

Federated Hermes Short-Term Sterling Prime Fund

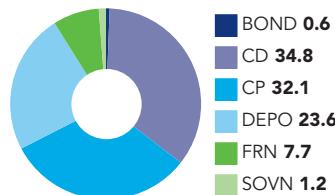


Class 8 Shares - accumulation

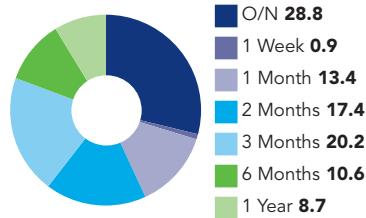
Standard and Poor's AAA rated | Fitch AAammf

30 April 2022

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

44.13 days

Weighted average life

62.43 days

Liquidity

Daily	29.32%
Weekly	35.63%

Fund information

Domicile	UK
Structure	OEIC UCITS
Launch date	09 January 2009
Dealing cut off	1.30pm London Time
Liquidity	T+1
Currency	GBP
Fund type	LVNAV
Fund volume	£3.9 billion

Key investment team



Gary Skedge
Vice President
Head of UK Cash Management Team
Senior Portfolio Manager



Joanne Bartell
Assistant Vice President
Portfolio Manager for the Federated
Hermes (UK) LLP products

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 (BoE) is expected to raise interest rates for the fourth consecutive meeting on May 5, taking the base rate from 0.75% to 1%. Only the threat of stagflation should prevent an even higher hike. Inflation hit 7% in March, up 0.8% from February. This was the highest level since 1992, and some are forecasting 9% in the coming months. The largest contributors were transport, which saw petrol pump prices increasing 12.6 pence-per-litre mainly due to the ongoing Ukraine war, and restaurants and hotels, whose prices rose 6.8%. Eight out of 12 sectors showed a broad-based increase, with housing and utilities, furniture and household goods, food and non-alcoholic beverages all rising. The 54% leap in the Ofgem energy price cap and the recent rise in national insurance likely will impact consumer confidence and decreased spending. Retail sales declined for the second consecutive month. Online purchases for March fell 7.9% (preceded by a previous 6.9%), with fuel purchases contracting 3.8% due to the increase in oil prices. The job market has returned to pre-pandemic levels, with the unemployment rate falling to 3.8% from 3.9% and over 1.29 million vacancies keeping pressure on wages. Due to inflation, real earnings fell 1.6% in February and are forecast to fall more than 3.5%, despite earnings increasing to 5.4% from 4.8%. The U.K. economy expanded in February by only 0.1%, missing the 0.8% forecast. But it is 1.5% higher than 2020 just before the Covid-19 pandemic. U.K. services rose to 62.6 for March. But the outlook for future growth remains subdued as higher inflation will pave the way for further BoE hikes. Gilt yields across the curve continued to rise in tune with the geopolitical situation and higher costs, with the 10-year up 29 basis point to 1.90% and the 2-year increasing 24 basis points to 1.58%.

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
0.09	0.08	0.09	0.29	0.37	0.42	0.56

Share class details

Class	ISIN	SEDOL	Dividend	Ongoing charges*	Min initial investment
8 ACC	GB00B2R5TL51	B2R5TL5	Accumulating	8 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 9 August 2021. 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.
Royal Bank of Canada
National Australia Bank Ltd., Melbourne
JPMorgan Chase & Co.

Groupe BPCE
Cooperatieve Rabobank UA
Toronto Dominion Bank
Commonwealth Bank of Australia
Nordea Bank Abp

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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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 Hermes Fund Management Ireland Limited in Dublin to manage Irish domiciled UCITS, Federated Hermes (UK) LLP (formerly Federated Investors (UK) LLP), to manage UK-domiciled UCITS, as well as 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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