

## Federated Hermes Global High Yield Credit Fund

Factsheet 31 December 2020

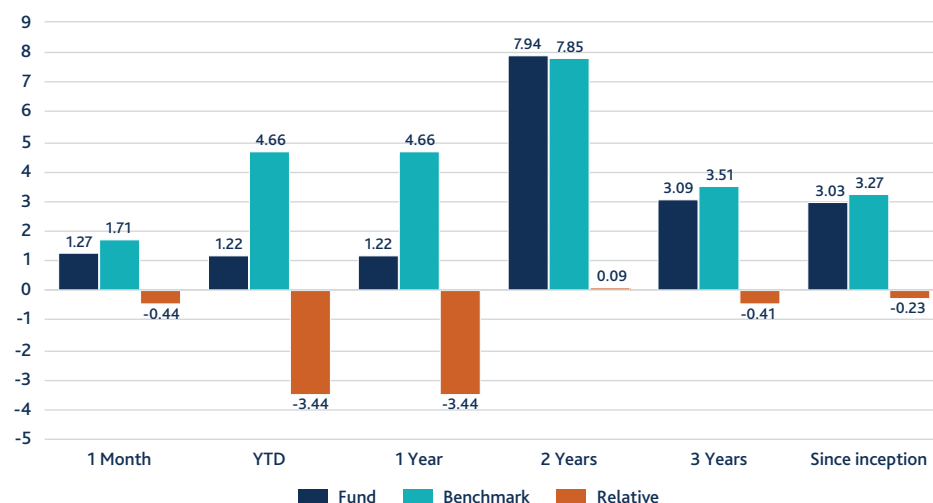
Objective: The investment objective of the Fund is to generate a high level of income by investing primarily in a diversified portfolio of high yield securities.

### Fund information

Fund type	UCITS
Inception date	11 May 2010
Fund size (m)	£300.0 / €335.1 A\$531.4 / US\$410.0 S\$541.9
Lead Portfolio Manager	Fraser Lundie
Co-Portfolio Manager	Andrey Kuznetsov
Benchmark	ICE BofA Global High Yield Constrained EUR Hedged
IA sector	£ High Yield
No. of issuers	162
Concentration of top 10 holdings (%)	15.15
Base currency	Euro
Pricing	Daily
Valuation point	Close of business
Ongoing Charge (%)	0.83
Share class	F2 Euro Dist
Historic Yield (%)	3.90
Dist. Payment Dates	1 February & 1 August
Min. investment	£100,000 or currency equivalent
ISIN	IE00B4WBMD53
Valoren	12328476
WKN	A1XAQ9
Bloomberg ticker	HHYBFEI
Morningstar Rating	★★★★
Citywire Rating	CITYWIRE +
FE Crown Fund Rating	FE fundinfo Crown Fund Rating

Share classes - whether Accm or Dist, hedged or unhedged - are available in other currencies. Ongoing Charge as at 30 June 2020 (estimated number). Morningstar as at 30 November 2020. Citywire UK as at 30 November 2020, ratings have been awarded to the Portfolio Managers based on their risk-adjusted performance track record. FE Crown Fund Rating as at 01 July 2020.

### Fund performance as at 31 December 2020 (%)



Performance over one year is annualised with relative data calculated arithmetically

### Performance as at 31 December 2020 (%)

	YTD	2019	2018	2017	2016	2015
Fund	1.22	15.11	-5.96	0.52	-	-
Benchmark	4.66	11.14	-4.67	0.04	-	-

### Rolling year performance (%)

	31/12/19 to 31/12/20	31/12/18 to 31/12/19	31/12/17 to 31/12/18	31/12/16 to 31/12/17	31/12/15 to 31/12/16
Fund	1.22	15.11	-5.96	-	-

Prior to 26th June 2020, Federated Hermes Global High Yield Credit Fund was named Hermes Global High Yield Credit Fund. Performance not available for all of the above period. Fund performance and the benchmark shown are valued at close of business. Performance shown is the F2 share class Euro Distributing net of costs and management fees since seeding on 10 October 2017. Subscription and redemption fees are not included in the performance figures. Funds with a mid-month inception date show part period performance for that month.

