

# Federated Hermes Government Income Securities, Inc.



Nasdaq symbol — IS: GISIX | A: FGOAX | C: FGOCX | F: FGOIX

9/30/20

## Product highlights

- Pursues current income.
- Invests in U.S. government agency securities, U.S. Treasury securities and mortgage-backed securities.
- Features a track record of more than 30 years.

## Morningstar category

Intermediate Government

## Benchmark

60% Bloomberg Barclays U.S. Mortgage Backed Securities Index/40% Bloomberg Barclays U.S. Government Bond Index

## Key investment team

Todd Abraham, CFA®  
Liam O'Connell, CFA®

## Yields

30-day yield - IS	1.21%
30-day yield - A	0.92%
30-day yield - C	0.22%
30-day yield - F	0.96%

## Fund statistics

Portfolio assets	\$160.1 m
Dividends	Paid monthly
Weighted average effective duration (yield book calculation)	4.1 years
Weighted average bond price	\$109.06

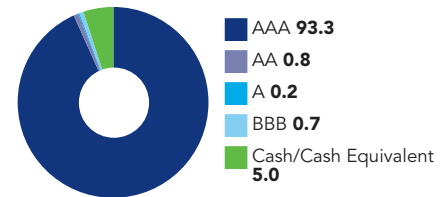
## Top holdings (%)

UMBS TBA 2.5% due 10/1/50	6.2
UMBS TBA 3% due 10/1/50	4.6
FNMA Remic 2018-71 FA 0.4481% due 9/25/48	3.1
UMBS TBA 2% due 10/1/35	2.6
U.S. Treasury Bond 3.125% due 8/15/44	2.1
FHLMC Remic K737 A2 2.525% due 10/25/26	2.0
FHLMC Remic KC03 A2 3.499% due 1/25/26	2.0
FHLMC ZM4786 3.5% due 11/1/47	2.0
U.S. Treasury Note 2% due 2/15/23	2.0
FNMA Remic 2020-M14 A2 1.784% due 5/25/30	1.9

## Sector weightings (%)

U.S. Government Agency Mortgage-Backed Securities	63.4
U.S. Treasury Securities	20.1
U.S. Government Agency Commercial Mortgage-Backed Securities	10.7
Asset-Backed Securities	5.2
U.S. Government Agency Securities	4.9
Non-Agency Commercial Mortgage-Backed Securities	0.9
Non-Agency Mortgage-Backed Securities	0.3
Cash/Cash Equivalents	-5.5

## Quality breakdown (%) \*\*



The fund invests a portion of proceeds from dollar roll transactions in Floaters. The accounting treatment of these transactions resulted in negative percentage for Cash/Cash Equivalents.

## Average annual total returns (%)

Performance shown is before tax.

NAV	Performance inception	Cumulative 3-month	1-year	3-year	5-year	10-year	Since inception	Expense ratio*	
								Before waivers	After waivers
IS	8/5/96	0.48	5.64	3.89	2.77	2.50	5.18	1.04	0.76
A	8/5/96	0.31	5.43	3.81	2.72	2.48	4.24	1.26	1.01
C	8/5/96	0.23	4.74	3.06	1.96	1.72	3.93	2.01	1.77
F	4/4/86	0.42	5.56	3.86	2.75	2.50	5.18	1.26	1.01
<b>Benchmark</b>		0.14	5.80	4.40	3.29	3.05	-	-	-

Maximum offering price									
A	8/5/96	-4.24	0.70	2.25	1.79	2.01	4.04	1.26	1.01
C	8/5/96	-0.77	3.74	3.06	1.96	1.72	3.93	2.01	1.77
F	4/4/86	-1.54	3.52	3.20	2.55	2.40	5.15	1.26	1.01

## Calendar year total returns (%)

F Shares/NAV

	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
NAV	5.68	5.83	0.25	1.80	1.09	0.39	4.67	-2.35	2.90	5.70
Benchmark	5.68	6.55	0.95	2.40	1.43	1.25	5.62	-1.89	2.37	7.35

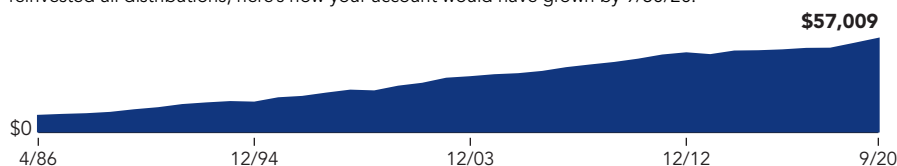
Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. To view performance current to the most recent month-end, and for after-tax returns, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Maximum offering price figures reflect the maximum sales charges of 4.5% for A Shares and 1% for F Shares, and the maximum contingent deferred sales charges of 1% for C Shares and 1% for F Shares. See the prospectus for other fees and expenses that apply to a continued investment in the fund.

