

Federated Hermes, Inc. launches two new microshort funds

- **Active strategies built on the firm’s history of liquidity and fixed-income leadership**

(PITTSBURGH, Pa., Feb. 3, 2021) — Federated Hermes, Inc. (NYSE: FHI), a global leader in active, responsible investing, today announced the launch of Federated Hermes Conservative Microshort Fund and Federated Hermes Conservative Municipal Microshort Fund. The actively managed funds offer an innovative approach to liquidity management by pursuing higher yields than money market strategies while simultaneously aiming to maintain lower NAV volatility by investing in securities with shorter maturities than traditional ultrashort products.

Federated Hermes Conservative Microshort Fund seeks to provide current income with capital preservation while maintaining liquidity. Federated Hermes Conservative Municipal Microshort Fund seeks to provide current income on a tax-exempt basis and preservation of capital with an emphasis on maintaining liquidity.

“As our clients seek yield advantage while rates remain historically low, our new microshort funds extend our range of customized liquidity-management offerings at the short end of the yield curve,” said John B. Fisher, president and chief executive officer of Federated Advisory Companies. “The cross-team management, a mainstay of Federated Hermes’ collaborative culture, taps the knowledge and unwavering client focus of our experienced professionals to optimize investment choices across liquidity and fixed-income universes.”

As complements to money market and short-term allocations, the new microshort funds are jointly managed by Federated Hermes’ liquidity and fixed-income teams. Each member of the team brings 20 to 40 years of investment experience and incorporates insights from fundamental factors, rigorous analysis and our proprietary ESG dashboard.

Key portfolio managers of the Conservative Microshort Fund include Randall S. Bauer, senior portfolio manager, head of low-duration strategies; Paige Wilhelm, senior portfolio manager and head of prime liquidity group; Nicholas Tripodes, portfolio manager and senior investment analyst; and Mark Weiss, senior portfolio manager.

Key portfolio managers of the Conservative Municipal Microshort Fund are Mary Jo Ochson, chief investment officer and head of the tax-free liquidity investment area and short-term municipal bonds; Kyle Stewart, senior portfolio manager and senior investment analyst; and Patrick Strollo, senior portfolio manager and senior investment analyst.

The Conservative Microshort Fund uses the ICE BofA 3-Month Treasury Bill Index as its benchmark. The Conservative Municipal Microshort Fund uses Bloomberg BVAL Municipal Yield Curve (Callable) 3-Month Index as its benchmark. The funds are initially offered as IS shares, with A shares to follow.

Federated Hermes, Inc. is a leading global investment manager with \$619.4 billion in assets under management as of Dec. 31, 2020. Guided by our conviction that responsible investing is the best way to create wealth over the long term, our investment solutions span 163 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' more than 1,900 employees include those in London, New York, Boston and offices worldwide. For more information, visit FederatedHermes.com.

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For more complete information, visit FederatedInvestors.com or contact your investment professional for summary prospectuses or prospectuses. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's summary prospectus or prospectus, which you should read carefully before investing.

The funds are not subject to the special regulatory requirements (including maturity, liquidity and credit quality constraints) designed to enable money market funds to maintain a stable share price.

Mutual funds are subject to risks and fluctuate in value.

Interest income from the municipal fund's investments may be subject to the federal alternative minimum tax (AMT) for individuals, and state and local taxes.

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

The funds are not "money market" mutual funds. Some money market mutual funds attempt to maintain a stable net asset value through compliance with relevant Securities and Exchange Commission (SEC) rules. The funds are not governed by those rules, and shares will fluctuate in value.

ICE BofA 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

Bloomberg BVAL Municipal Yield Curve (Callable) 3-Month Index is a municipal "AAA" 5% coupon benchmark yield curve that is the baseline curve for BVAL tax-exempt municipals. It is populated with high quality U.S. municipal bonds with an average rating of "AAA" from Moody's and S&P. The yield curve is built using non-parametric fit of market data obtained from the Municipal Securities Rulemaking Board, new issues calendars and other proprietary contributed prices. The benchmark is updated hourly and utilizes eligible "AAA" traded observations throughout the day and accessible on through Bloomberg services. The 3-month curve is one data point of the overall BVAL Municipal AAA Benchmark Curve.

Duration measures 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.

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