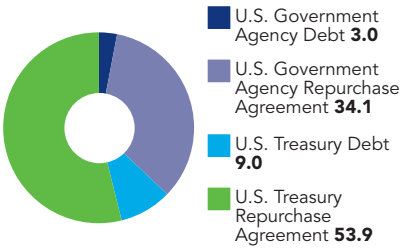
Federated Hermes Short-Term U.S. Government Securities Fund

Investment-Growth Series

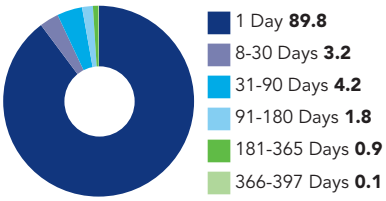
Standard & Poor's AAAm rated | Moody's Aaa-mf rated

31 October 2023

Portfolio composition (%)



Effective maturity schedule (%)



Weighted average maturity

9 Days

Weighted average life

11 Days

Liquidity**

Daily	88.00%
Weekly	98.83%

**Calculated in accordance with Regulation of the European Parliament and of the Council on Money Market Funds.

Fund information

Launch date	24 January 1992
Dealing cut off	Close of the NYSE normally 4:00 p.m. (US Eastern Time)
Fund currency	US dollar
Benchmark	IMMFA USD Government MMF's Stable NAV
Sales charge	None
Fund volume	US $866.6 million

Key investment team

Susan Hill, CFA

John Wyda, CFA

Investment objective and strategy

The investment objective of Federated Hermes Short-Term U.S. Government Securities Fund is to achieve current income while maintaining stability of principal and liquidity. The fund pursues its objective by investing in a portfolio of short-term high quality US Treasury securities and US government agency securities which comply with the criteria for money market instruments as set out in the UCITS regulations. These investments include repurchase agreements collateralized fully by US Treasury securities and US government agency securities. The maximum weighted average maturity of the securities in the fund's portfolio will not exceed 60 days. The weighted average life of the fund's portfolio will be limited to 120 days or less. The Central Bank of Ireland ("Central Bank") has authorized the fund to invest up to 100% of its assets in US government agency securities and US Treasury securities on the basis that such securities will be comprised of at least six different issues and any one issue will not account for more than 30% of the net assets of the fund. The fund is considered a Short-Term Money Market Fund in accordance with the requirements of the Central Bank Notices on money market funds. The securities in which the fund invests are restricted to securities which have a residual maturity until the legal redemption date of less than or equal to 397 days.

Investment manager's report

The Federal Reserve again left rates unchanged in the 5.25-50% range at its policy-setting meeting Nov. 1, pushing the fate of its inflation-fighting campaign to at least December. The beleaguered central bank seems finally to have caught a break, with two factors aiding its cause and buying it time.

First, the bond market is doing the Fed a favor with its ferocious backup in yields from the belly of the yield curve outward. In theory, this acts like policy tightening as it discourages borrowing, business planning and a host of reactions that could dampen activity. However, Chair Jerome Powell said policymakers want to see if the tighter financial conditions continue and don't think the rise in long-term yields is due to near-term shifts in policy expectations.

Then there's the economy itself, a case study in mixed signals. As stunning as the September jobs report was with an addition of 336,000 jobs-the largest monthly gain since January-temporary help fell, household employment barely rose and two other labor-market reports (ADP and Challenger) were weak.

Likewise, a consumer-fueled jump in third-quarter GDP growth of 4.9%-the biggest gain since the fourth quarter of 2021-has been tempered by mediocre manufacturing reports, poor affordability for homebuyers and vanishing corporate spending.

Most important, of course, is inflation, which remains well above the Fed's 2% target. All told, we think the December Federal Open Market Committee meeting is an active one, meaning a quarter-point hike is possible. If the Fed forgoes action, we can't rule out a hike in 2024.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.39%, 5.47%, 5.57% and 5.42%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.39%, 5.63%, 5.79% and 5.89%, respectively.

Average annual total returns (%)

(See important legal information)

Cumulative 3-month	Year to date	1-year	3-year	5-year	10-year	Since inception
1.09	3.33	3.82	1.40	1.14	0.63	1.86

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.

The fund's yield may vary.

Calendar year end returns (%)

2022	2021	2020	2019	2018
0.91	0.00	0.09	1.17	0.78

Source: Federated Hermes, Inc.

Share class details

	ISIN	WKN	Bloomberg	Dividend	Ongoing charges*
IGS	IE0003334947	989061	FEDUSGG	Income and gains from the fund are accumulated in its net asset value	105 b.p.

* As of 12 June 2023, the manager of the fund, Hermes Fund Management Ireland Limited, receives an annual management fee equal to the sum of 1.00% of the fund's average daily net assets which fee shall accrue daily and be paid monthly in arrears. The management agreement provides that the manager may voluntarily undertake to reduce or waive its management fee or to make other arrangements to reduce expenses of the fund to the extent that such expenses exceed such lower expense limitation as the manager may, by notice to the Company, voluntarily declare to be effective.

Federated Hermes Short-Term U.S. Government Securities Fund

Investment-Growth Series

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

Federated Hermes International Funds plc (the "Company") is organized pursuant to the Companies Act 2014, as amended (the "Companies Acts"), and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"). The Company is incorporated in Ireland under C.R.O. No. 168193. The Company is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds.

Source: Federated Hermes, Inc. Past performance may not be a reliable guide to future performance. The value of an investment can go down as well as up and return on your investment will therefore be variable. Income (yield) may fluctuate in accordance with market conditions and taxation arrangements. Changes in exchange rates may have an adverse effect on the value price or income of the product, depending on an investor's home currency.

An AAAm rating by Standard & Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price exposure and management. S&P monitors the portfolio weekly for developments that could cause changes in the ratings. Money market funds rated Aaa-mf by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Ratings are subject to change and do not remove market risks.

These shares have not been registered under the US Securities Act of 1933 (the "1933 Act"), as amended, or the US Investment Company Act of 1940, as amended, and may not be directly or indirectly offered or sold in the US or for the benefit of a US Person (as determined by Regulation S under the 1933 Act). This document is produced for information purposes only and does not constitute an offer to buy or a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or to be taken as investment advice. Potential investors should read the key investor information document (KIID) and the prospectus for the fund carefully and consult their own advisors before investing in the fund.

For more information about the fund, please call your financial intermediary for a prospectus, KIID, semi-annual report and/or annual report, or visit FederatedHermes.com/us/ucits. The prospectus is available in English, French and German, and the KIID is available in English, French and German. You should carefully consider the fund's investment objectives, risks, charges, and expenses before you invest. Full details of this fund are set out in the prospectus, which you should read carefully before investing. Any objective of the fund will be treated as a target only and should not be considered as an assurance or guarantee of performance of the fund or any part of it.

In Switzerland, Société Générale, Paris, Zürich Branch, Talacker 50, Postfach 1928 8021 Zürich, Switzerland has been authorised by the Swiss Financial Market Supervisory Authority (FINMA) as Swiss representative and as paying agent of the Company.

Further information

Federated Hermes International Funds plc
c/o BNY Mellon Fund Services (Ireland) Designated Activity Company
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1, D01 E4X0, Ireland

Hermes Fund Managers Ireland Limited
7/8 Upper Mount Street
Dublin 2, D02 FT59, Ireland

+353 (0) 21 4380600 (Outside the United States)
+1 800 861 3430 (Within the United States)
FederatedHermes.com/us/ucits

G28196-12 (11/23)
Hermes Fund Management Ireland Limited

© 2023 Federated Hermes, Inc.