

# Federated Hermes Conservative Microshort Fund

Nasdaq symbol — IS: FHCOX

12/31/23

## Product highlights

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

## Morningstar category

Ultrashort Bond

## Benchmark

ICE BofA US 3-Month Treasury Bill Index

## Key investment team

Paige Wilhelm  
Mark Weiss, CFA  
Nicholas Tripodes, CFA  
Daniel Mastalski, CFA

## Yields (%)

30-day yield - IS 5.76

## Fund statistics

Portfolio assets \$69.3 m  
Number of securities 36  
Dividends Declared daily/paid monthly  
Weighted average effective maturity 143 days  
Weighted average effective duration 0.32 years

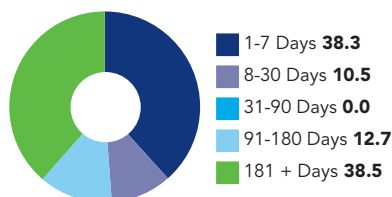
## Top holdings (%)

Federated Hermes Institutional Money Market Management 19.6  
BNP Paribas SA 5.0  
Mitsubishi UFJ Financial Group, Inc. 5.0  
MMAF Equipment Finance LLC 2023-A 4.4  
AmeriCredit Automobile Receivables Trust 2023-2 4.3  
Bank of America Corp. 4.3  
Daimler Trucks Retail Trust 2023-1 4.3  
Energy Transfer LP 4.3  
ORL TRUST 2023-GLKS 4.3  
Canadian Imperial Bank of Commerce 4.2

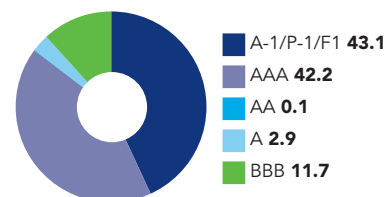
## Sector weightings (%)



## Effective maturity schedule (%)



## Quality breakdown (%) \*\*



## Average annual total returns (%)

Performance shown is before tax.

| NAV       | Performance inception | Cumulative 3-month | 1-year | Since inception | Expense ratio* |               |
|-----------|-----------------------|--------------------|--------|-----------------|----------------|---------------|
|           |                       |                    |        |                 | Before waivers | After waivers |
| IS        | 2/3/21                | 1.55               | 5.69   | 2.39            | 0.61           | 0.25          |
| Benchmark |                       | 1.37               | 5.01   | -               | -              | -             |

| 30-day yield (%) | Jan  | Feb  | Mar  | Apr  | May  | June | July | Aug  | Sept | Oct  | Nov  | Dec  |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| IS               | 4.29 | 4.35 | 4.56 | 4.71 | 4.97 | 4.99 | 5.17 | 5.52 | 5.56 | 5.65 | 5.69 | 5.76 |

## Calendar year total returns (%)

Institutional Shares/NAV

|           | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------|------|------|------|------|------|------|------|------|------|------|
| NAV       | 5.69 | 1.19 | -    | -    | -    | -    | -    | -    | -    | -    |
| Benchmark | 5.01 | 1.46 | 0.05 | -    | -    | -    | -    | -    | -    | -    |

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 [FederatedHermes.com/us](http://FederatedHermes.com/us).

\* 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 11/1/24 or the date of the fund's next effective prospectus.

# Federated Hermes Conservative Microshort Fund

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 [FederatedHermes.com/us](https://FederatedHermes.com/us). Please carefully read the summary prospectus or the prospectus before investing.

Past performance is no guarantee of future results.

\*\*\* The fund is 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.

## 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.

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

**The holdings percentages** are based on net assets at the close of business on 12/31/23 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 5.36% for Institutional Shares.

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

**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.

**ICE BofA 3-Month US 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.

Indexes are unmanaged and cannot be invested in directly.

## 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. ©2024 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. Short-term debt obligations with ratings of A-1, P-1 or F-1 are considered to have the strongest repayment ability, those rated A-2, P-2 or F-2 have a satisfactory repayment ability, and those rated A-3, P-3 or F-3 have an adequate repayment ability. The credit quality breakdown does not give effect to the impact of any credit derivative investments made by the fund.