### Risk profile

- Past performance is not a reliable guide to future performance.
- The value of investments and income may go down as well as up and you may not get back the original amount invested.
- Bonds risk: Where the Fund invests in debt instruments (such as bonds) there is a risk that the entity who issues the contract will not be able to repay the debt or to pay the interest on the debt. If this happens then the value of the Fund may vary sharply in value or result in loss. Also the value of the debt instrument may go up or down with changing interest rates.
- Emerging Markets Risk: The Performance of the Fund will have some dependence on the economic environment of emerging markets which may negatively affect the value of the fund.
- Financial Derivative Instruments ('FDIs') Risk: The Fund makes extensive use of FDIs, the value of which depends on the performance of an underlying asset. Small changes in the price of that asset may cause larger changes in the value of the FDIs, increasing either potential gain or loss. FDIs can be used to alter the exposure to underlying Investments. Depending on how they are used, FDIs may increase or decrease the overall volatility of the Fund and carry the risk of substantial loss in market conditions which are not expected by the Investment Manager at the time the FDIs are entered into.
- Leverage Risk: The use of leverage may result in large fluctuations in the net asset value of the Fund, amplifying both gains and losses.
- For more information on risks please refer to the Key Investor Information Document and Prospectus.

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### Credit Rating (%)

	Fund	Benchmark
AAA	8.26	0.00
BBB	21.55	0.00
BB	61.55	60.88
B	8.28	28.72
CCC	0.30	9.32
CC	0.00	0.53
C	0.00	0.11
D	0.00	0.02
NR	0.06	0.00

### Maturity breakdown (%)

	Fund	Benchmark
< 1 year	9.48	1.06
1-3 years	11.83	18.88
3-5 years	11.09	30.92
5-7 years	26.46	24.75
7-10 years	21.46	16.87
10-15 years	2.52	2.82
15-20 years	1.00	1.33
20-25 years	2.03	1.27
25-30 years	3.71	1.72
> 30 years	10.41	0.38

### Geographical split\*\*

Regions	Fund (%)
N America	56.29
W Europe	22.92
United Kingdom	9.66
Latin America	6.43
Middle East & Africa	2.14
Asia Developed Markets	1.84
E Europe	1.24
Asia Emerging Markets	1.09

### Sector breakdown(%)

	Fund	Benchmark
Automotive	5.26	5.33
Banking	10.57	6.23
Basic Industry	17.36	9.64
Capital Goods	10.40	5.72
Consumer Goods	2.27	4.32
Energy	11.67	13.03
Financial Services	5.18	4.50
HealthCare	6.06	6.66
Index	-6.63	0.00
Insurance	2.61	1.06
Leisure	0.00	4.72
Media	6.31	6.53
Real Estate	2.04	7.29
Retail	4.08	4.06
Services	0.90	3.60
Sovereign	8.26	0.00
Technology & Electronics	2.00	3.65
Telecommunications	7.50	7.08
Transportation	0.39	2.43
Utility	3.77	3.85

### Top 10 issuers (%)

	Fund (%)
Enbridge	1.82
BHP Billiton	1.77
Toll Brothers	1.77
Lennar	1.65
Enterprise Products	1.46
Ball Corporation	1.43
Ally Financial	1.34
Anglo American	1.33
Ardagh Packaging	1.29
Barclays	1.29

### Instrument split

	Fund (%)
Bond	97.79
CDS (Long Risk)	9.58
Loan	0.79
Cash	0.39
Convertible	0.18
CDS Index	-6.74

### Risk analysis\*

	Fund	Benchmark
Option Adjusted Spread (bps)	224	406
Duration Times Spread (%)	95.34	100.00
Average Maturity (years)	11.24	6.03
Spread Duration (years)	5.00	3.54
Average-Weighted Coupon (%)	4.10	5.65
Duration (years)	3.94	3.40
Yield-to-Worst (%)	2.69	4.24

\*The yield that an investor receives may not be the same as the yield quoted above due to currency and fees.

\*\*Exposures shown are net and as such may not sum to 100%. Excludes cash and futures.

### Federated Hermes

Federated Hermes is a global asset manager guided by the conviction that responsible investing is the best way to create long-term wealth.

The group offers access to capabilities that span equity, fixed income, private markets, multi-asset and liquidity management strategies, in addition to experienced stewardship.

Before making any investment (new or continuous) please consult a financial advisor as to its suitability.

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SAI GLOBAL  
 ISO 14001  
 Environmental

