer of Federated Hermes, Inc. and Chief Compliance Officer of certain of its subsidiaries. Mr. Van Meter joined Federated Hermes, Inc. in October 2011. He holds FINRA licenses under Series 3, 7, 24 and 66. Previous Positions: Mr. Van Meter previously held the position of Compliance Operating Officer, Federated Hermes, Inc. Prior to joining Federated Hermes, Inc., Mr. Van Meter served at the United States Securities and Exchange Commission in the positions of Senior Counsel, Office of Chief Counsel, Division of Investment Management and Senior Counsel, Division of Enforcement.
Stephen F. Auth Birth Date: September 13, 1956 101 Park Avenue 41 st Floor New York, NY 10178 CHIEF INVESTMENT OFFICER Officer since: November 2002	Principal Occupations: Stephen F. Auth is Chief Investment Officer of various Funds in the Federated Hermes Fund Family; Executive Vice President, Federated Investment Counseling, Federated Global Investment Management Corp. and Federated Equity Management Company of Pennsylvania. Previous Positions: Executive Vice President, Federated Investment Management Company and Passport Research, Ltd. (investment advisory subsidiary of Federated); Senior Vice President, Global Portfolio Management Services Division; Senior Vice President, Federated Investment Management Company and Passport Research, Ltd.; Senior Managing Director and Portfolio Manager, Prudential Investments.

Name Birth Date Address Positions Held with Trust Date Service Began	Principal Occupation(s) for Past Five Years and Previous Position(s)
Robert J. Ostrowski Birth Date: April 26, 1963 CHIEF INVESTMENT OFFICER Officer since: May 2004	Principal Occupations: Robert J. Ostrowski joined Federated Hermes, Inc. in 1987 as an Investment Analyst and became a Portfolio Manager in 1990. He was named Chief Investment Officer of Federated Hermes' taxable fixed-income products in 2004 and also serves as a Senior Portfolio Manager. Mr. Ostrowski became an Executive Vice President of the Fund's Adviser in 2009 and served as a Senior Vice President of the Fund's Adviser from 1997 to 2009. Mr. Ostrowski has received the Chartered Financial Analyst designation. He received his M.S. in Industrial Administration from Carnegie Mellon University.
Deborah A. Cunningham Birth Date: September 15, 1959 CHIEF INVESTMENT OFFICER Officer since: June 2012	Principal Occupations: Deborah A. Cunningham was named Chief Investment Officer of Federated Hermes' money market products in 2004. She joined Federated Hermes in 1981 and has been a Senior Portfolio Manager since 1997 and an Executive Vice President of the Fund's Adviser since 2009. Ms. Cunningham has received the Chartered Financial Analyst designation and holds an M.S.B.A. in Finance from Robert Morris College.

Evaluation and Approval of Advisory Contract – May 2020

FEDERATED HERMES QUALITY BOND FUND II (THE “FUND”)

(FORMERLY, FEDERATED QUALITY BOND FUND II)

At its meetings in May 2020 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including a majority of those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Investment Management Company (the “Adviser”) (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to continue 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, 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. 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, as well as information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings.

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: the Adviser’s and sub-adviser’s investment philosophy, revenue, profitability, personnel and processes; investment and operating strategies; the Fund’s short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund’s particular investment program and a group of its peer funds and/or its benchmark, as appropriate) and comments on the reasons for the Fund’s performance; the Fund’s investment objectives; the Fund’s expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any); and the nature, quality and extent of the advisory and other services provided to the Fund by the Adviser and its affiliates. The Board also considered the preferences and expectations of Fund shareholders; the entrepreneurial and other risks assumed by the Adviser in sponsoring and managing the Fund; the continuing state of competition in the mutual fund industry and market practices; the range of comparable fees for similar funds in the mutual fund industry; the Fund’s relationship to the other funds advised by Federated Hermes (each, a “Federated Hermes Fund”), which include a comprehensive array of funds with different investment objectives, policies and strategies which are generally available for exchange without the inurrence of additional sales charges; compliance and audit reports concerning the Federated Hermes Funds and the 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. In addition, the Board received and considered information furnished by Federated Hermes on the impacts of the coronavirus (COVID-19) outbreak on Federated Hermes generally and the Fund in particular, including, among other information, the current and anticipated impacts on the management, operations and performance of the Fund. 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 shared with a fund and its shareholders or the family of funds; (4) any "fall-out" financial 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 contracts generally align with the factors listed above. The Board was aware of these factors and was guided by them in its review of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below.

