

Overview of key SEC money market fund rules

Reform	SEC compliance date	Description
Retail investor definition	10/14/16	Retail money market funds are defined as funds limiting beneficial owners to natural persons. Beneficial ownership by natural persons includes interests held through certain personal trusts, investment agency accounts, retail brokerage accounts, SEP, Simple and KEOGH plans, section 457 deferred compensation plans, 401(k) and other participant-directed defined contribution pension and employee benefit plans or those held through omnibus accounts at custodians for the benefit of natural persons.
Floating net asset value	10/14/16	<p>A floating net asset value (NAV) requirement on certain money market funds:</p> <ul style="list-style-type: none"> • Institutional prime and institutional municipal funds are required to float their NAVs per share to the nearest 1/100th of a cent (e.g., \$1.0000).
Fees and gates eligible	10/14/16	<p>Required to have ability to impose a fees and gates rule on all money market funds (except government funds) as follows:</p> <ul style="list-style-type: none"> • Fund boards are allowed—but not required—to impose either a liquidity fee of up to 2% or a temporary suspension of redemptions (gate) if a fund's level of weekly liquid assets falls below 30% of its total assets and the board determines that the fee or gate is in the best interest of the fund's shareholders. • A fund is required to impose a liquidity fee of 1% of its level if its weekly liquid assets are below 10% at the end of any business day unless its board determines it is not in the best interest of the fund. The board may impose a higher or lower fee than 1%, or gate, or elect not to take any action. • Gates are limited to no more than 10 business days and the fund's board may lift the gate sooner. • The SEC stated that it expects fees and gates will be used only rarely, in extreme circumstances when needed to protect the interests of fund shareholders.
Material event reporting	7/14/15	<p>Funds are required to promptly disclose certain events:</p> <ul style="list-style-type: none"> • Portfolio security defaults. • Sponsor or fund affiliate support, including the amount of support, reason for support and—for retail and government funds—any decrease in the fund's market-based NAV per share below \$0.9975. • Imposition or removal of liquidity fees or gates.
Disclosure	4/14/16	<p>Requirements include the following:</p> <ul style="list-style-type: none"> • Website disclosure – Daily disclosure of daily and weekly liquid assets, net shareholder inflows or outflows, market-based NAVs per share, imposition of fees and gates and any affiliate sponsor support. • Disclosure of sponsor support – Funds are required to provide in their Statements of Additional Information (SAIs) disclosure regarding any occasion during the last 10 years (beginning with sponsor or affiliate support after the implementation date) where the fund received sponsor or fund affiliate support.
Diversification	4/14/16	<ul style="list-style-type: none"> • Aggregation of affiliates – Funds are required to treat certain entities that are affiliated with each other as single issuers for purposes of the 5% issuer diversification limit. • Amendment of the "25% basket" for guarantees – The rules changed the so-called 25% basket that permits as much as a quarter of the value of securities held in a money fund to be subject to guarantees or demand features from one or two institutions. For tax-exempt funds, the basket is limited to 15%; all other money market funds are limited to 10% in any single institution. • Asset-backed securities – Funds are required to treat sponsors of asset-backed securities as guarantors subject to the 10% diversification limit applicable to guarantees and demand features.
Stress testing	4/14/16	<ul style="list-style-type: none"> • Requires each fund to test its ability to maintain weekly liquid assets of at least 10% and to minimize volatility under specific hypothetical stress scenarios.

Money market fund categorization

Certain money funds are permitted to maintain a stable NAV using the amortized cost method or penny rounding method to maintain a stable NAV of \$1.00. Both retail funds and government funds fall into this category. Government money market funds are defined as funds that invest 99.5% or more of total assets in cash, government securities and/or repurchase agreements that are collateralized solely by cash or government securities, which falls in line with the manner in which Federated Hermes has historically run its government funds. Retail money market funds are defined as funds limiting beneficial owners to natural persons.

Institutional prime and institutional municipal money market funds are required to float their NAVs using market-based estimated values so that purchases and redemptions are effected at prices rounded to the nearest 1/100th of one cent. Thus, fund share prices are rounded to four decimal places, such as \$1.0001 or 0.9999.

Fund type	Net asset value	Liquidity fee/redemption gate eligible
U.S. Treasury	stable	no
Government	stable	no
Retail prime	stable	yes
Retail municipal	stable	yes
Institutional prime	floating	yes
Institutional municipal	floating	yes

For more complete information, visit FederatedInvestors.com or contact your Federated Hermes representative by calling 1-800-341-7400 for a summary prospectus or prospectus. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's summary prospectus or prospectus which you should read carefully before investing.

Fluctuating NAV/Institutional money markets

You could lose money by investing in this fund. Because the share price of this fund will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Stable NAV/Retail money markets

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Government/Treasury money markets

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.