## Glossary of terms

Accm or Accumulating	Instead of income derived from the fund's shares being paid to investors as dividends, this income is re-invested within the fund to buy further shares.
Average Weighted Coupon	Figure derived by weighting the coupon of each bond by its relative size in the portfolio.
Benchmark	A standard against which the performance of a security, mutual fund or investment manager can be measured. Generally, broad market stock and bond indexes are used for this purpose.
Bloomberg Ticker	A string of characters or numbers used to identify a listed company or entity on financial services news services.
Bond	An asset that allows an investor to lend money to a borrower (such as a corporation or government) for a defined period in exchange for interest being paid to the lender throughout the term of the loan and the loan being paid at maturity.
Citywire Rating	Citywire provides a rating of individual fund manager performance, rather than rating funds. Fewer than 25% of managers tracked qualify for a Citywire Fund Manager Rating. The ratings range downwards from AAA to AA, A and +.
COB	Close of business.
Coupon	The rate of interest paid on a bond, which is expressed as a percentage of the nominal or face value. Coupons are typically paid semi-annually. The coupon on a fund level is the weighted average of all of the coupons on the underlying investments.
Credit	An asset class that focuses on investment in instruments that allow entities (such as corporations and governments) to borrow money in order to fund activities. Interest is paid by the borrower to the lender in instalments (known as 'coupon payments') throughout the term of the loan and the loan is expected to be repaid at a defined date in the future. Borrowers receive a 'credit rating' that indicates how risky the loan is likely to be and how likely it is that the borrower will fail to make repayments. More risky borrowers will be expected to pay a higher interest rate to compensate the borrower for the risk.
Credit Default Swap (CDS)	CDS is an insurance contracted by two parties on one underlying issuer facing a risk of default. CDS long risk represents an investment purchased to make a profit from the price of the underlying investment rising. CDS short risk represents an investment purchased to make a profit from the price of the underlying investment falling. CDS Index is an index containing multiple CDS's.
Credit Exposure	The total amount of credit extended to a borrower by a lender and the maximum value that will be lost if the counterparty defaults on the loan.
Credit Spread	The yield spread, or difference in yield between different securities, due to different credit quality.
Duration	A measure that helps approximate the degree of price sensitivity of a bond to changes in the interest rates. Although stated in years, duration is often explained as an estimate of the percentage price change of a bond in response to a one percent change in interest rates. Bonds with higher duration have a greater sensitivity to changes in interest rates and will generally experience a more significant drop in value as interest rates rise so carry a higher degree of risk.
Duration Times Spread (DTS)	DTS equals credit spread multiplied by duration. This is a volatility measure of spread duration.
FE Crown Fund Rating	Ratings are compiled using three key measurements of a fund's performance. A five FE Crown Fund Rating reflects the highest tier.
Future	A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset) at a predetermined future date and price.
High-Yield Bond	A Bond that has a lower credit rating than other Bonds, increasing the potential risk of loan default. In return for the increased risk, the Bond will pay a higher interest rate ('yield') than investment grade Bonds.
Historic Yield	This shows the income paid out to investors over the last 12 months, divided by the NAV of the fund.
IA Sector	The IA sectors divide funds available in the UK, including some offshore (EU) funds, into smaller groups, to allow you to make like-for-like comparisons between funds in a sector.
ISIN	International Securities Identification Numbers (ISIN) uniquely identify a financial security for trading and settlement purposes.
Loan	Money lent to an entity under a contractual arrangement agreed between the borrowers and lender, in exchange for interest throughout the life of the loan and expected repayment of the loan at maturity.
Maturity	The period of time for which a financial instrument remains outstanding. Maturity refers to a finite time period at the end of which the financial instrument will cease to exist and the principal is repaid with interest. The term is most commonly used in the context of fixed income investments, such as bonds.
Morningstar Rating	A ranking ranging from one to five stars, with five being the best, given to publicly traded mutual funds by the investment research firm Morningstar.
Modified duration	A measure of risk for fixed income securities as it predicts the sensitivity of the value of the fund's portfolio to a change in interest rates. The higher the value the greater the volatility of the fund's performance resulting from changes to interest rates. If the modified duration of a fund is 5 then the average price movement of the fund resulting from a +/- 1% change in interest rates is 5%.
Ongoing Charge	Estimated charges taken from the Fund over one year.
Overweight / Underweight	A situation where a portfolio holds an excess or lesser amount of a particular security when compared to the security's weight in the underlying benchmark portfolio.
Portfolio Exposures	A measurement of how much a fund is invested in a particular financial security and/or market sector and/or industry. The measurement is usually represented as a percentage of the overall fund or a percentage relative to its benchmark.
Principal	The original sum invested.
Relative Curve Positioning by Duration Contribution	The total duration of a bond portfolio is composed of various duration 'contributions' or exposure along the yield curve. The portfolio has exposure to various sectors of the yield curve (specifically 0-5yrs, 5-15yrs, 15-30yrs, +30yrs) and this exposure is then compared to the index to give the relative exposure, with a positive being an overweight exposure, and a negative an underweight.
Spread Duration	A measure of the percentage change in a bond price for a 1% change in credit spread.
Valuation Point	The time at which the assets of a fund are priced.
Yield	A figure that shows the income return you receive from a bond. The yield displayed is the 'Effective Yield' of the fund; which takes into account reinvestment of all of the underlying bond coupon payments.
Yield Curve	A line that plots the interest rates at a set point in time having equal credit quality but differing maturity dates.
Yield to Worst	It is the lowest potential yield that can be received on a bond without the issuer actually defaulting. This figure is derived by weighting the Yield to Worst of each bond by its relative size in the portfolio.

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