

The next step in liquidity management

Federated Hermes Conservative Municipal Microshort Fund

Fund snapshot

Ticker symbol

IS: FHMIX

Fund inception date

2/3/21

Benchmark

Bloomberg BVAL Municipal Yield Curve (Callable) 3-Month Index

Product highlights

- Seeks to provide current income consistent with capital preservation with an emphasis on maintaining liquidity on a tax-exempt basis.
- Seeks to provide a tax-exempt income advantage over municipal money market portfolios while simultaneously seeking to maintain low net asset value (NAV) volatility.
- Invests in investment-grade securities, including tax-exempt commercial paper, bonds and notes and variable-rate demand notes.
- Generally maintains a portfolio dollar-weighted average effective maturity (WAM) of 180 days or less.
- Integrates environmental, social and governance (ESG) considerations in a non-exclusionary way through engagement and proprietary analysis.

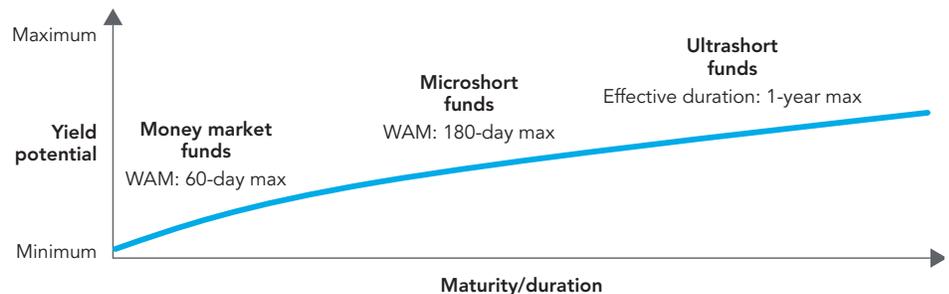
Microshorts can provide an advantage

The Federated Hermes Conservative Municipal Microshort Fund extends beyond the municipal liquidity universe through the addition of security types slightly outside the purview of SEC Rule 2a-7. This fund will seek to provide tax-exempt income without sacrificing substantial quality and incurring unwarranted risk, regardless of the rate environment. We believe an active approach, focused on rigorous credit selection, is well suited to maximize tax-exempt income by identifying the most attractive tax exempt opportunities across and within a municipal universe of shorter duration securities while mitigating potential risks and focusing on capital preservation.

Managed by our tax-free liquidity and short-term municipal bond team, this fund employs their knowledge and experience across both investable universes to help optimize investment choices. The team manages products across the short end of the yield curve and this fund attempts to take advantage of the gap that exists between money market and ultrashort strategies.

Federated Hermes liquidity options

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



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

Portfolio fit

We believe client portfolios can benefit from adding the Federated Hermes Conservative Municipal Microshort Fund to their short-term allocation. The Federated Hermes Conservative Municipal 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



Mary Jo Ochson, CFA
Senior Vice President
Chief Investment Officer
Head of Tax-Free Liquidity Investment Area
and Short-Term Municipal Bonds
Senior Portfolio Manager
Joined Federated Hermes: 1982
Investment experience: 40 years



Kyle Stewart, CFA
Vice President
Senior Portfolio Manager
Senior Investment Analyst
Joined Federated Hermes: 1993
Investment experience: 26 years



Patrick Strollo III, CFA
Vice President
Senior Investment Analyst
Senior Portfolio Manager
Joined Federated Hermes: 2007
Investment experience: 15 years

Investment process and people

The portfolio managers average over 25 years of experience at Federated Hermes. 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 decisions independently, the team's security selection is supplemented by the various tactical recommendations of internal committees such as the Fixed Income Duration Pod, the Tax-Exempt Interest Rate/Yield Curve committee, Sector Valuation and various credit committees.

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.

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

An investment in mutual funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although some money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.

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.

Bloomberg BVAL Municipal AAA Yield Curve (Callable) 3-Month Index: BVAL Municipal AAA Benchmark Bloomberg's evaluated pricing service, BVAL, provides a municipal "AAA" 5% coupon benchmark yield curve that is the baseline curve for BVAL tax-exempt municipals. It is populated with high quality US 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.

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.