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

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of the Adviser and its affiliates dedicated to the Fund. In this regard, the Board evaluated, among other things, the Adviser's personnel, experience and track record, as well as the financial resources and overall reputation of Federated Hermes and its willingness to invest in personnel and infrastructure that 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 incorporate environmental, social and governance ("ESG") factors and issuer engagement on ESG matters.

In addition, the Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and the Adviser's ability and experience in attracting and retaining qualified personnel to service the Fund. The Board noted the compliance program of the Adviser and the compliance-related resources devoted by the Adviser and its affiliates in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including the Adviser's commitment to respond to rulemaking and other regulatory initiatives of the SEC such as the liquidity risk management program rules. In addition, the Board considered the response by the Adviser to recent market conditions and considered the overall performance of the Adviser in this context. The Fund's ability to deliver competitive performance when compared to its Performance Peer Group (as defined below) was also deemed to be relevant by the Board as a useful indicator of how the Adviser is executing the Fund's investment program. The Adviser's ability to execute this program was one of the Board's considerations in reaching a conclusion that the nature, extent and quality of the Adviser's investment management and related services warrant the continuation of the Contract.

Fund Investment Performance

In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks, as disclosed in the Fund's prospectus. The Board also considered the Fund's performance in light of the overall recent market conditions. The Board considered detailed investment reports on the Fund's performance over different time periods that were provided to the Board throughout the year and in connection

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

The Fund's performance fell below the median of the relevant Performance Peer Group for the one-year, three-year and five-year periods ended December 31, 2019. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser 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

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 has found the use of such comparisons to be relevant to its deliberations. 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. 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 investors. The Board noted that the range of their 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 above the median of the relevant Expense Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

For comparison, the Board received and considered information about the fees charged by Federated Hermes for providing advisory services to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-mutual fund clients such as institutional separate accounts and third-party unaffiliated mutual funds for which the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-mutual fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) and 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 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 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 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 the fact that, in order for the Federated Hermes Funds to be competitive in the marketplace, the Adviser and its affiliates frequently waived fees and/or reimbursed expenses and have disclosed to Federated Hermes Fund shareholders and/or reported to the Board their intention to do so in the future. Moreover, the Board received and considered regular reports from Federated Hermes throughout the year as to the institution, adjustment or elimination of these voluntary waivers and/or reimbursements.

The Board received and considered information furnished by Federated Hermes, as requested by the CCO, that reported revenues on a fund-by-fund basis and made estimates of the allocation of expenses on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO’s view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable, because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. The allocation information, including the CCO’s view that fund-by-fund estimations may be unreliable, was considered in the evaluation by the Board. In addition, the Board considered that, during the prior year, an independent consultant conducted a review of 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. The Board noted the consultant’s view 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 the Adviser 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, 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 Federated Hermes Fund family as a whole. In addition, the Board considered that the Adviser and its affiliates have frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and that such waivers and reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund’s assets decline. Federated Hermes, as it does throughout the year, and specifically in connection with the Board’s review of the Contract, furnished information relative to adviser-paid fees (commonly referred to as revenue sharing). 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 fee as a fund attains a certain size.

Conclusions

The Board considered 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 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 subadvisory arrangements is a continuing and on-going 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 on-going oversight of the Federated Hermes Funds.

In its determination to continue an existing investment advisory contract, 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 an investment advisory contract. In particular, the Board recognized that many shareholders have invested in the Fund on the strength of the Adviser's industry standing and reputation and with the expectation that the Adviser will have a continuing role in providing advisory services to the Fund. Thus, the Board's approval of the Contract reflected the fact that it is the shareholders who have effectively selected the Adviser by virtue of having invested in the Fund. The Board concluded that, in light of the factors summarized above, including the nature, quality and scope of the services provided to the Fund by the Adviser and its affiliates, continuation of the Contract was appropriate.

The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view to 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 continue the existing arrangement.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Quality Bond Fund II (the “Fund” and, collectively with the Federated Hermes funds, 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 for the Fund. 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 for each Federated Hermes Fund they manage (each an “Administrator”). The Administrator in turn has delegated daily responsibility for the administration of the Program to multiple Liquidity Risk Management Committees (the “Committees”). The Committees, which are comprised of representatives of Enterprise Risk Management, Compliance, Investment Management and Trading, must review and assess certain information related to the liquidity of the Federated Hermes Funds, including the Fund.

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 2020, 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 the Program’s inception on December 1, 2018 through March 31, 2020 (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 market disruptions resulting from the novel coronavirus outbreak, 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 Fund’s investment adviser, in its role as Administrator, collectively with the other investment advisers to the Federated Hermes Funds, 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.



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