

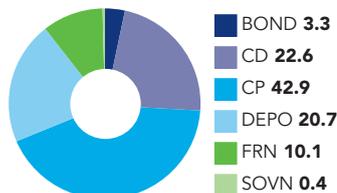
Federated Hermes Short-Term Sterling Prime Fund

Class 2 Shares - income

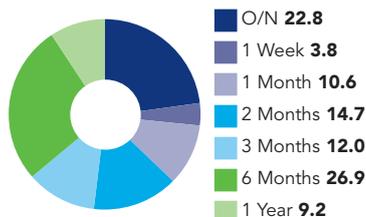
Standard and Poor's AAAm rated | Fitch AAAMmf

31 July 2021

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

59.87 days

Weighted average life

78.65 days

Liquidity

Daily 22.56%

Weekly 34.78%

Fund information

Domicile	UK
Structure	OEIC UCITS
Launch date	31 March 2008
Dealing cut off	1.30pm London Time
Liquidity	Same Day
Currency	GBP
Fund type	LVNAV
Fund volume	£5.0 billion

Key investment team



Dennis Gepp
Senior Vice President
Managing Director & CIO



Gary Skedge
Vice President
Head of U.K. Cash Management Team
Senior Portfolio Manager

Investment objective and strategy

The fund aims to provide income whilst preserving principal through investment in Sterling denominated short-term debt and fixed income securities. The fund will invest in high quality, liquid securities, aiming to achieve short-term money market returns with capital preservation or at the value of the investors' initial capital plus earnings. The fund is a short-term money market fund.

Investment manager's report

The Bank of England's Monetary Policy Committee (MPC) unanimously voted to keep interest rates unchanged at 0.10% and 7-1 to continue the asset purchase target for quantitative easing (QE) of £895 billion. The lone dissenter, Michael Saunders, voted for an immediate cut of £45 billion. The MPC will consider stopping reinvestment in QE if rates reach 0.50% and will consider selling bonds if official rates are at 1%. The inflation forecast was raised to 4% in the fourth quarter, falling to 2.5% in 2022 before attaining the 2% target. Growth forecasts remain unchanged at 7.25% for 2021 but were revised up to 6% for 2022 before resuming normal levels for 2023 at 1.5%. Pay growth is expected to peak at 8.5% and unemployment is forecast to peak at a lower level of 4.75% (from 5%) for 2021 and to 4.25% (from 4.5%) for next year.

The consumer price index (CPI) recorded its highest level in three years in June at 2.5%. Fuel, other commodities and a rebound in food prices all contributed. The re-opening of the services sector saw higher prices in the hotel and restaurants sector; second-hand car prices rose to 5.6% and clothing prices were up 3.3%, contributing to an annual core rate of 2.3% from a previous 2%. U.K. unemployment for the three months to May rose slightly to 4.8%, with a 356,000 leap shown on HMRC PAYE data in June from May. Earnings surged with pay growth at 7.3% from a prior 5.6%. Supply issues mean that this is likely to increase in coming months. U.K. borrowing for June fell to £22.8 billion from £24.6 billion. The Institute for Fiscal Studies forecasts that borrowing for 2021/2022 would drop to 9.3% of gross domestic product (GDP), £30 billion less than the government's March expectations. Retail sales increased 0.5% in June, with the football European Championships encouraging increased sales of food and beverages. Food stores recorded a 4.2% increase, but clothing and household goods showed decreases of 4.7% and 10.9%, respectively. Year-end pressures are starting as the 6-month sterling London interbank offered rate (Libor) fell 1.5 basis points to 8.9 basis points.

Net average annual total returns (%)

(See important legal information)

Cumulative 3-month	Year to date	1-year	3-year	5-year	10-year	Since inception
0.01	0.01	0.05	0.48	0.45	0.52	0.92

Share class details

Class	ISIN	SEDOL	Dividend	Ongoing charges*	Min initial investment
2 INC	GB00B2R5TD77	B2R5TD7	Income	5 bps	N/A

*The ongoing charges figure is based on the annual management charge and the running costs of the fund for the 12 month period ending 31 December 2020. It excludes portfolio transaction costs. The ongoing charges figure may vary from year to year.

