

Federated Hermes Short-Term Sterling Prime Fund

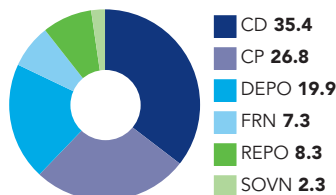
Class 8 Shares - accumulation

Standard and Poor's AAAm rated | Fitch AAAmmf

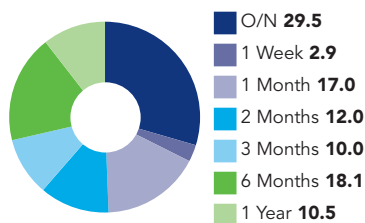
**Federated
Hermes**

31 October 2023

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

45.98 days

Weighted average life

69.38 days

Liquidity

Daily 29.51%

Weekly 34.74%

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	£7.3 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

With the unfolding conflict in the Middle East, geopolitical risks once again came to the forefront in October. Risk appetites changed, with safe-haven assets gaining and gold rising to a 3-month high. Oil prices surged, with natural gas prices increasing exponentially after pipe damage to the Balticconnector and due to Israel halting southern Chevron operations due to safety concerns. The Bank of England (BoE) Monetary Policy Committee voted 6-3 on November 2 to keep rates at their 15-year high of 5.25%. Service inflation, wage growth and unemployment remain key indicators. The U.K. economy appears to be reacting, as October data reflected the cooling of labour market. A report by S&P Global, KPMG and the Recruitment and Employment Confederation (REC) indicated a smaller rise in starting pay and improvement in candidate availability. Wage growth may have peaked, reflected in the August figures, though unemployment remains low. Gross Domestic Product (GDP) data for August remained weak but showed some resilience with the resolution of strike action. A rise of 0.2% in September would prevent growth falling in the third quarter. But the BoE revised growth lower, expecting it to be flat in 2024. The BoE projects inflation falling to 4.5% by year-end, but core inflation remained high at 6.1% in September. The International Monetary Fund expects inflation to be persistent the remainder of 2023, but drop to 3.7% in 2024. It also downgraded its prediction for 2024 U.K. GDP growth, though the forecast was higher than its forecast for some European countries. Moody's revised its U.K. outlook to stable from negative following last year's mini budget. The autumn statement due November 22 will include the Office of Budget Responsibility forecasts. Market sentiment is for an extended period of interest-rate stability around current levels, leaving any potential for a rise to 2024.

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
1.40	3.75	4.24	1.66	1.22	0.82	0.84

Share class details

Class	ISIN	SEDOL	Dividend	Ongoing charges*
8 ACC	GB00B2R5TL51	B2R5TL5	Accumulating	10 bps

*The ongoing charges figure is an estimate based on the annual management charge and the running costs of the Fund for the year ending 31 December 2022. An estimated figure is used because the Manager had previously imposed a voluntary limit on the total ongoing charges for the share class. It excludes portfolio transaction costs. The ongoing charges figure may vary from year to year

Top portfolio issuers

Sumitomo Mitsui Trust Holdings, Inc.
Nationwide Building Society
Mitsubishi UFJ Financial Group, Inc.
United Kingdom, Government of
BNP Paribas SA

Toyota Motor Corp.
Mizuho Financial Group, Inc.
Sumitomo Mitsui Financial Group, Inc.
ABN Amro Bank NV
Lloyds Banking Group PLC

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 Managers 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@FederatedHermes.co.uk. Alternatively please see the information on our website at [FederatedHermes.com/us/uk-ucits](https://www.FederatedHermes.com/us/uk-ucits).

Further information

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