

# The next step in liquidity management

## Federated Hermes Conservative Microshort Fund

### Fund snapshot

#### Ticker symbol

IS: FHC0X

#### Fund inception date

2/3/21

#### Benchmark

ICE BofA 3-Month U.S. Treasury Bill Index

### Product highlights

- Seeks to provide current income consistent with capital preservation while maintaining liquidity.
- Seeks to provide a yield advantage over money market portfolios while simultaneously seeking to maintain a low degree of share price fluctuation.
- Invests in investment-grade securities, including commercial paper, CDs, asset-backed securities and corporate bonds and notes.
- Generally maintains a portfolio dollar-weighted average effective maturity of 180 days or less.
- Integrates environmental, social and governance (ESG) factors in a non-exclusionary way.

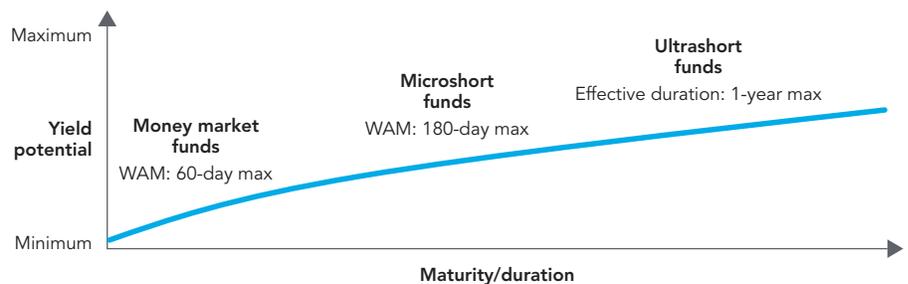
### Microshorts can provide an advantage

The Federated Hermes Conservative Microshort Fund extends the liquidity universe through the addition of security types slightly outside the purview of SEC Rule 2a-7. This fund pursues a yield advantage over money market funds, while seeking low volatility of net asset value (NAV). The Federated Hermes Conservative Microshort Fund limits the weighted average maturity (WAM) to 180 days and invests in higher quality securities than traditional ultrashort products.

Managed by both our liquidity and fixed-income teams, this fund combines their knowledge and experience to help optimize investment choices across both investable universes. This cross-team collaboration has always been part of our Federated Hermes investment culture. It has been utilized for many years within our ultrashort and active cash product line-ups to provide investing options across the short-end of the yield curve.

### Federated Hermes liquidity options

The microshort funds complement money market and short-term allocations.



For illustrative purposes only and not representative of any specific investment.

### Portfolio fit

We believe client portfolios can benefit from adding the Federated Hermes Conservative Microshort Fund to their short-term allocation. The Federated Hermes Conservative Microshort Fund can complement money market funds and/or ultrashort funds within a portfolio. While there is no substitute for money market funds for operational or liquidity needs, microshort funds can provide opportunities for higher income while also seeking capital preservation.

The fund is not a money market fund; is not subject to the special regulatory requirements and risk limiting conditions (including maturity, liquidity and credit quality constraints) applicable to money market funds; and does not qualify for special money market fund tax accounting methods under certain Treasury regulations.

## Key investment team



**Paige Wilhelm**  
*Senior Vice President*  
*Senior Portfolio Manager*  
*Head of Prime Liquidity Group*  
Joined Federated Hermes: 1985  
Investment experience: 31 years



**Mark Weiss, CFA**  
*Vice President*  
*Senior Portfolio Manager*  
Joined Federated Hermes: 1994  
Investment experience: 24 years



**Randall Bauer, CFA**  
*Senior Vice President*  
*Senior Portfolio Manager*  
*Head of Low Duration Strategies*  
*Head of Structured Products Group*  
Joined Federated Hermes: 1989  
Investment experience: 41 years



**Nicholas Tripodes, CFA**  
*Vice President*  
*Senior Portfolio Manager*  
*Senior Investment Analyst*  
Joined Federated Hermes: 1993  
Investment experience: 29 years

## Investment process and people

The portfolio managers average over 25 years of experience at Federated Hermes. On a formal basis, they meet weekly to discuss key portfolio elements such as the fund's maturity target and where they see value on the yield curve. Informally, they share ideas about investment opportunities and market developments daily.

The team gains insight from multiple sources throughout the firm that they use to combine top-down decision-making with bottom-up security selection. While the portfolio management team makes investment and portfolio composition decisions independently, the process incorporates the output of teams comprised of Federated Hermes professionals who provide additional insights into macroeconomic factors affecting portfolio duration, yield curve positioning and sector selection.

**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](https://www.federatedinvestors.com). Please carefully read the summary prospectus or the prospectus before investing.**

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

The value of some asset-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 guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

An investment in mutual funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

ESG factors may be considered in the investment analysis process in a manner that is complementary to and enhances the fundamental research and analysis process. Certain ESG factors may help identify business and operational risks or opportunities and add a contextual dimension to the overall evaluation of a security. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors.

### Definitions

**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.

**ICE BofA 3-Month U.S. 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.

**Rule 2a-7** is a rule under the Investment Company Act of 1940 regulating money market funds. Rule 2a-7 imposes various requirements on the money market fund's portfolio, including regulation related to maturity, credit qualification and diversification.

**Weighted average effective maturity** is the average time to maturity of debt securities held in the fund.

**Yield Curve:** Graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.

Indexes are unmanaged and cannot be invested in directly.