

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 18, 2021

FEDERATED HERMES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

001-14818
(Commission File Number)

25-1111467
(I.R.S. Employer
Identification No.)

1001 Liberty Avenue
Pittsburgh, Pennsylvania 15222-3779
(Address of principal executive offices, including zip code)

(412) 288-1900
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B common stock, no par value	FHI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01 OTHER EVENTS.

On July 2, 2018, Federated Hermes, Inc. (then Federated Investors, Inc.) ("FHI") and its subsidiary, Federated Holdings (UK) II Limited ("Buyer"), completed, effective as of July 1, 2018, the acquisition ("Acquisition") of a majority interest in Hermes Fund Managers Limited ("HFML") pursuant to the terms of a definitive Share Sale Agreement dated April 12, 2018 ("Purchase Agreement"), among BT Pension Scheme Trustees Limited, as trustee for and on behalf of the BT Pension Scheme ("BTPS" or "Seller"), Buyer and FHI (Buyer and FHI, collectively, as applicable, "Federated Hermes"). At that time, Federated Hermes also entered into a Put and Call Option Deed, dated July 2, 2018 (the "Option Deed"), among BTPS and Federated Hermes. The Option Deed provides Federated Hermes with a right to exercise a call option to have Buyer acquire BTPS' remaining 29.5% interest in HFML and BTPS with a right to exercise a put option to sell its remaining interest in HFML to Buyer, after the third, fourth or fifth anniversaries, and subject to certain contingencies, the sixth anniversary, of the date of the Purchase Agreement. The Option Deed provides that the consideration to be paid for BTPS' remaining interest in HFML would be based on BTPS' equity proportion of the fair value of HFML as determined in accordance with the terms of the Option Deed. The remaining approximate 10% of the equity interests of HFML is held in an employee benefit trust for the benefit of certain members of HFML's management and other key employees under a long-term incentive plan established in connection with the Acquisition.

On April 20, 2021, BTPS provided a Valuation Request Notice to Federated Hermes requesting determination of the fair value of HFML in accordance with the terms of the Option Deed. Pursuant to the Option Deed, Federated Hermes and BTPS agreed upon a third-party valuation company, which determined the fair value of HFML for purposes of the Option Deed. The parties have accepted the third party valuation and expect to consummate the purchase of the ordinary shares of HFML representing BTPS's 29.5% interest in HFML on August 31, 2021 ("Closing Date") for £116.5 million (approximately \$161.5 million) ("Purchase Price"). Federated Hermes expects to pay the Purchase Price by using a combination of cash on hand and borrowings under its corporate credit facility. After the Closing Date, BTPS will no longer have any ownership interest in HFML nor any representation on HFML's board of directors. BTPS remains a significant client with \$12.0 billion in assets under management invested in several Federated Hermes sponsored or managed investment products, including \$10.1 billion in long-term private market strategies as of July 31, 2021.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits:

[Exhibit 99.1](#)

Press release issued by Federated Hermes, Inc. dated August 18, 2021

Exhibit 104

Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERATED HERMES, INC.
(REGISTRANT)

Date August 18, 2021

By: /s/ J. Christopher Donahue
J. Christopher Donahue
President and Chief Executive Officer


BTPS
Press Release

Federated Hermes, Inc. to acquire remaining interest in Hermes Investment Management held by BT Pension Scheme

(PITTSBURGH, Pa., Aug. 18, 2021) — Federated Hermes, Inc., (NYSE: FHI) a global leader in active, responsible investing, has today agreed to the acquisition of the remaining 29.5% interest in Hermes Fund Managers Limited (HFML) held by BT Pension Scheme (BTPS).

Federated Hermes acquired a 60% majority interest in HFML from BTPS in 2018. The transaction provided a call option for Federated Hermes to purchase the rest of HFML and gave BTPS a put option to sell its residual shareholding in HFML, in both cases between three-to-six years after the original agreement.

