

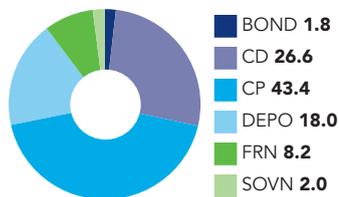
# Federated Hermes Short-Term Sterling Prime Fund

## Class 9 Shares - accumulation

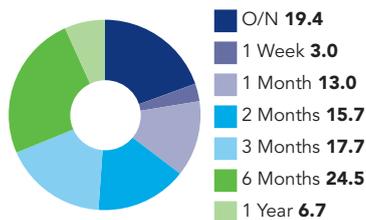
Standard and Poor's AAAm rated | Fitch AAAMmf

31 October 2020

### Portfolio composition (%)



### Effective maturity schedule (%)



### Weighted average maturity

58.09 days

### Weighted average life

73.07 days

### Liquidity

Daily 18.94%

Weekly 31.88%

### Fund information

Domicile	UK
Structure	OEIC UCITS
Launch date	29 December 2008
Dealing cut off	1.30pm London Time
Liquidity	T+1
Currency	GBP
Fund type	LVNAV
Fund volume	£5.6 billion

### Portfolio managers



Dennis Gepp  
Senior Vice President  
Managing Director & CIO



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



Joanne Bartell  
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 European Securities and Market Authority ("ESMA") Short-Term Money Market Fund.

### Investment manager's report

In response to the increasing number of Covid-19 cases, the government announced a further national lockdown to supersede the three-tier system introduced in October. Additionally, it extended the furlough system to the end of March 2021, with 80 % of wages being paid to existing employees. This coincided with a £150 billion increase in the Bank of England's asset purchase Program to £895 billion. This amounts to a £450 billion increase since March, and we could see an additional increase of £100 billion if the economy fails to pick up in 2021. The Bank of England's Monetary Policy Committee (MPC) unanimously voted to keep interest rates at 0.10%, and the central bank cut its 2020 growth forecast to -11 %, even though construction and manufacturing avoided the latest lockdown regulations. The predicted contraction compares dismally to the European Union's expected -6.75% and the U.S.'s -3.75%. Unemployment was expected to peak in 2021 at 7.75%, with positive growth returning to 7.25% for the year and 6.25% for 2022. UK public sector net borrowing of £36.1 billion in September brought total borrowing for the current fiscal year to £208.5 billion, raising the debt-to-GDP ratio to 103.5%, a 57-year high. The Moody's rating agency downgraded the UK sovereign debt. The outlook now has moved to stable from negative. The weekly UK T bill tender of 1-, 3- and 6-months continue to trade tighter, with 3-month bills trading at average rate of -0.053%. Twelve-month Libor eased a further 2.5 basis points to .125 basis points and 6-months by 3 basis points to 0.057 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	0.15	0.24	0.37	0.29	0.34	0.44

### Share class details

Class	ISIN	SEDOL	Dividend	Ongoing charges*	Min initial investment
9 ACC	GB00B3K45631	B3K4563	Accumulating	31 bps	£250,000

\*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 2019. It excludes portfolio transaction costs. The ongoing charge figure may vary from year to year.

### Top portfolio issuers

Mizuho Financial Group, Inc.	JPMorgan Chase & Co.
France, Government of	BNP Paribas SA
Cooperatieve Rabobank UA	Citigroup, Inc.
Nordea Bank Abp	Pohjola Group PLC
Royal Bank of Canada	Toyota Motor Corp.

*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 Federated International Management Limited ("FIML") in Dublin to manage Irish domiciled UCITS, Federated Asset Management GmbH in Frankfurt to service German-speaking countries, 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](mailto:info@FederatedInvestors.co.uk). Alternatively please see the information on our website at [FederatedInvestors.co.uk](http://FederatedInvestors.co.uk).

### Further information

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