



Superior Credit Analysis for Georgia Communities

Federated Hermes brings several key advantages to the management of prime portfolios:

50-Year History of Competitive Credit Analysis

- Helped to pioneer the amortized cost method of accounting, which stabilizes shares of money market mutual funds at \$1.00
- Never broken \$1.00 NAV*
- Never owned a defaulted security in our taxable money market portfolios
- Never had to buy back a security to maintain \$1.00 NAV

Extensive Research Capabilities

- Five taxable money market portfolio managers and six analysts dedicated to prime funds and support of GF1 Prime
- No turnover in portfolio management staff since 1990

Structured Credit Committee

- Stringent credit analysis, bank and corporate credit committees
- Led by Director of Fixed Income Research whose responsibilities are not tied to any portfolios, serving as an excellent check and balance system

Conservative Bias

- Portfolios generally invest only in those securities that have received the highest rating by two Nationally Recognized Statistical Rating Organizations
- Our analysts have the ability to downgrade a security without credit committee approval, so negative credit events are immediately captured

Dedicated Money Market Trading Desk

- Deep bench strength with eight specialized traders
- Dedicated traders specializing in commercial paper

The credit review process

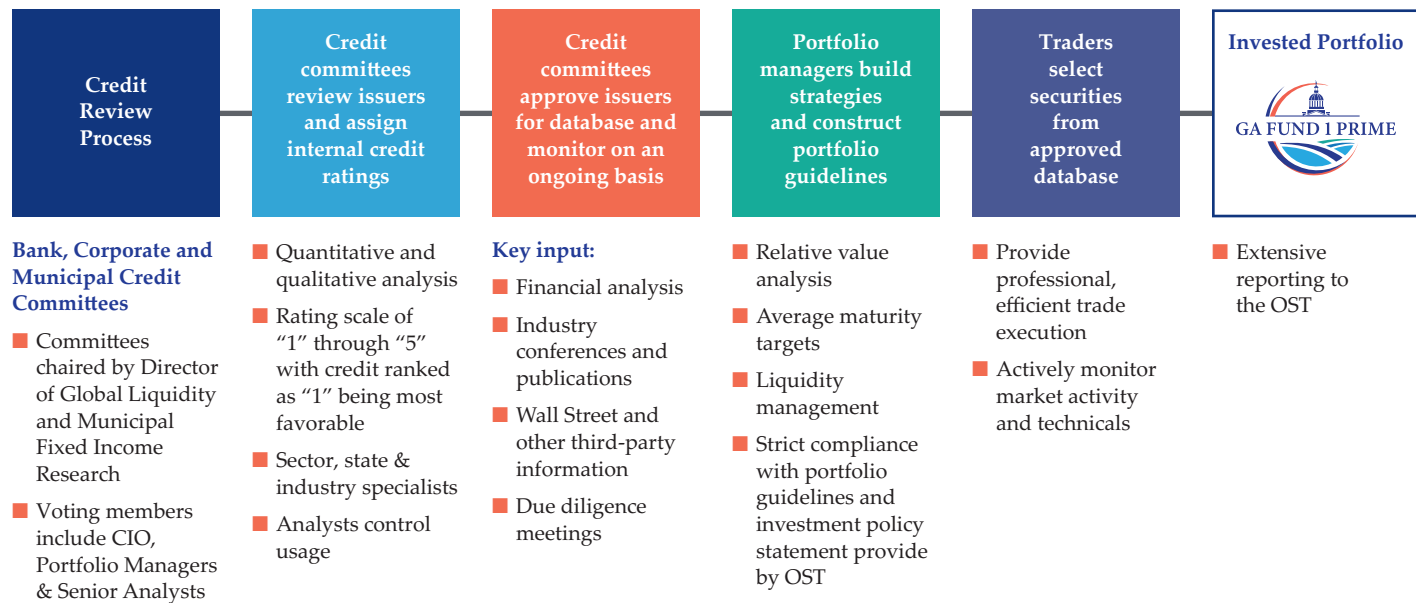
How do you determine your "Approved Issuers" for investment?

Federated Hermes has established a Bank Credit Committee and a Corporate Credit Committee to review approved issuers and ensure compliance with investment policy. The Credit Committees are charged with reviewing each issuer and assigning an internal Federated Hermes rating prior to purchase. Federated Hermes' internal rating scale is "1" through "5" with a credit ranked as "1" being most favorable. The Committees are also responsible for reviewing all proposed upgrades in ratings to approved issuers. The approved names are then used by the portfolio manager and traders to select specific securities for purchase.

Our in-house analysis focuses on the credit behind the security in question. Our analysis starts with a comparison of the industry financial ratios and profitability guidelines. We complement the quantitative financial analysis with qualitative inputs from direct management contact, Wall Street brokerage analysts, industry conferences and trade journals. A recommendation is then made to the appropriate credit committee and out of that process evolves an Approved Issuer List. The financial positions of these issuers are monitored on a daily basis and reviewed quarterly by the credit committee.

*Although Federated Hermes stable NAV money market portfolios have never broken the \$1.00 stated price, there is no guarantee that such price stability will be achieved in the future.

Stringent Credit Review Process



Federated Hermes performs stringent credit analysis with regard to our repurchase agreements. We closely examine any government agency issues that do not have the full faith and credit-backing of the U.S. government.

What specific factors do you look for when reviewing commercial paper?

When developing our list of Approved Commercial Paper Issuers, we strive to employ an approach that is systematic, professional and conservative. We consider only those issuers that have two short-term ratings.

Our analysis covers four areas of primary importance to industrial commercial paper issuers and to the parents of captive finance companies, and two additional areas for any finance company — whether captive or independent. The first four areas of analysis are: (1) profitability, (2) current position (i.e., liquidity and working capital management), (3) capitalization and (4) qualitative factors. The first three areas are mostly quantitative and isolate specific characteristics of significance. These characteristics are then taken collectively and, along with qualitative factors, are used to present a comprehensive picture of the financial integrity of the issuer.

A finance company analysis requires consideration of two additional areas: (1) asset quality and loan loss experience and (2) asset and liability management.

Letter of Credit (LOC) Backed Commercial Paper

In addition to commercial paper issued by industrial companies and finance companies, we also buy commercial paper backed by a direct-pay Letter of Credit (LOC) from an approved bank. The direct-pay letter of credit minimizes the risk of credit deterioration and subsequent default on the part of the issuer, since investors receive payments directly from the bank.

Also, the risk of commercial paper interest or principal payments being considered "preferential", in the case of issuer bankruptcy, is minimized. On this point, recent court rulings have shown that bank loan payments and commercial paper payments are considered "ordinary, in the course of business" payments, and are not subject to preference risk.

Asset-Backed Commercial Paper

An especially strong segment of the commercial paper market involves issuers whose commercial paper is backed by various asset classes, most commonly trade receivables and auto financing receivables. In the evaluation of asset-backed issuers, Federated Hermes reviews them according to the following categories: (1) asset quality, (2) default protection, (3) liquidity protection, (4) originator and/or servicer, (5) quality of receivables servicer, (6) originator quality and (7) type of receivables.

Each of these general areas is reviewed and an overall level of credit protection is assessed. In addition, due to the contractual complications of these issuers, all legal documents involved with asset-backed commercial programs are obtained and reviewed by Federated Hermes' legal team when appropriate, prior to our investing in one of these programs.

Despite the fact that credit enhancement for these asset-backed commercial paper programs is often provided by third party enhancers, Federated Hermes attempts to base its internal credit rating on the strength of the underlying receivables and their ongoing revenue generation.

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.