\* The fund's expense ratio is from the most recent prospectus. The expense ratio may reflect voluntary fee waivers and/or expense reimbursements determined by the fund's Advisor and its affiliates. The voluntary waivers and/or reimbursements, if applicable, are in effect up to but not including the later of 5/1/21 or the date of the fund's next effective prospectus.

# Federated Hermes Government Income Securities, Inc.

## Growth over time

If you had invested \$10,000 in F Shares on 4/30/86 (month end of the fund's performance inception) and reinvested all distributions, here's how your account would have grown by 9/30/20.



The fund's Institutional Shares commenced operations on May 1, 2020. For the periods prior to the commencement of operations of the Institutional Shares, the performance information shown is for the fund's F Shares. The performance of the F Shares has not been adjusted to reflect the expenses of the Institutional Shares since the Institutional Shares are estimated to have a lower expense ratio than the expense ratio of the F Shares. The performance of the F Shares has been adjusted to reflect differences between the sales loads and charges imposed on the purchase and redemption of the fund's F Shares and Institutional Shares.

As of June 29, 2020, the fund was renamed Federated Hermes Government Income Securities, Inc.

### A word about risk

Mutual funds are subject to risks and fluctuate in value.

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

The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.

### Definitions

**The holdings percentages** are based on net assets at the close of business on 9/30/20 and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes. Because this is a managed portfolio, the investment mix will change.

**Total return** represents the change in value of an investment after reinvesting all income and capital gains. Total return would have been lower in the absence of temporary expense waivers or reimbursements.

**30-day yield** (also known as "SEC yield") is a compounded and annualized figure calculated according to a formula set by the SEC. The formula requires use of a specific methodology for calculating dividends and interest earned, and expenses accrued, during the period, and reflects the maximum offering price per fund share. The standardized computation is designed to facilitate yield comparisons among different funds. In the absence of temporary expense waivers or reimbursements, the 30-day yield would have been 0.96% for Institutional Shares, 0.68% for A Shares, -0.03% for C Shares, and 0.72% for F Shares.

**Growth over time** performance is for the fund's F Shares. Figures do not reflect the 1% maximum sales charge and 1% maximum contingent deferred sales charge. The fund offers additional share classes whose performance will vary due to differences in charges and expenses.

**Weighted average effective duration** (sometimes called "Option-Adjusted Duration") is a measure of a security's price sensitivity to changes in interest rates calculated using a model that recognizes that the probability of a bond being called or remaining outstanding until maturity may vary if market interest rates change, and that makes adjustments based on a bond's embedded options (e.g., call rights, or in the case of a mortgage-backed security, the probability that homeowners will prepay their mortgages), if any, based on the probability that the options will be exercised. A fund's weighted average effective duration will equal the market value weighted average of each bond's effective duration in the fund's portfolio. As with any model, several assumptions are made so the weighted average effective duration of a fund in the Federated Hermes family of funds may not be comparable to other funds outside of the Federated Hermes family of funds. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.

**Weighted average bond price** - Morningstar generates this figure from the portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the manager favors bonds selling at prices above or below face value (discount or premium securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

**Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index** tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Bloomberg Barclays U.S. Government Bond Index** is a market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.

Indexes are unmanaged and cannot be invested in directly.

*Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact us or visit [FederatedInvestors.com](http://FederatedInvestors.com). Please carefully read the summary prospectus or the prospectus before investing.*

*Past performance is no guarantee of future results.*

### Ratings and rating agencies

Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund. ©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

\*\* The ratings agencies that provided the ratings are Standard and Poor's, Moody's and Fitch. When ratings vary, the highest rating is used. Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.