Both parties have now agreed to close a transaction for BTPS's remaining 29.5% interest in HFML on 31 August, 2021. BTPS and Federated Hermes have agreed to an independent fair valuation of HFML of £394.9 million, (approximately \$547.4 million). Consequently, Federated Hermes will pay £116.5 million, (approximately \$161.5 million) to BTPS for its remaining shares in HFML. Federated Hermes will fund the transaction through a combination of cash and borrowings from its existing credit line. An employee benefit trust continues to hold approximately 10% of HFML for the benefit of certain members of HFML's management and key employees.

J. Christopher Donahue, president and chief executive officer of Federated Hermes, said:

"Over the past three years, our shared values and mutually beneficial areas of expertise have given us the opportunity to engage with BTPS and enjoy an open dialogue with them as a key client and owner. Our combined investment management, stewardship and distribution experience make it prudent for FHI to complete this deal in a timely fashion so that we can continue to focus on expanding our investment and stewardship capabilities while growing our global distribution footprint."

Although BTPS will no longer have an ownership interest in HFML, it will remain a significant client, with \$12.0 billion in assets under management invested in several Federated Hermes sponsored or managed investment products, including \$10.1 billion in long-term private markets strategies as of 31 July, 2021.

Morten Nilsson, chief executive officer, BT Pension Scheme Management, said:

"Over the last decade, HFML has grown from being our in-house team into a strong, global asset manager responsible for £43.9 billion. We are pleased to see the business flourish under new ownership, making the sale of our residual shareholding a simple, logical next step.

“We retain strong links with HFML and look forward to working with them as we focus on managing £57.5 billion in assets towards our 2035 Net Zero goal as a responsible and engaged investor on behalf of our members.”

Upon closing of the transaction, Federated Hermes expects to continue to pursue a variety of opportunities for growth as it offers world-class active investment management and stewardship services that target financial outperformance across a wide range of asset classes for investors around the world.

Saker Nusseibeh, chief executive officer of Hermes Fund Managers Limited said:

“We are thankful to BTPS, an owner who supported and championed our approach to responsible investment and sustainable wealth creation long before many had understood its importance. We look forward to continuing to work with the Scheme as a client in the future. Completing this transaction represents an important milestone for our firms and is a consequence of the close collaboration and cultural fit we have enjoyed since Federated Hermes acquired its majority share in 2018. Since then, we have worked closely as a team and with Federated Hermes’ support we have implemented growth plans and invested in the overall business, which has had assets increase from £33.6 billion to £43.9 billion.”

Federated Hermes, Inc. is a leading global investment manager with \$645.8 billion in assets under management as of June 30, 2021. Guided by our conviction that responsible investing is the best way to create wealth over the long term, our investment solutions span equity, fixed-income, alternative/private markets, multi-asset and liquidity management strategies. Providing world-class active investment management and engagement services to more than 11,000 institutions and intermediaries, our clients include corporations, government entities, insurance companies, foundations and endowments, banks and broker/dealers. Headquartered in Pittsburgh, Federated Hermes’ nearly 2,000 employees include those in London, New York, Boston and offices worldwide. For more information, visit [FederatedHermes.com](https://www.federatedhermes.com).

BT Pension Scheme is one of the UK’s largest corporate defined benefit pension schemes with assets of over £57.5 billion (as of 30 June, 2020) and 280,004 scheme members. For more information, visit [btps.co.uk](https://www.btpsm.co.uk). This press release is issued and approved by BT Pension Scheme Limited of 1 America Square, 17 Crosswall, London EC3N 2LB. This document is not an offer to sell or an invitation to apply for any product or service of BTPSM Limited.

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Certain statements in this press release, such as those related to growth opportunities for expanding Federated Hermes’ investment and stewardship capabilities or growing our global distribution footprint, constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the company, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Other risks and uncertainties include those discussed in the company’s annual and quarterly reports as filed with the Securities and Exchange Commission. As

a result, no assurance can be given as to future results, levels of activity, performance or achievements, and neither the company nor any other person assumes responsibility for the accuracy and completeness of such statements in the future.