Top portfolio issuers

Nationwide Building Society
Mizuho Financial Group, Inc.
France, Government of
JPMorgan Chase & Co.
Royal Bank of Canada

Toronto Dominion Bank
Nordea Bank Abp
Sumitomo Mitsui Financial Group, Inc.
Pohjola Group PLC
Societe Generale

These holdings may not be indicative of future portfolio composition. Because this is a managed portfolio, the investment mix will change.

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Class 2 Shares - income

Federated Hermes (UK) LLP

Federated Hermes (UK) LLP offers liquidity fund products on a wholesale, competitive basis for a variety of corporate and institutional investors to distribute to their client base or use in the management of their own liquidity. Originally established in 2007 under the name Prime Rate Capital Management LLP, as an independent, UK-domiciled specialist provider of AAA-rated liquidity funds (known as Qualifying Money Market Funds), it was acquired on 13 April 2012 by Federated Investors, Inc., one of the largest investment managers in the US. On 23 September 2013 it was renamed Federated Investors (UK) LLP. On 18 June 2020, Federated Investors (UK) LLP was renamed Federated Hermes (UK) LLP.

About Federated Hermes

A financial industry pioneer since 1955, Federated Hermes, Inc ("Federated Hermes," formerly, "Federated Investors, Inc.") is one of the largest US investment managers. Known for our stability, diligence and diverse product line, Federated Hermes takes the long view, believing that doing business the right way over time will present opportunity for future growth. We apply the same approach to managing our international undertakings, which began in 1984 with the launch of one of the first international equity funds. Since then Federated Hermes has established a host of international funds and offices, including Federated International Management Limited ("FIML") in Dublin to manage Irish domiciled UCITS, Federated Hermes (UK) LLP (formerly Federated Investors (UK) LLP), to manage UK-domiciled UCITS, as well as Federated Investors Canada ULC, to manage a Canadian fund, and the Federated Hermes Short-Term Daily U.S. Dollar Fund, Ltd., based in the Cayman Islands. Highly experienced investment professionals direct our operations, and we continually look to increase our robust global footprint through organic growth and strategic acquisitions.

Important legal information

This document is issued by Federated Hermes (UK) LLP of 150 Cheapside, London, EC2V 6ET, a limited liability partnership registered in England OC327292 which is authorised and regulated by the Financial Conduct Authority with FCA reference number 469674. Past performance is no guarantee of future performance and the value of investments and income (yield) from them may fall as well as rise and investors may not get back the amount originally invested. Although the fund will attempt to maintain a stable net asset value per share, there is no assurance it will be able to do so. Shares of money market funds are not bank deposits and are not guaranteed by any government agency or other entity. For detailed information on the specific risks of investment, please refer to the fund's prospectus. Tax assumptions are subject to statutory change and the value of tax reliefs will depend on individual circumstances. Portfolio holdings are as of the date indicated, are subject to change, are not indicative of future holdings, and should not be viewed as a recommendation, investment advice or suitability of any investment. Fund credit ratings are based on an evaluation of several factors, including credit quality, diversification, and maturity of assets in the portfolio, as well as management strength and operational capabilities. Ratings of funds and their portfolio holdings are subject to change and do not remove market risks. Applications to invest must only be made on the basis of the offer document relating to the investment, which is only available to Eligible Counterparties and Professional Clients.

The Federated Hermes Short-Term Sterling Prime Fund is a sub fund of the umbrella fund, Federated Hermes Cash Management Funds which is an OEIC governed by UK law and authorised by the FCA. Any investment in the funds is made subject to the terms of the Funds' Prospectus and relevant Key Investor Information Document, which are available in English free of charge from the Investment Manager, Federated Hermes (UK) LLP, 150 Cheapside, London, EC2V 6ET.

For a copy of the Prospectus, Key Investor Information Document, information on portfolio holdings or other matters, please contact us on +44 (0) 20 7618 2600, or email us on info@FederatedInvestors.co.uk. Alternatively please see the information on our website at FederatedInvestors.co.uk.

Further information

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